

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

PROSPECTUS

Of

THE DACCA DYEING AND MANUFACTURING COMPANY LIMITED

For

Public offering of 1,70,00,000 Ordinary Shares of Tk. 10.00 each at par totaling Tk. 17,00,00,000.00

OPENING DATE FOR SUBSCRIPTION: 30.08.2009

CLOSING DATE FOR SUBSCRIPTION: 03.09.2009

For Non-Resident Bangladeshi (NRB) Quota, Subscription Closes on: 12.09.2009

UNDERWRITERS

ICB Capital Management Limited 8, DIT Avenue, Dhaka-1000	Trust Bank Limited Peoples Insurance Bhaban (2 nd , 16 th & 17 th Floor) 36, Dilkusha C/A, Dhaka-1000.
Standard Bank Limited 122-124, Motijheel C/A, Dhaka-1000.	IFIC Bank Limited BSB Building (8 th , 10 th , 16 th to 19 th Floor) 8, Rajuk Avenue, Dhaka-1000.
Exim Bank Limited Printers Building 5, Rajuk Avenue, Dhaka-1000.	IDLC Finance Limited Peoples Insurance Bhaban 36, Dilkusha C/A, Dhaka-1000.
Grameen Capital Management Limited Grameen Bank Bhaban Mirpur-2, Dhaka-1216.	Dhaka Bank Limited Biman Bhaban 100, Motijheel C/A, Dhaka-1000.
National Bank Limited 18, Dilkusha C/A, Dhaka-1000.	

Issue Date of the Prospectus: 09.07. 2009.

The issue shall be placed in "N" category

MANAGER TO THE ISSUE



ICB CAPITAL MANAGEMENT LIMITED

(A SUBSIDIARY OF ICB)

8, DIT Avenue (14th Floor), Dhaka - 1000.

Phone: 7160326-7, e-mail: ceocmcl@accesstel.net

Website: www.icbcm.com.bd

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

THE DACCA DYEING & MANUFACTURING COMPANY LIMITED

REGISTERED OFFICE

Sharif Mansion, 56-57, Motijheel Commercial Area (3rd & 4th Floor), Dhaka-1000.

Phone: 9558131-32, 9550355 Fax: 88-02-9550155, 9551189

E-mail: info@dd.qc-group.com, Website: www.dacca-dyeing.com

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

DDMCL	:	The Dacca Dyeing & Manufacturing Company Limited
IPO	:	Initial Public Offering
Commission	:	Securities and Exchange Commission
SEC	:	Securities and Exchange Commission
The Company/Issuer	:	The Dacca Dyeing & Manufacturing Company Limited
Issue	:	Public Issue of Shares of DDMCL
DSE	:	Dhaka Stock Exchange Limited
CSE	:	Chittagong Stock Exchange Limited
SC	:	Share Certificate
RJSC	:	Registrar of Joint Stock Companies & Firms
ICML	:	ICB Capital Management Limited
Stockholder	:	Shareholder
NRB	:	Non Resident Bangladeshi
NBR	:	National Board of Revenue
Allotment	:	Letter of allotment for shares
FC Account	:	Foreign Currency Account
STD Account	:	Short Term Deposit Account
Securities	:	Shares of The Dacca Dyeing & Manufacturing Company Limited
Securities Market	:	The Share Market of Bangladesh
Offering Price	:	Price of the share of The Dacca Dyeing & Manufacturing Company Limited being offered
Subscription	:	Application money
Certificate	:	Share Certificate
NAV	:	Net Asset Value of the Company
Sponsors	:	The Sponsor Shareholders of The Dacca Dyeing & Manufacturing Company Limited
MP	:	Market Price
Registered Office	:	Head Office of the Company
BO	:	Beneficiary Owner
CDBL	:	Central Depository Bangladesh Limited
CIB	:	Credit Information Bureau

AVAILABILITY OF PROSPECTUS

Prospectus of the Company may be available at the following addresses:

	Name & Address	Contact Person	Telephone No.
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Issuer Company

	The Dacca Dyeing and Manufacturing Company Limited. Sharif Mansion, 56-57, Motijheel Commercial Area (3 rd & 4 th Floor), Dhaka-1000.	Mr. Md. Majibur Rahman FCMA Company Secretary	9558131-32, 9550355 01713007528
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Issue Manager

	ICB Capital Management Ltd. 8, Rajuk Avenue, Dhaka-1000.	Mr. Md. Abdur Rouf Chief Executive Officer	7160326-27
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Underwriters

1.	ICB Capital Management Ltd. 8, Rajuk Avenue, Dhaka-1000	Mr. Md. Abdur Rouf Chief Executive Officer	7160326-27
2.	National Bank Limited 18, Dilkusha C/A Dhaka-1000.	Mohammad Hossain Senior Vice President	9563081-5
3.	Grameen Capital Management Limited. Grameen Bank Bhaban, Mirpur-2, Dhaka-1216.	Md. Aliuzzaman Managing Director	8057618
4.	IDLC Finance Limited Peoples Insurance Bhaban 36, Dilkusha C/A, Dhaka-1000.	Mr. Mahmudul Bari Senior Manager	9571842
5.	IFIC Bank Limited BSB Building (8 th , 10 th , 16 th to 19 th Floor) 8, Rajuk Avenue, Dhaka-1000.	Mr. Mosharraf Hossain SEVP & Head of TIB	9557000
6.	Standard Bank Limited 122-124, Motijheel C/A, Dhaka-1000.	A.F.M. Nizamul Islam Chowdhury EVP & Company Secretary	7169134 9558375
7.	Trust Bank Limited Peoples Insurance Bhaban (2 nd , 16 th & 17 th Floor) 36, Dilkusha C/A, Dhaka-1000.	Md. Ahsan Ullah Senior Vice President	9570261 9572012-3
8.	Exim Bank Limited Printers Building 5, Rajuk Avenue, Dhaka-1000.	Md. Humayun Kabir Senior Vice President	9561604
9.	Dhaka Bank Limited Biman Bhaban 100, Motijheel C/A, Dhaka-1000.	Mr. Kamrul Aziz Senior Principal Officer	9553113 9553104

Stock Exchanges

Dhaka Stock Exchange Limited (DSE) 9/F, Motijheel C/A, Dhaka-1000.	DSE Library	9564601-7 9666944-8
Chittagong Stock Exchange Limited (CSE). CSE Building, 1080 Sheikh Mujib Road, Chittagong.	CSE Library	031-714632-3 031-720871-3

Prospectus would also be available on the web site of SEC ([www. secdb.org](http://www.secdb.org)), DSE (www. dsebd.org), CSE (www. csebd.com), The Dacca Dyeing & Manufacturing Co. Ltd. (www.dacca-dyeing.com) and Issue Manager (www. icbcm.com.bd) and Public Reference Room of the Securities and Exchange Commission (SEC) for reading and studying.

Name, address and telephone number of the Auditors:	Rahman Mostafa Alam & Co. Chartered Accountants Paramunt Heights (Level - 7 - D2) 65/2/1, Box Culvert Road Purana Paltan, Dhaka-1000. Phone no. 9553449
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DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMAT FORM

As per provisions of the Depository Act, 1999 and regulations made there under, share of the company will be issued in dematerialized form, only and, for this purpose, The Dacca Dyeing and Manufacturing Company Limited has signed an agreement with the Central Depository Bangladesh Limited (CDBL). Therefore, all transfers/transmissions, splitting or conversions will take place in the CDBL system and any further issuance of shares (including rights/bonus) will also be issued in dematerialized form only.

CONDITIONS UNDER 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969

PART A

1. The company shall go for Initial Public Offer (IPO) for 1,70,00,000 ordinary shares of Tk.10.00 each at par worth Tk. 17,00,00,000.00 (Taka Seventeen Crore) only following the 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 four national daily newspapers (in two Bangla and two English), within 03 (three) working days of issuance of consent letter. The issuer shall post the full prospectus vetted by the Securities and Exchange Commission in the issuer's website and shall also put on the web sites of the Commission, stock exchanges, and the issue manager within 03 (three) working days from the date of issuance of the consent letter which shall remain posted till the closure of the subscription list. The issuer shall submit to SEC, the stock exchanges and the issue manager 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 manager. 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 Securities and Exchange Commission for official record within **5 (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 e-mail, 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 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 SEC jointly by the issuer and the issue manger within two working days from the date of said dispatch of the prospectus & the forms.**
6. The paper clipping of the published abridged version of the prospectus, as mentioned at **condition 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 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 abovementioned accounts for IPO purpose; and close these accounts after refund of over-subscription. 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 to travel 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 SEC, 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 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 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."
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 5 (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 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, 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, where applicable.
13. The company and the issue manager shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshis, 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 banker to the issue.
15. The issuer and the issue manager shall jointly provide the Commission and the stock exchanges the list of valid and invalid applicants in 2 (two) CDs and final status of subscription to the Commission within 3 (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 5(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. 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 80% shall be open for subscription by the general public. In case of under-subscription under any of the 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 issue manager 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 Tk.5,000/-. 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 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.**
20. Lottery (if applicable) shall be held within 4(four) weeks from closure of the subscription date.
21. The company shall issue share allotment letters to all successful applicants within 5(five) weeks from the date of the subscription closing date. 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 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 19 above.
Refund money of the unsuccessful applicants shall be credited directly to their respective bank accounts within 5(five) weeks from the date of the subscription closing, who have mentioned in the IPO application forms, bank account numbers with the bankers to the issue and other banks as disclosed in the prospectus. A compliance report in this regard shall be submitted to the Commission within 6(six) weeks from the date of closure of subscription.
22. 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.
23. 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 underwriter to take up the underwritten shares within **10 (ten) days** of the subscription closing date 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.
24. All issued shares of the issuer at the time of according this consent shall be subject to a lock- in 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 shares, who have subscribed to the shares of the company within immediately preceding two years of according consent, shall be subject to a **lock-in of one year** from the date of issuance of prospectus or commercial operation, whichever comes later.

25. **In respect of shares of Sponsors/Directors/Promoters (if in paper format) shall be handed over to security custodian bank registered with SEC 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 the 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 the managing director of the company along with lock-in confirmation to SEC 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 SEC.** The company shall apply to the stock exchanges for listing within **7(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.
26. The company shall apply to the stock exchanges for listing within **7(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.
27. The company shall not declare any benefit other than cash dividend based on the financial statements for the period ended on June 30, 2008.

PART -B

1. The issue manager (i.e. ICB Capital Management Limited) shall ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity without any error/omission, as vetted by the Securities and Exchange Commission.
2. The issue manager shall carefully examine and compare the published abridged version of prospectus on the date of publication with the copy vetted by SEC. 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 SEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under 'Due Diligence Certificate' provided with SEC.
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 IPO shall not be utilized prior to listing with stock exchange 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 on utilization of IPO proceeds **within 15 days** of the closing of each quarter 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 IPO 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 General Meeting under intimation to SEC and stock exchange(s).
8. **The company shall remove the restrictive clauses regarding issuance & transfer of shares and grouping of shares from its Articles of Association.**

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 owner account (BO account).
2. The issue manager shall also ensure due compliance of all above.

GENERAL INFORMATION

1. **ICB Capital Management Limited** (the Manager to the Issue) has prepared this prospectus based on the information provided by **The Dacca Dyeing and Manufacturing Company Limited** (the Issuer) and also upon several discussions with the Chairman, Managing Director and concerned executives of the Company. The Directors including Managing Director of The Dacca Dyeing & Manufacturing Co. Ltd. and ICB Capital Management Ltd. collectively and individually, having made all reasonable inquiries, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material aspects and that there are no other material facts, the omission of which would make any statement herein misleading.
2. 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.
3. 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.
4. A copy of this Prospectus may be obtained from the Head Office of The Dacca Dyeing & Manufacturing Co. Ltd., ICB Capital Management Limited, the Underwriters and the Stock Exchanges where the securities will be traded.

DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTORS, INCLUDING THE CEO OF THE ISSUER COMPANY "THE DACCA DYEING AND MANUFACTURING COMPANY LIMITED" IN RESPECT OF PROSPECTUS.

This Prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity and accuracy of the statements made, information given in the Prospectus, Documents, Financial Statements, Exhibits, 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/-
(Saifuddin Quader Choudhury)
Chairman & Director

Sd/-
(Jamaluddin Quader Choudhury)
Director

Sd/-
(Mrs. Meena Parveen Quader Choudhury)
Director

Sd/-
(Md. Amirul Islam)
Director
(Nominated by BSRS)

Sd/-
(Sameer Quader Choudhury)
Director

Sd/-
(Giasuddin Quader Choudhury)
Managing Director & Director

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

We hereby agree that we have been serving as Director(s) of The Dacca Dyeing & Manufacturing Co. Ltd. and continue to act as a Director of the Company.

Sd/-
(Saifuddin Quader Choudhury)
Chairman & Director

Sd/-
(Jamaluddin Quader Choudhury)
Director

Sd/-
(Mrs. Meena Parveen Quader Choudhury)
Director

Sd/-
(Md. Amirul Islam)
Director
(Nominated by BSRS)

Sd/-
(Sameer Quader Choudhury)
Director

Sd/-
(Giasuddin Quader Choudhury)
Managing Director & Director

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

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

**DECLARATION BY THE ISSUER ABOUT THE APPROVAL
FROM SEC 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 shall be published with the approval of the Commission.

For Issuer

Sd/-

(Giasuddin Quader Choudhury)

Managing Director

The Dacca Dyeing and Manufacturing Company Limited.

**DECLARATION BY THE ISSUE MANAGER ABOUT THE APPROVAL
FROM SEC 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 shall be published with the approval of the Commission.

For Manager to the Issue

Sd/-

(Md. Abdur Rouf)

Chief Executive Officer

ICB Capital Management Limited

Date: 02.12.2008.

DUE DILIGENCE CERTIFICATE OF MANAGER TO THE ISSUE

Sub: Public Offer of 1,70,00,000 Ordinary Shares of Tk. 10.00 each of The Dacca Dyeing and Manufacturing Company Limited.

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

1. We, while finalizing the draft prospectus pertaining to the said issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; and
2. On the basis of such examination and the discussion with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the Issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

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

For Manager to the Issue

Sd/-

(Md. Abdur Rouf)

Chief Executive Officer

ICB Capital Management Limited

Date: 02.12.2008

DUE DILIGENCE CERTIFICATE OF THE UNDERWRITER (S)

Sub: Public Offer of 1,70,00,000 Ordinary Shares of Tk. 10.00 each of The Dacca Dyeing and Manufacturing Company Limited.

We, the under-noted Underwriter(s) 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 discussion 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. All information as are relevant to our underwriting decision have been received by us and 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(s)

Sd/-

(Managing Director/Chief Executive Officer)

-ICB Capital Management Limited
-Standard Bank Limited
-IFIC Bank Limited
-Dhaka Bank Limited
-Exim Bank Limited
-Grameen Capital Management Limited
- National Bank Limited
-Trust Bank Limited
-IDLC Limited

RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS

Any investment always associates with risks. Among those risks some can be averted, others are beyond control, which may causes of loss. Before making any investment decision, Investors should take the risk factors into consideration. Major such factors are described in brief as under:

(a) Interest Rate Risk

Interest/financial charges are paid against any kind of borrowed fund. Volatility in money market and increased demand for loan presses on interest rate structure to be fixed in high. Rising of interest rate increases the cost of fund for a company, which have borrowed fund, and consequently profit is squeezed.

Management view:

The management of the Company is always aware of interest rate, which is concerned to the cost of fund of the Company. The Management prefers in procuring of the long-term fund with minimum fixed interest rate and the short-term fund with reasonable competitive rate. On the other hand management of the Company is emphasizing on equity based financing.

(b) Exchange Rate Risk:

The Company is 80% export oriented. The products of the company are sold against foreign currency and payments for raw material are also made in foreign currency. If exchange rate is increased against local currency opportunity is created for getting more revenue against sale in local currency. On the other hand if exchange rate goes down margin is squeezed in local currency.

Management view:

The exchange rate of the country is traditionally witnessed of upward trends, which makes ample opportunity of export. On the other hand, management perceives revaluation of local currency i. e. down trend of exchange rate will have little impact on profitability of the Company.

(c) Industry Risk

Textile is the largest industrial sub-sector in Bangladesh. It contributes highest in the country's total export earnings, gives employment to over four million people meets the second basic need for clothing of the country and contributes around 50% of the industrial value addition. But, after phasing out of the MFA, the global textile trade is now free from quota restriction. The phasing out of MFA has created a tough competitive environment, where Bangladesh is now competing the countries like China, India, Pakistan, Indonesia, and Thailand, Vietnam etc. countries that are very strong in production of textile goods.

Management view:

The textile industry has successfully coped with the post MFA competitive situation. The force, which is helping the sector for its strong existence, is emergence of backward linkage industry. Backward linkage industries are supporting for minimizing lead-time and cost of production.

(d) Market and technology related Risk

i) Market Risk:

Among the functional areas in a textile company, marketing exerts the sheer part of the importance. Proper implementation of the marketing tools as well as identifying new clients will ensure the success of the project. The continuous changes on preference in the yarn market will force the company to catch the trend. For which the company has to produce goods for international demand.

Management view:

The company set its focus only export market through inland back-to-back letter of credits. The management is trying to sell through direct contact with the customers in the selected regions understanding their needs. The company also has established relationship with potential buyers across the world and expects to find market for its capacity despite competition prevailing in the sector. Further, the commercial banks and financial institutions provide a thrust in the textile sector as they provide credit facilities to textile industries to acquire the yarn for their final products.

ii) Technology related Risk:

The production facilities of textile sectors are based on high –tech machineries. So any invention of new and more cost effective technology may cause functional obsolescence resulting in further substantial capital investment.

Management view:

The Dacca Dyeing and Manufacturing Company Limited are equipped with the most modern technologies. As per previous experience no frequent technological change has taken place in this industry so far. Furthermore according to feasibility study report as well as in practice this projects earning capacity is satisfactory and pay back period is short. So investment in the machineries will be recovered before any major technological change becomes commercially effective. In addition the project is capable to absorb any small technological changes.

(e) Potential or existing government regulations:

The Company operates under companies act, taxation policy adopted by NBR, Security and Exchange Commission (SEC)'s rules and rules adopted by other regulatory organizations. Any abrupt changes of the policies formed by those bodies will impact the business of the Company adversely.

Management view:

Unless any adverse policies are taken, which may materially affect the industry as a whole; the business of the Company will not be affected. Government emphasizes on the growth of Textile Industry to boost up the export of home textile goods. Yet the promoters and the sponsors have endeavor to convince the policy makers for adopting favorable terms & conditions, which will eventually help the home textile manufacturers of Bangladesh to compete with the low cost locations in the global arena.

(f) Potential changes in global or national policies

The performance of the company may be affected by the political and economical instability both in Bangladesh and worldwide. Any instance of political turmoil and disturbance in the country may adversely affect the economy in general.

Management view:

The company can prosper in a situation of political stability and a congenial business environment. Political turmoil and the disturbance are bad for the economy and so also for us.

(g) Operational risk

Shortage of power supply, labor unrest, unavailability or price increase of raw material, natural calamities like flood, cyclone, earth quack etc. may disrupt the production of the Company and can adversely impact the profitability of the Company.

Management view:

The compensation as well the benefit package will restrain the employees to leave their assignment and go for any employee movement for higher benefit packages. The project of the Company is situated at a high land where less record of flood. The factory building has strong RCC foundation, RCC floor, pre-fabricated steel structure to withstand wind, storm, rain etc. along with good drainage facility. The risks from these factors are also covered through Insurance. The company is also facilitated to keep a rational reserve for any future price escalation of the raw materials.

USE OF PROCEEDS

The proceeds of the shares from the Initial Public Offering (IPO) will be used for the following reasons:

SL No.	Particulars	Taka
1.	Acquisition of plant and machineries	124,325,000.00
2.	Working Capital	40,000,000.00
3.	Expenses for IPO	5,675,000.00
	Total	170,000,000.00

IMPLEMENTATION SCHEDULE:

Sl. No.	Name of Machineries	Brand & Origin	Taka	Approximate date of acquisition of plant & machinery	Projected date of full commercial operation
1.	Stenter Machine (Brand New) (10 Chambers) , 3.20 M Width -2 nos.	Alkan Makina, Turkey/ ACC Makina, Turkey/ Monforts, Germany	55,525,000.00	After 9 months of IPO fund received	After 12 months of IPO fund received
2.	Boiler Machine (Brand New), 10 Ton -1 no.	Cleaver Brooks, USA/ Burnham, USA/ Daelim Royal, Korea	8,160,000.00		
3.	Rotary Screen Printing Machine (Re-conditioned), 3.20 M Width 1no.	Zimmer, Austria/ Stork, Holland/ Reggiani, Italy.	23,800,000.00		
4.	Washing, Bleaching & Scouring Range (Re-conditioned), 3.20 Meter Width -1 Range	Goller, Germany/ Benninger, Germany/ Bruckner, Germany	36,840,000.00		
	Total		124,325,000.00		

A Certificate from SGS or Lloyds agencies on Re-conditioned machinery's economics life and price competitiveness will be taken duly certified by the chamber of commerce of the exporting country or the country of origin.

Sd/-
(Giasuddin Quader Chowdhury)
Managing Director

Sd/-
(Ali Ahsan Mohbub)
GM - Finance

DESCRIPTION OF BUSINESS

Corporate Status and Background

“The Dacca Dyeing & Manufacturing Company Limited” was incorporated on 31.12.1963 as a Public Limited Company with an authorized capital of Tk 12.50 million divided into 1.25 million shares of Tk 10.00 each. The Company commenced its operation on 09.01.1964. The Company was nationalized in 1972 and again returned back to previous shareholder in 1977. The Company is taken over by the present sponsors on 8th August 1995 by share transfer. Subsequently the authorized capital was increased on July 26, 1996 to Tk 1.00 billion, comprising 100.00 million ordinary shares of Tk 10.00 each. As on 30.06.2008 the paid-up capital of the Company has stood at Tk. 230.00 million comprising 23.00 million ordinary shares of Tk. 10.00 each that includes 3 million bonus share of Tk 10.00 each. Subsequently, the Company issued 50,00,000 right shares of Tk. 10.00 each amounting to Tk. 5.00 crore on July 10, 2008 to its existing equity shareholders which consent has been accorded by the Securities and Exchange Commission on April 9, 2008. Considering the above events, the present paid-up capital of the Company stood at Tk. 28.00 crore.

The Company had been listed with Dhaka Stock Exchange Limited on May 8, 1967 with the paid up capital of Tk. 4 million; thereafter the company was nationalized under P.O. 27 in the year 1972 and consequent upon the listing was discontinued.

The Company has been listed in CSE on March 21, 1998 with the paid up capital Tk. 44 million. The Company's shares were not traded in CSE except 7 (seven) days in 7 (seven) years of its listing. As such the Company vide its letter dated 30.06.2004 applied for voluntary delisting its securities from CSE. As the Company's shares were not liquidate/traded in CSE the Company requested for voluntary delisting and CSE had to delisted the Company with effect from February 9, 2005.

The Company is now operating under The Companies Act 1994. The registered office of the company is situated at Sharif Mansion, 56-57, Motijheel C/A (3rd & 4th Floor), Dhaka-1000 and the factory is located at Q.C Nagar, Pagar, Tongi, Gazipur on 11 acres of land and the total covered area is approximately 500,000 sft.

The Dacca Dyeing is the pioneer and one of the successful venture in home textile sector of the country and the recipient of the President Award for quality export in 1969-70, 1977-78 and the prestigious International Award in 1980. The Dacca Dyeing is an ISO 9001:2000 certified company issued by Moody International. The scopes of certificate are manufacturer and exporter of home textile products i.e. bed linen, table linen and terry items.

Nature of Business

The Company owns and operates one composite textile plant at Tongi, Gazipur having preparatory weaving, dyeing, finishing, and printing facilities producing high quality of bed sheet, napkin, table cloth, shirting fabrics, towel bath linen, kitchen linen, and all shorts of home textile products for marketing in Europe and North America. To some extent the company's products penetrate into the local market.

Principal Products

The company owns and operates one composite textile plant having preparatory, weaving, dyeing, finishing and printing facilities producing high quality of following products under two category:

i) Fabrics

Bed Sheet, Bed Cover, Pillow Case, Table Cloth, Shirting Fabrics, Napkin, Bath Linen, Kitchen Linen

ii) Towels

Bath Towel, Kitchen Towel, Fancy Towel

About 80% of DDMCL's total productions are exported and rest is for local corporate and retail sales. So, the world famous overseas buyers are the main group of customers of DDMCL. In the last year the major buyers of DDMCL were:

- M/S. Koppermann Co, Germany
- Little Woods Shop Direct Home Shopping Ltd., UK
- IKEA Trading (Hong Kong) Limited
- Heritage Linencraft Inc, Canada
- Ellos AB Sweden
- Dorma Group Ltd., UK

Furthermore, the brand “Dacca Dyeing” is well known in the country. The Company has major corporate clients namely Pan Pacific Sonargaon Hotel, Sheraton Hotel, Radisson Water Garden Hotel, Apollo Hospital, United Hospital, Square Hospital, and ICDDR. B.

RELATIVE CONTRIBUTION OF THE SERVICES CONTRIBUTING MORE THAN 10% OF THE TOTAL REVENUE

As per Audited Accounts for the year ended 30-06-2008 Fabrics contributing 88.51% of the total revenue.

Associates, Subsidiary/ Related Holding Company:

The Company does not have any subsidiary/related holding company except the following associate company:

The Dacca Yarn Dyeing Limited: The Company is incorporated as private limited company on 07.07.2006. The Company has not yet started its operation. However, The view of the Company is to set up a project of yarn dyeing of 5-ton capacity per day.

Distribution of Products:

The Company has 2 (two) outlets for retail sale of which one is situated on a rented place at HBFC Building (Ground Floor), 22 Puranpalton, in Dhaka and another one is situated on a own possession at Sanman Ocean City (Ground Floor), Shop no. 23/D, 997 CDA Avenue, East Nasirabad in chittagong. As on 30.06.2008 there exists 160 nos. of dealers through out Bangladesh who are selling the company's products. Sales to corporate customers are delivered from factory premises. On the other hand exporting products are distributed through Letter of Credit or sale contract.

Competitive Conditions in the Business

The following companies can be considered as competitors of the company:

1. Altex Fabrics Limited
2. Apex Weaving and Finishing Mills Ltd.
3. Zaber and Zubair Fabrics Ltd.
4. Saad Musa Fabrics Ltd.

Sources and availability of raw materials and the names of the principal supplies:

The main raw materials of the products are Yarn/fabric and Chemical, which are procured from both locally & globally. The names of principal suppliers are as follows:

Sl. No.	Name & Address	Sl. No.	Name & Address	Sl. No.	Name & Address
1.	Mahmud traders 43/1, Naya Palton (1 st Floor) Dhaka-1000.	4.	Benevolent Textile Services Concord Plaza (1st Floor) Bara Mogbazar, Dhaka-1217.	7.	A R Traders 15/A Mymensingh Road Bangla Motor, Dhaka.
2.	UP Thread Industries 49, Motijheel (3rd Floor) Room No. 408, Dhaka-1000.	5.	BASF, HR Bhaban (4th Floor) 26/1, Kakrail Road, Dhaka-1000.	8.	IMMCO 143/1, Arambag (1st Floor) Dhaka.
3.	Sheba Chemical Company 22, Syed Aulad Hossain Lane Dhaka-1000.	6.	Chemitek Services 331 Tongi Diverson Road Moghbar, Dhaka-1217.	9.	Allied Chemicals 7, K. M. Das Lane (1st Floor) Tikatoly, Dhaka-1203.

Sources of, requirement for, power gas and water

Power:

- a) The company meets up its required power for production from own source of three gas-based generator. The capacity of generators are as follows:

- 1) 1100 KVA
- 2) 1100 KVA
- 3) 600 KVA

Gas: Titas Gas Transmission and Distribution Co. Limited supplies required gas for the operation of the company.

Water: Required water for operation of the company is supplied from its own source of deep tube well.

Name of the customers who enjoy 10% or more of the Company's product / services:

One of the customers named IKEA Trading (Hong Kong) Limited purchases 10% or more of the company's products.

Contract with principal suppliers or customers:Sales Contract with principal customer named **IKEA Trading (Hong Kong) Limited**

ARTICLE		2008	2009	2010	2011
Pigment printed QCs	QTY in Million Set	1.50	3.00	3.60	4.32
	US\$ in Million	7.44	14.88	17.86	21.43
Uni-dyed fabric	Fabric in Million Meter	1.00	3.30	3.80	4.40
	US\$ in Million	1.04	3.43	3.95	4.58
Uni-dyed and/or bleached home textiles	QTY in Million Set	-	1.00	1.20	1.50
	US\$ in Million	-	3.13	3.76	4.70
Towel	QTY in Million Pcs	2.50	2.90	3.30	3.80
	US\$ in Million	1.53	1.77	2.01	2.32
Total Amount in US\$ in Million		10.01	23.21	27.58	33.02

There is no such contract with suppliers or customers.

Material patents, trademarks, license or royalty agreement:

The company has not entered into any such agreement.

Employees' position as on June 30, 2008:

Particulars	Manufacturing Workers	Officers and Staff	Total
No. of employees	1,402	171	1,573

Production Capacity and Current Capacity Utilization:

(As per audited Accounts)

Particulars	Licensed Capacity (Figure in Lac)	Installed Capacity (Figure in Lac)	Actual Production (Figure in Lac)
Weaving	158.97 yrds.	151.75 yrds.	75.00 yrds.
Dyeing	270.00 yrds.	262.61 yrds.	164.00 yrds.
Printing	270.00 yrds.	262.61 yrds.	164.00 yrds.
Stitching	No Mention	218.85 yrds.	160.00 yrds.

Projected Production Capacity and Utilization:

The proceeds of IPO will be used to procure the machineries mentioned in the page no. 12 of this prospectus, which will balance the production capacity of Finishing section with the Dyeing and Printing Department. After installation of these machineries the production capacity and its utilization will stand at:

Particulars	Licensed Capacity (Figure in Lac)	Installed Capacity (Figure in Lac)	Expected Production (Figure in Lac)	% of expected utilization
Weaving	158.97 yrds.	151.75 yrds.	121.40 yrds.	80%
Dyeing	370.00 yrds.	362.61 yrds.	308.22 yrds.	85%
Printing	370.00 yrds.	362.61 yrds.	308.22 yrds.	85%
Stitching	218.85 yrds.	218.85 yrds.	196.97 yrds.	90%

DESCRIPTION OF PROPERTY**Plants and Property:**

1. The factory of the company is situated at Tongi, Gazipur and registered Office is at Sharif Mansion (3rd & 4th Floor), 56-57 Motijheel C/A, Dhaka - 1000, Bangladesh. The company owns the following fixed assets:

	Name of the Assets	Sl. No.	Name of the Assets
1.	Land & Land Development	10.	Website Development
2.	Factory Building & Other Construction	11.	Vehicles
3.	Sales Center Development	12.	Air conditioner & Compressor
4.	Plant & Machinery	13.	Gas Line
5.	Electrical Installation	14.	Generator
6.	Laboratory Equipment	15.	Telecommunication Equip.
7.	Workshop Machinery	16.	Sundry Assets
8.	Office Equipment	17.	Capital Work-in-Progress
9.	Furniture & Fixture		

2. All existing assets as listed above except vehicles and some plant and machinery given below have been procured in brand new condition from the local vendors. Vehicles are procured reconditioned status from local showroom and plant & machinery as stated below are imported/purchased as recondition or second-hand:

A] WEAVING DEPTT.

Preparatory Section:

Sl. No.	Name of the Machine	Brand/Model	Country of Origin	Year of Manufacturing	Num. of Machine	Amount in Taka
1	Cone Winder	Schlafhorts	Germany	1980	1	1,000,000
2	Cone Winder	H-GS614	Japan	1988/89	2	1,050,000
3	Cone Winder	Murata	Japan	1982	1	430,000
4	Precision Cone Winder	Murata	Japan	1992	1	700,000
5	Cone Winder	Local	Bangladesh	1998	1	50,000
6	Sample Cone Winder	Mettlar	Japan	1982	1	50,000
7	Doubling Machine	Murata	Japan	1982	1	200,000
8	Twisting Machine	Hawa	Japan	1982	1	425,000
9	Two for one Twister	Leewha LW 164	Korea	1984	2	2,692,000
10	Sectional Warper	Hacuba USK	Germany	1984	1	2,311,049
11	Sectional Warper	Schlafhorts	Japan	1981	1	1,527,000
12	Sectional Warper	Gusken	Germany	1978	1	7,893,000
13	Direct Warper	Benninger	Switzerland	1982	1	3,479,000
14	Sizing Machine	Suker	Germany	1981	1	9,590,000
15	Knotting	Fischer Poege	Germany	1964	1	64,000
16	Knotting	Fischer Poege	Germany	1984	1	153,000
17	Knotting	Toyoda	Japan	1991	1	750,000
						32,364,049

B] Loom Section (Fabric)

1	Sulzer Project. Loom	TW 11	Switzerland	1981	46	55,000,000
2	Sulzer Project. Loom	PU	Switzerland	1982	16	18,944,000
3	Dornier Loom – dobby	GTV 8/S	Germany	1981-86	20	10,000,000
4	Dornier Loom – dobby	GTV 8/S, GTN	Germany	1981-87	95	30,633,262
5	Humidifire JAR	Spary Type	India	1980	30	499,000
6	Inspection Table	Toyo JBK-40	Japan	1991	2	918,000
7	Inspection Table	Menschner D- 8520	Germany	1980	1	130,000
8	Towel Sewing & Inspection	Izumi Kindai RT	Japan	1982	1	85,000
9	Inspection Mac.	Monforts MBH	Germany	1965	1	37,000
10	Punching Machine	Dobby Staubli	Switzerland	1982	2	103,000
11	Punching Machine	Jacquard Grosse	Germany	1981	1	96,000
12	Avery Scale	Birmingham	England	1985	2	129,000
13	Fuji Scale	Seisaku SHO	Japan	1986	1	80,000
14	Beam Lifetr	BT Inds. AB	Sewden	1992	1	129,000
15	Lea Tester		Japan	1980	1	26,000
16	Twist Tester		Japan	1980	1	21,000
17	Count Testing Balance		Japan	1982	1	26,000
						116,856,262

C] Loom section (Towel)

1	Sulzer Terry Loom	Ruti F4,F240	Switzerland	1982	20	21,297,200
2	Towel Loom	Vamatex	Italy	1981-86	10	12,500,000
3	Towel Loom	Hiraiwa MST 260-340	Japan	1987	6	4,100,000
4	Sample loom (Ruty)	Ruti BAZ F4	Switzerland	1986	2	480,000
						38,377,200

D] Dyeing Section (Fabric)

1	Raising Machine	Lamperty GB-L 82	Italy	1983/84	2	4,289,402
2	Pad Thermosol – 3.2m	Artros Aztec	Germany/USA	1985	1	5,433,044
						9,722,446

E] Dyeing Section (Towel)						
1	Jigger Machine	Vald, Henriksen	Denmark	1980	2	1,972,412
2	Jigger Machine	Gerber 80106	Germany	1964	2	530,000
3	Jigger Machine	Local	Bangladesh	1990	2	600,000
4	Winch Machine	Local	Bangladesh	1990	3	900,000
5	H.T. Dyeing Machine	MCS 1396	Italy	1984	2	5,000,000
6	Hydro Extractor	H. Krantz G.K 1200	Germany	1970	1	800,000
7	Hydro Extractor	Chung Moo	Korea	1985	1	150,000
8	Tumbler (Towel)	Passat 352/8184	Germany	1969	1	200,000
						19,874,858
F] Finishing Section:						
1	Sunforizing Machine	Poong Kwang PK-0c	Korea	1997	1	2,975,000
2	Calendar Machine	Kleinewefers- 100640	Germany	1965	1	3,100,000
3	Folding Machine	Monforts MLSD	Germany	1965	1	535,000
4	Hydrolic Lifter	RJ	Germany	1990	2	770,000
5	Stenter Machine	Victex AD 2	Japan	1994	1	11,703,770
						19,083,770
G] Printing Section:						
1	Stork Rotary printing Machine	Stork RD 1V	Holland	1987	1	10,833,413
2	Loop Steamer	Stork HS 3	Holland	1987	1	
3	Sample Printing Machine	Stork	Holland	1987	1	1,100,000
4	Color Kitchen	Stork van WYK SAN	Holland	1987	1	4,300,000
5	Loop Steamer	Arioli Vapolitermotex 75	Italy	1980	1	2,464,200
6	Sample Printing Machine	Reggiani	Germany	1994	1	7,500,000
						26,197,613
H] Utility Section:						
1	Gas Generator	Dorman 300 kva	England	1989	1	5,800,000
2	Boiler Machine	Kosin	Korea	1988/89	1	3,500,000
3	Boiler Machine	Standard Kassel	Germany		1	3,400,000
4	Transformer	500KVA	Bangladesh	1965	1	3,150,000
5	Transformer	1250 KVA			1	4,900,000
6	Deep Tube well	Ta 30 hp			1	438,000
7	Fork Lift				1	850,000
8	Screw type compressor				1	600,000
9	Compressor				5	1,000,000
						23,638,000
I] Yarn Dyeing Section:						
1	Package Pretret. Vessel	B. This	Germany	1964	1	3,325,000
2	Package Dyeing Vessel	B. This 3/510	Germany	1964	2	3,050,000
3	Package Dryer vessel	B. This 14/2133	Germany	1964	1	3,350,000
						9,725,000
J] Other Machinery:						
1	100 nos. A frame					4,000,000
						4,000,000
	Grand Total:					299,839,198

- The above assets are in good condition and are being used at the Registered Office, Sales Centers and Factory of the company and the company owns it.
- There exists mortgage on the properties (Land, Building, Machinery and Equipment) of the Company in the usual process of obtaining credit lines from Agrani Bank Ltd. Sonali Bank Ltd. and Dutch Bangla Bank Ltd.
- None of the property as listed in above point (1) is taken on lease. However, the company has taken 9 (nine) vehicles and one set of machinery (not included in above) from Prime Finance & Investment Ltd. and International Leasing & Financial Services Ltd., which are charged under operating lease.

6) The property as listed in above point (2) has been certified by SGS and other inspection agencies (other than machinery procured from local sources), on its economic life and price competitiveness duly certified by the chamber of commerce of the exporting country or the country of origin; the summary of inspection report is stated below:

A] WEAVING DEPTT.

Preparatory Section:

Sl. No.	Name of the Machine	Country of Origin	Purchase Cost in Taka	Book value as on 30.06.2008	Date of commercial Production	Summary of Inspection Report
1	Cone Winder	Germany	1,000,000	272,491	July 1, 2000	Procured from local source.
2	Cone Winder	Japan	1,050,000	286,115	July 1, 2000	Procured from local source.
3	Cone Winder	Japan	430,000	137,848	April 1, 2001	Procured from local source.
4	Precision Cone Winder	Japan	700,000	190,743	July 1, 2000	Procured from local source.
5	Cone Winder	Bangladesh	50,000	13,625	July 1, 2000	Procured from local source.
6	Sample Cone Winder	Japan	50,000	18,857	June 1, 2002	Procured from local source.
7	Doubling Machine	Japan	200,000	54,498	July 1, 2000	Procured from local source.
8	Twisting Machine	Japan	425,000	115,808	July 1, 2000	Procured from local source.
9	Two for one Twister	Korea	2,692,000	1,653,225	July 1, 2005	<p>Inspection Agency : QUALITY INSPECTION Certificate no. & Date: DA/06 dated 20-12-2003 Report that-</p> <ol style="list-style-type: none"> 1) Materials used in the fabrication of the mentioned machineries are visually inspected and satisfied. 2) The inspection finding confirm to L/C and contractual specification, consequently, we can conclude the correctness of the goods supplied. 3) Dimensions checked and found satisfactory with in the permissible tolerance in accordance with the Proforma invoice no. CH/0258/03 DT 21-08-2003. 4) Longgibility/Economic life: More than 10 (Ten) years. <p>The inspection finding confirm to L/C and contractual specification, consequently, we can conclude and satisfied the correctness of the goods supplied.</p>
10	Sectional Warper	Germany	2,311,049	1,259,605	October 1, 2004	<p>Inspection Agency : Klaus Kruckels Certificate no. & Date: dated 16-04-2004 Report that-</p> <p>This to certify that I have conducted that thorough pre-shipment inspection at loading port regarding, price, quantity, quality etc. and am submitting herewith my pre-shipment relating to the following machinery:</p> <ol style="list-style-type: none"> 1) Useful life time : Expected useful life time more than 10 (Ten) years. 2) Price : The CFR ICD kamalapur, Dhaka Bangladesh price of US \$ 38,900.00 for the machine is reasonable. 3) Quantity : 1 Sectional Warper. 4) Quality : The machines are complete and ready to weave.
11	Sectional Warper	Japan	1,527,000	416,093	May 1, 1999	Procured from local source.

12	Sectional Warper	Germany	7,893,000	2,150,768	May 1, 1999	Inspection Agency : SGS Certificate no. & Date: 0101/048227 dated May 7, 1999 Report that- <ol style="list-style-type: none"> 1. A Thorough visual inspection was performed. The machines and accessories were found to be complete and in good, useable, use condition. 2. Provided the machinery is handled in a professional and expert manner and is maintained strictly in accordance with the maintenance recommendation of the manufacturer, the economic and useful life expectancy of the machinery can be estimated to be more than ten (10) years. 3. The inspected machines described above were found to be in normal used technical condition. The inspection result was satisfactory.
13	Direct Warper	Switzerland	3,479,000	1,031,641	January 1, 2000	Inspection Agency : SGS Certificate no. & Date: 0101/048227 dated May 7, 1999 Report that- <ol style="list-style-type: none"> 1) A Thorough visual inspection was performed. The machines and accessories were found to be complete and in good, useable, use condition. 2) Provided the machinery is handled in a professional and expert manner and is maintained strictly in accordance with the maintenance recommendation of the manufacturer, the economic and useful life expectancy of the machinery can be estimated to be more than ten (10) years. 3) The inspected machines described above were found to be in normal used technical condition. The inspection result was satisfactory.
14	Sizing Machine	Germany	9,590,000	2,843,759	January 1, 2000	Inspection Agency : SGS Certificate no. & Date: 0101/048227 dated May 7, 1999 Report that- <ol style="list-style-type: none"> 1) A Thorough visual inspection was performed. The machines and accessories were found to be complete and in good, useable, used condition. 2) Provided the machinery is handled in a professional and expert manner and is maintained strictly in accordance with the maintenance recommendation of the manufacturer, the economic and useful life expectancy of the machinery can be estimated to be more than ten (10) years. 3) The inspected machines described above were found to be in normal used technical condition. The inspection result was satisfactory.
15	Knotting	Germany	64,000	17,439	August 1, 2000	Procured from local source.
16	Knotting	Germany	153,000	41,691	August 1, 2000	Procured from local source.
17	Knotting	Japan	750,000	204,368	August 1, 2000	Procured from local source.
	Sub-Total		32,364,049	10,708,574		

B] Loom Section (Fabric)						
1	Sulzer Project. Loom	Switzerland	55,000,000	17,190,946	May 1, 2000	<p>Inspection Agency : SGS Certificate no. & Date: 0101/049166 dated October 8, 1999 Report that-</p> <ol style="list-style-type: none"> 1) A Thorough visual inspection was performed. The machines and spare parts were found to be complete and in good, used condition. 2) Provided the machinery is handled in a professional and expert manner and is maintained strictly in accordance with the maintenance recommendation of the manufacturer, the economic and useful life expectancy of the machinery can be estimated to be more than ten (10) years. 3) The inspected looms/machines are complete and supplied as per proforma invoice and found to be in normal used technical condition. The inspection result was satisfactory.
2	Sulzer Project. Loom	Switzerland	18,944,000	10,761,435	January 1, 2005	<p>Inspection Agency : QUALITY INSPECTION Certificate no. & Date: 35/1137-23 dated 7-6-2004 Report that-</p> <p>We hereby certify that the goods are in accordance with the specification, Quantity, Quality and all other details are strictly in accordance with the terms of Proforma invoice no. 121/2004 dated 23-04-2004, with irrevocable documentary credit no. 000204010031 date 27-4-2004 and its amendments. Result that-</p> <ol style="list-style-type: none"> 1) Machines excellent running condition. 2) Remain useful life time is expected at least 15 years provided following conditions fulfilled in Bangladesh: <ul style="list-style-type: none"> • Operational conditions in compliance with the machinery manufacturer's instructions and manuals • Maintenance conditions and frequency in accordance with machinery manufacturer's Maintenance manual. <p>After having carried out the pre-shipment inspection (regarding price, quantity, quality, longgibility) of the above mentioned machines, we certify that the machines are complete and ready to weave.</p>
3	Dornier Loom – doobby	Germany	10,000,000	2,965,338	January 1, 2001	<p>Inspection Agency : Intertek Testing Services (ITS) Certificate no. & Date: DEH000028 dated 24-07-2000 Report that-</p> <p>We certify that "Looms/Machines" are supplied as per supplier's proforma invoice no. 9308 dated 29-02-2000. the forgoing represents findings at the place and date of attendance only and the report is issued without prejudice. Useful life of the looms/machines can be estimated to be more than 10 (Ten) years.</p>

4	Dornier Loom – doobby	Germany	30,633,262	14,791,448	January 1, 2004	Inspection Agency : SGS Certificate no. & Date: 010101/2030/500131/03 dated May 30, 2003. Report that- 1) Work-Test certificates were handed to the SGS inspectors, scrutinized and considered satisfactory. 2) The condition of looms is good and that residual life of machines is not less than 10 (Ten years). 3) On the basis of the inspection performed and our certificate issued we hereby confirm that quality and quantity were found to be in conformity with the technical specification of the relevant letter of credit. The looms/Machines are complete and ready to weave.
5	Humidifire JAR	India	499,000	135,973	July 1, 2000	Inspection Agency : SGS Certificate no. & Date: 5301/22/006136 dated September 30, 1999 Report that- 1) On the basis of our inspection, we are of the opinion that the material inspected were generally confirming to the proforma invoice.
6	Inspection Table	Japan	918,000	250,146	July 1, 2000	Procured from local source.
7	Inspection Table	Germany	130,000	35,424	May 1, 1999	Procured from local source.
8	Towel Sewing & Inspection	Japan	85,000	23,162	May 1, 1999	Procured from local source.
9	Inspection Mac.	Germany	37,000	10,082	August 1, 2000	Procured from local source.
10	Punching Machine	Switzerland	103,000	28,067	August 1, 2000	Procured from local source.
11	Punching Machine	Germany	96,000	18,900	August 1, 2000	Procured from local source.
12	Avery Scale	England	129,000	25,397	July 1, 1998	Procured from local source.
13	Fuji Scale	Japan	80,000	21,799	July 1, 1998	Procured from local source.
14	Beam Lifetr	Sewden	129,000	35,151	July 1, 2000	Procured from local source.
15	Lea Tester	Japan	26,000	5,119	July 1, 1998	Procured from local source.
16	Twist Tester	Japan	21,000	4,134	July 1, 1998	Procured from local source.
17	Count Testing Balance	Japan	26,000	5,119	July 1, 1998	Procured from local source.
	Sub-Total		116,856,262	46,307,640		
C] Loom section (Towel)						
1	Sulzer Terry Loom	Switzerland	21,297,200	12,261,697	February 1, 2005	Inspection Agency : QUALITY INSPECTION Certificate no. & Date: 35/1137-22 dated 20-5-2004 Report that- We hereby certify that the goods are in accordance with the specification, Quantity, Quality and all other details are strictly in accordance with the terms of Proforma invoice no. fit 120/04 dated 10-03-2004, with irrevocable documentary credit no. 000204010021 date 16-03-2004 and its amendments. Result that- 1) Remain useful life time is expected at least 15 years provided following conditions fulfilled in Bangladesh: <ul style="list-style-type: none"> • Operational conditions in compliance with the machinery manufacturer's instructions and manuals • Maintenance conditions and frequency in accordance with machinery manufacturer's Maintenance manual. After having carried out the pre-shipment inspection (regarding price, quantity, quality, longgibility) of the above mentioned machines, we certify that the machines are complete and ready to weave.

2	Towel Loom	Italy	12,500,000	2,460,930	August 1, 1998	Procured from local source.
3	Towel Loom	Japan	4,100,000	1,979,709	January 1, 2004	Procured from local source.
4	Sample loom (Ruty)	Switzerland	480,000	94,500	August 1, 1998	Procured from local source.
	Sub-Total		38,377,200	16,796,835		
DJ Dyeing Section (Fabric):						
1	Raising Machine	Italy	4,289,402	2,634,229	July 1, 2005	Inspection Agency : SGS Certificate no. & Date: 48/04-0048 dated October 31, 2004. Report that- 1) According to suppliers declaration (attached): "The residual life of the machines can be 20-25 years subject to maintenance carried out to manufacturer's instructions and depending on correct operation."
2	Pad Thermosol – 3.2m	Germany/ USA	5,433,044	3,336,568	July 1, 2005	Inspection Agency : SGS Certificate no. & Date: 0790/023034 dated November 15, 2004 Report that- 1) The goods were presented for inspection and were subject to a careful, visual examination to confirm quality and quantity against proforma invoice no. RG/IN/040629. Our inspection showed that the goods confirmed to the proforma invoice requirements. Quantities were checked and found to be correct. 2) The residual life of the machines can be 20-25 years subject to maintenance carried out to manufacturer's instructions and depending on correct operation 3) As a result of our inspection, we are able to certify that the goods as described in the section 1.0 of this certificate are used and confirming to proforma invoice specification.
	Sub-Total		9,722,446	5,970,797		
EJ Dyeing Section (Towel):						
1	Jigger Machine	Denmark	1,972,412	1,150,742	March 1, 2005	Inspection Agency : SGS Certificate no. & Date: TRD/06434/04 dated June 23, 2004 Report that- 1. It was power up and appeared to be in a good working condition. The steam line was very rusty. All parts appeared to be original. No external damage was seen. All specifications were verified. 2. It is estimated that the residual life of the machine to be approximately (ten) 10 years depending on its utilization and maintenance.
2	Jigger Machine	Germany	530,000	144,420	July 1, 2000	Procured from local source.
3	Jigger Machine	Bangladesh	600,000	192,346	August 1, 2001	Procured from local source.
4	Winch Machine	Bangladesh	900,000	339,435	May 1, 2002	Procured from local source.

5	H.T. Dyeing Machine	Italy	5,000,000	1,482,669	January 1, 2000	<p>Inspection Agency : SGS Certificate no. & Date: 0101/048227 dated May 7, 1999 Report that-</p> <ol style="list-style-type: none"> 1. A Thorough visual inspection was performed. The machines and accessories were found to be complete and in good, useable, use condition. 2. Provided the machinery is handled in a professional and expert manner and is maintained strictly in accordance with the maintenance recommendation of the manufacturer, the economic and useful life expectancy of the machinery can be estimated to be more than ten (10) years. 3. The inspected machines described above were found to be in normal used technical condition. The inspection result was satisfactory.
6	Hydro Extractor	Germany	800,000	328,342	January 1, 2004	Procured from local source.
7	Hydro Extractor	Korea	150,000	40,874	January 1, 2000	Procured from local source.
8	Tumbler (Towel)	Germany	200,000	54,498	January 1, 2000	Procured from local source.
Sub-Total			10,152,412	3,733,326		
F] Finishing Section:						
1	Sanforising Machine	Korea	2,975,000	1,552,969	July 1, 2004	<p>Inspection Agency : QUALITY INSPECTION Certificate no. & Date: DA/06 dated 20-12-2003 Report that-</p> <ol style="list-style-type: none"> 1) Materials used in the fabrication of the mentioned machineries are visually inspected and satisfied. 2) The inspection finding confirm to L/C and contractual specification, consequently, we can conclude the correctness of the goods supplied. 3) Dimensions checked and found satisfactory with in the permissible tolerance in accordance with the Proforma invoice no. CH/0258/03 DT 21-08-2003. 4) Longgibility/Economic life: More than 10 (Ten) years. <p>The inspection finding confirm to L/C and contractual specification, consequently, we can conclude and satisfied the correctness of the goods supplied.</p>
2	Calendar Machine	Germany	3,100,000	1,618,219	July 1, 2004	Procured from local source.
3	Folding Machine	Germany	535,000	279,273	July 1, 2004	Procured from local source.
4	Hydrolic Lifter	Germany	770,000	401,945	July 1, 2004	Procured from local source.

5	Stenter Machine	Japan	11,703,770	6,109,441	July 1, 2004	<p>Inspection Agency : QUALITY INSPECTION Certificate no. & Date: QI/KA/03/01 dated 13-10-2003 Report that-</p> <p>Survey is carried out in presence of the representative of the supplier in accordance with the specification, Quality, Quantity, Price, Production capacity, present life of machinery and all other details of the goods as per Proforma invoice no. SH/0258/03 dated 21-08-2003. Result that-</p> <ol style="list-style-type: none"> 1) Second hand stenter machine: 1Set 2) Details Specification: As per proforma invoice found. 3) Price : As per proforma invoice compared. 4) Mechanical Speed range : 5-80 m/min 5) Working Condition : Good 6) Present Location : Daegu, Korea 7) Present life of machinery : At least 10 years
Sub-Total			19,083,770	9,961,847		
GJ Printing Section:						
1	Stork Rotary printing Machine	Holland	10,833,413	6,320,416	March 1, 2005	<p>Inspection Agency : SGS Certificate no. & Date: TRD/06434/04 dated June 23, 2004 Report that-</p> <ol style="list-style-type: none"> 1. We found that the machines were in a used condition and there were no signs of external damage. They were dirty with slight rust. The machines have not been used since 1993. They were in operation for approximately two (2) years (1991-1993). 2. The unit was powered up during inspection and it appeared to be in good working condition. The unit was build for use of both thermoplant and water soluvle glue. The residual life of the machine is estimated to be a minimum of ten (10) years, depending on the utilization, proper operations, frequent maintenance and repair. The above information for product quantity were verified.
2	Loop Steamer	Holland			March 1, 2005	<p>Inspection Agency : SGS Certificate no. & Date: TRD/06434/04 dated June 23, 2004 Report that-</p> <ol style="list-style-type: none"> 1. We found that the machines were in a good condition and there were no signs of external damage except for a broken bracket in the end ring-gluing device heating element. The stork loop steamer was powered up and appeared to be in a good working condition. Accessories are available for the end ring gluing. The foam generator has never been used. 2. The other machines have been in operation for approximately two (2) years (1991-1993) and have not been used since. The residual life of the machine is estimated to be a minimum of 10 years, depending on the utilization, proper operations, frequent maintenance and repair.

3	Sample Printing Machine	Holland	1,100,000	641,761	March 1, 2005	Inspection Agency : SGS Certificate no. & Date: TRD/06434/04 dated June 23, 2004 Report that- 1. We found that the machine was operated manually and was in a good condition except for rusting in certain planes. The residual life of the machine is estimated to be a minimum of 10-15 years, depending on the utilization, proper operations, frequent maintenance and repair. The machine was in operation from 1991-1993 and has not been used since.
4	Color Kitchen	Holland	4,300,000	2,508,701	March 1, 2005	Inspection Agency : SGS Certificate no. & Date: TRD/06434/04 dated June 23, 2004 Report that- 1. All equipment seemed to be in used condition and there was no sign of external damage. The machines/equipment have not been used since 1993. The operational performance of the equipment would not be verified since they were not powered up. 2. The capacity of the tanks were not ascertained. The residual life of the equipment is estimated to be a minimum of ten (10) years, depending of the utilization, proper operations and maintenance.
5	Loop Steamer	Italy	2,464,200	1,513,327	July 1, 2005	Inspection Agency : SGS Certificate no. & Date: 1558/MI dated January 12, 2005 Report that- 1. We performed the following activities in order to verify the quality of the goods: Goods identification: on all pieces the identification of the goods was performed on the basis of: drawing no. 4254, proforma invoice no. 133/2004 DT 10-06-04. Machines are complete. The visual examination was performed on all machines complete. The material was found used. The dimensional checking was performed on main damnations. 2. We checked the quantity of the goods and ascertain that it was in conformity with the above-mentioned final invoice. The checks were carried on all pieces. All checks gave satisfactory results 3. The useful lifetime of the above machine (year 1980) is expected at least 15 years. 4. Based on the above we hereby certify that machines are complete and in conformity with the reference documents.
6	Sample Printing Machine	Germany	7,500,000	4,433,215	March 1, 2005	Procured from local source.
	Sub-Total		26,197,613	15,417,419		
HJ Utility Section:						
1	Gas Generator	England	5,800,000	1,580,445	January 1, 2000	Procured from local source.
2	Boiler Machine	Korea	3,500,000	1,552,969	July 1, 2003	Procured from local source.
3	Boiler Machine	Germany	3,400,000	669,373	January 1, 1998	Procured from local source.
4	Transformer	Bangladesh	3,150,000	-	January 1, 1992	Procured from local source.
5	Transformer		4,900,000	2,174,156	July 1, 2003	Procured from local source.
6	Deep Tube well		438,000	119,351	March 1, 2000	Procured from local source.
7	Fork Lift		850,000	231,617	March 1, 2000	Procured from local source.
8	Screw type compressor		600,000	163,494	March 1, 2000	Procured from local source.

9	Compressor		1,000,000	272,491	March 1, 2000	Procured from local source.
	Sub-Total		23,638,000	6,763,895		
Ij Yarn Dyeing Section:						
1	Package Pretret. Vessel	Germany	3,325,000	-	January 1, 1965	Procured from local source.
2	Package Dyeing Vessel	Germany	3,050,000	-	January 1, 1965	Procured from local source.
3	Package Dryer vessel	Germany	3,350,000	-	January 1, 1965	Procured from local source.
	Sub-Total		9,725,000	-		
JJ Other Machinery:						
1	100 nos. A frame		4,000,000	2,333,675	March 1, 2005	Inspection Agency : SGS Certificate no. & Date: TRD/06434/04 dated June 23, 2004 Report that- <ol style="list-style-type: none"> 1. It was power up and appeared to be in a good working condition. The steam line was very rusty. All parts appeared to be original. No external damage was seen. All specifications were verified. 2. It is estimated that the residual life of the machine to be approximately (ten) 10 years depending on its utilization and maintenance.
	Sub-Total		4,000,000	2,333,675		
	Grand Total:		290,116,752	117,994,008		
	Certificate from SGS		159,391,933	57,915,855	9.51%	
	Certificate from other agencies		69,923,019	36,563,709	6.00%	
	Uncertified		60,801,800	23,514,445	3.86%	
Book value of machinery (as per audited accounts as on 30.06.2008) Tk. 609,086,726						

PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITION

Revenue from operation from each of the last three years and Internal & External Sources of Cash are as follows:

Revenue from operation:

	As per Audited Accounts (Amount in Taka)		
	30-06-2008	30-06-2007	30-06-2006
Revenue from operation	28,432,028.00	22410907.00	4,508,826.00

(1) Internal & External Sources of Cash:

	As per Audited Accounts (Amount in Taka)		
Internal Sources of Cash:	30-06-2008	30-06-2007	30-06-2006
Share Capital	230,000,000.00	200,000,000.00	200,000,000.00
Share Money Deposit	27,927,970.00	-	-
Capital Reserve	192,888,817.00	221,831,752.00	250,922,266.00
Tax Holiday Reserve	3,804,291.00	10,804,291.00	10,804,291.00
Retained Earnings	28,718,407.00	23,286,379.00	-
Proposed Dividend	-	-	4,151,453.00
Revenue Reserve & Surplus	-	-	875,472.00
Sub Total	483,339,485.00	455,922,422.00	466,753,482.00
External Sources of Cash:			
Interest- bearing project loans (long term)	636,131,780.00	572,136,954.00	519,064,208.00
Loan from directors & Associates	16,800,826.00	3,332,639.00	1,212,759.00
Interest- bearing loans (short term)	309,508,271.00	273,980,193.00	208,374,807.00
Sub Total	962,440,877.00	849,449,786.00	728,651,774.00
Grand Total	1,445,780,362.00	1,305,372,208.00	1,195,405,256.00

(2) Material Commitment for capital expenditure

The Company has planned to procure capital machinery by using the proceeds of IPO.

(3) Material Change from period to period:

Particulars	As per Audited Accounts (amount in Tk.)		
	01.07.2007 to 30.06.2008	01.07.2006 to 30.06.2007	01.07.2005 to 30.06.2006
Sales of Goods	1,092,222,870.00	605,613,917.00	333,004,547.00
Cost of Goods Sold	(870,119,077)	(453,850,597.00)	(256,351,800.00)
Gross Profit	222,103,793.00	151,763,320.00	76,652,747.00
Selling and distribution costs	37,413,988.00	38,022,672.00	21,756,810.00
Administrative expenses	29,403,241.00	29,365,598.00	22,990,097.00
Financial Charges	118,180,548.00	56,779,503.00	24,059,462.00
	184,997,777.00	124,167,773.00	68,806,369.00
Gross Operating Profit	37,106,017.00	27,595,547.00	7,846,378.00
Non-operating income	1,400,395	88,515.00	44,069.00
Profit before contribution to WPPF & WWF	38,506,412.00	27,684,062.00	7,890,447.00
Contribution to WPPF & WWF	(1,833,639.00)	(1,318,289.00)	(375,736.00)
Profit before tax	36,672,773.00	26,365,773.00	7,514,711.00
Provision for income tax:	8,240,745.00	3,954,866.00	3,005,885.00
Current tax	-	3,954,866.00	1,127,207.00
Deferred tax	8,240,745.00	-	1,878,678.00
Net Profit after tax for the year	28,432,028.00	22,410,907.00	4,508,826.00

The company is being operated in profitability due to sincerity and cordial efforts of the management.

(4) Seasonal Aspect

There is no seasonal aspect of the company's business.

(5) Known Trends, Events or Uncertainties

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

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

No asset of the company has been disposed off to pay the liabilities.

(7) Loans taken by or given to the company either from its Holding/parent Company or subsidiary company

The company has no holding/parent company or subsidiary company. So loan taking from or giving to such concerns does not arise.

(8) Future Contractual Liabilities

The company has no plan to enter into any contractual liabilities within next one year apart from normal course of business.

(9) Future Capital Expenditure

The company has no plan for future capital expenditure other than purchasing of capital machinery as stated under caption 'Use of Proceeds' part of the prospectus.

(10) VAT, Income Tax, Customs Duty or other Tax Liability

(I) VAT:

There is no VAT liability of the company.

(II) Income Tax:

A declaration from auditors is given below, which reveals the present status of Income tax:

To whom it may concern

This is to certify that we have verified the assessment orders, demand notes, documents & other papers relating to Income Tax matters of The Dacca Dyeing & Manufacturing Company Ltd. bearing TIN 268-200-0251 under Companies Circle-14, Taxes Zone-5, Dhaka and tabulated the status of Income Tax as on 18.02.2009 as follows:

Assessment year	Remark
1995-96	Under writ petition no. 1846 of 2001, order passed dated 24 th November 2001. Stay order extended till disposal of the Rule.
1996-97	Under writ petition no. 1846 of 2001, order passed dated 24 th November 2001. Stay order extended till disposal of the Rule.
1997-98	Assessment Completed. Tax demand was Nil.
1998-99	Assessment Completed. Tax demand was Nil.
1999-2000	Assessment Completed. Tax demand was Tk. 1,27,623, which is subsequently paid.
2000-01	Assessment Completed. Tax demand was Nil.
2001-02	Assessment Completed. Tax demand was Tk. 10,93,015, which is subsequently paid.
2002-03	Assessment Completed. Tax demand was Tk. 14,80,985, which is subsequently paid.
2003-04	Assessment Completed. Tax demand was Tk. 6,46,824, which is subsequently paid.
2004-05	Assessment Completed. Tax demand was Tk. 2,20,759, which is subsequently paid.
2006-07	Under writ petition no. 38 of 2009 dated 12.02.2009, yet to judgment by honorable High court division.
2007-08	Assessment Completed. Tax return submitted under universal self assessment (82BB). Tax clearance certificate obtained from DCT.
2008-09	Assessment Completed. Tax return submitted under universal self assessment (82BB). Tax clearance certificate obtained from DCT.

Sd/-

Rahman Mostafa Alam & Co.

Chartered Accountants

Dated: Dhaka, February 18, 2009.

(III) Custom Duty or other Tax Liability:

There are no dues outstanding on account of custom duty or other tax liabilities.

(IV) Other contingent liability

There was no sum for which the company is contingently liable.

(11) Operating Lease during last five years

a) The company has established its Head Office and a show room on leased accommodation. Relevant information on the operating lease agreement with the landlord is as follows:

Sl. No.	Particulars of leased premises	Area in sft.	Period of lease	Rent per sft In Tk.	Monthly Amount In Tk.
1.	Sharif Mansion, 56-57, Motijheel Commercial Area (3rd & 4th Floor), Dhaka-1000.	700 (3 rd Floor)	Nov. 04 to Oct. 08	20.00	14,000.00
2.	Sharif Mansion, 56-57, Motijheel Commercial Area (3rd & 4th Floor), Dhaka-1000.	1730 (4 th Floor)	Apr. 04 to Apr. 08	19.00	32,870.00
3.	Sharif Mansion, 56-57, Motijheel Commercial Area (3 rd & 4 th Floor), Dhaka-1000.	975 (4 th Floor, Extension)	May. 07 to Mar. 08	19.00	18,525.00

4.	Bangladesh House Building Finance Corporation, 22, Purana Poltan, (Ground and Mezzanine Floor) Dhaka – 1000.	718, 371 (Main Floor and Mezzanine Floor respectively)	99 years lease from 1964 (Rent is renewable yearly basis)	Main Floor - 17.00 Mezzanine Floor - 9.00	15,545.00
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b) Apart from the above the following assets are taken under operating lease:

(Amount in Taka)

Sl. No.	Name of Lessor	Assets	Lease Amount	Period	Monthly Rental	Expiration of Lease
1.	Prime Finance & Investment Limited	One unit of Toyota Dyna 3 Ton Covered Van Year model 2002	18,93,000.00	48 months	52,950.00	August, 2009
2.	Prime Finance & Investment Limited	a. One Unit Toyota Platz Motor Vehicle Year model-2000 b. One unit of Toyota Platz Motor Vehicle 1000 cc, year model 2001	17,00,000.00	48 months	47,550.00	August, 2009
3.	International Leasing & Financial Services Ltd.	a. Three covered van b. Three probox car	1,00,00,000.00	48 months	2,94,000.00	June, 2012
4.	International Leasing & Financial Services Ltd.	Capital machinery	1,00,00,000.00	48 months with 3 months Grace period	2,88,200.00 Started from December 2008	June, 2012

(12) Financial and Lease Commitment during last five years

a. Financial Commitment:

(Amount in Tk.)

Sl. No.	Name of Institution	Sanctioned Type	Amount of Loan	Rate of Interest	Sanction Date	Half Yearly Installment	Total Installment (Half yearly basis)	Date of Maturity of Loan	Outstanding Balance as on 30.06.08
1.	Agrani Bank Ltd.	Term Loan	388,480,625.00	9% (Floating) Current rate 11%	13.03.2005	37,131,964.00	16	Dec. 2015	410,462,609.00
		CC (Hypo)	12,00,00,000.00	11% (Floating) Current rate 13%	30.06.2007	-	-	30.06.2008	138,286,948.00
2.	Sonali Bank Ltd.	Term Loan	14,75,00,000.00	9% (Floating) Current rate 11%	13.03.05	1,35,64,000.00	16	13.06.2015	175,487,307.00
		IDCP	25,00,000.00	9% (Floating) Current rate 11%	13.03.2005	5,04,000.00	5	30.12.2011	25,18,000.00
		CC (Hypo)	13,00,00,000.00	11% (Floating) Current rate 13%	20.11.2006	-	-	20.11.2007	163,456,934.00
3.	Dutch-Bangla Bank Ltd.	Term Loan	47,663,865.00	11.5% (Floating) Current rate 16%	13.03.05	51,26,890.45	16	Dec. 2015	47,663,865.00
		LTR	8,00,00,000.00	11.5% (Floating) Current rate 16%	12.03.2008			12.03.2009	943,881.00
		L/C	40,00,00,000.00	0.60% per quarter	12.03.2008	12.03.2009	174,489,008.00		
		B/G	1,00,00,000.00	0.60% per quarter	12.03.2008	12.03.2009	47,78,800.00		

b. Lease Commitment (Financial):

There is no financial lease commitment during last five years.

(13) Personal related scheme

The Company believes in supporting its employees and is offering incentives and motivation for its continued profitability and prosperity. With a view to supporting these lofty objectives, the Company operates 5% Workers Profit Participation Fund (WPPF), Festival Bonus and group Insurance.

(14) Breakdown of all Expenses connected with the public issue

The following is an estimate of expenditures on various accounts in relation to IPO:

Particulars	Rate	Amount in Tk.
Manager to the Issue Fees	@ 0.40% on Tk. 17, 00,00,000.00	6,80,000.00

Regulatory Expenses:

Listing related expenses:		
Service Charge for DSE	Fixed	5,000.00
Annual Fee for DSE & CSE	Fixed	1,40,000.00
Listing Fees for Stock Exchange (DSE & CSE)	@ 0.15% for the amount of paid up capital	12,00,000.00
SEC Fees		
Application Fee	Fixed	10,000.00
Consent Fee	@ 0.15% on entire offer	2,55,000.00

IPO Commission:

Underwriting Commission	@ 0.50% on Tk. 8,50,00,000.00	4,25,000.00
Bankers to the Issue Commission (at actual)	@ 0.1% on collected amount (Approx five times over subscribed)	8,50,000.00

Printing & Post IPO Expenses (Estimated):

Abridged version of Prospectus and Noticed	Estimated	3,00,000.00
Printing of Prospectus and Forms	Estimated	2,00,000.00
Post issue Expenses	Estimated	8,50,000.00
Arrangement of Lottery		2,09,000.00

CDBL Fees and Expenses:

Security Deposit of Eligible Securities	As actual	4,00,000.00
Documentation Fee	As actual	2,500.00
Annual Fee	As actual	1,00,000.00
Issue Fee	As actual	42,500.00
Connection Fee	As actual	6,000.00
Total		56,75,000.00

N.B. The costs of the above mentioned IPO expenses may vary and will be adjusted accordingly.

(15) Revaluation of assets:

The first revaluation of company's assets was made on 24.07.1996 by a survey company named Commodity Inspection Services (BD.) Limited. The valuation has been made for reflection of actual value of its assets. The revalued amount was incorporated in the accounts as on 30.06.1996. The summary of revaluation is shown below:

Description	(As per audited accounts)	
	Book value as on 30.06.1996	Revalued value as on 30.06.1996
Land & Land Development	5,093,142	65,759,000
Factory Building & Other Construction	2,642,833	47,276,164
Plant & Machinery	2,955,111	54,010,672
Electrical Installations	683,944	3,155,550
Testing Laboratory Equipment	7,370	432,000
Workshop Machinery	124,327	5,043,200
Office Equipment	268,931	268,931
Furniture & Fixtures	467,832	467,832
Vehicles	82,255	82,255
Air Condition	4,245	4,245
Gas Line Construction	12,160	12,160

Generator	3,553,000	3,553,000
Sundry Assets	7,070	7,070
Capital Work-in-Progress	9,651,000	9,651,000
Total	25,553,220	189,723,079

The second revaluation was made on 03.11.2000 by a survey company named Commodity Inspection Services (BD.) Limited. The valuation has been made for reflection of actual value of its assets. The revalued amount is incorporated in the accounts as on 30.06.2000. The summary of revaluation has shown below:

(As per audited accounts)

Description	Book value as on 30.06.2000	Revalued value as on 30.06.2000
Land & Land Development	67,177,500	178,727,100
Factory Building & Other Construction	43,235,636	51,512,500
Plant & Machinery	97,889,896	101,127,412
Electrical Installations	1,492,634	1,740,000
Testing Laboratory Equipment	225,507	225,507
Workshop Machinery	3,308,844	6,257,600
Office Equipment	504,333	504,333
Furniture & Fixtures	558,836	558,836
Vehicles	165,888	165,888
Air Condition	42,476	42,476
Gas Line Construction	6,348	6,348
Generator	2,590,137	4,553,000
Sundry Assets	183,725	183,725
Capital Work-in-Progress	70,143,882	70,143,882
Capital Work-in-Progress	16,186,943	16,186,943
Total	303,712,584	431,935,550

The revaluation reserve has been written off subsequently on yearly basis for decreasing the value of revalued assets. The balance of revaluation reserve was Tk. 192,888,816.00 on 30.06.2008.

(16) Transaction between holding/subsidiary/associate company and the issuer

The company does not have any holding or subsidiary company but only an associate company named The Dacca Yarn Dyeing Ltd. No transaction has been arisen with the associate company apart from the investment in shares of associate company amounting to Tk. 50,000.00 and share money deposit Tk. 10,113,989.00 as disclosed in note no. 4 (investment in shares) and 7.1 (advance & prepayments) of the audited accounts for the year ended 30.06.2008.

Special Report from the Auditors

Auditors' Certificate for Issue of Shares Otherwise than for Cash

Allotment of shares to the directors and subscribers to the Memorandum of Association and Articles of Association for any consideration otherwise than for cash issued in the year ended 30 June 2008 stated as follows:

Name of Directors	Status with the Company	No. of shares Allotted
Saifuddin Quader Chowdhury	Chairman	240,855
Giasuddin Quader Chowdhury	Managing Director	949,266
Sameer Quader Chowdhury	Director	209,105
Jamaluddin Quader Chowdhury	Director	228,532
Mrs. Meena Parveen Quader Chowdhury	Director	209,105
Bangladesh Shilpa Rin Shangshata	Shareholder	600,000
Agrani Bank	Shareholder	5,985
Others	Shareholders	557,152
Total		3,000,000

We certify that the books of accounts of the company have been verified and found in order.

Sd/-

The shares have been issued as bonus share as on 28.12.2007.

DECLARATION FOR NON- SUPPRESSION OF MATERIAL INFORMATION

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

Sd/-
(Giasuddin Quader Choudhury)
Managing Director
The Dacca Dyeing & Manufacturing Co. Ltd.

DIRECTORS AND OFFICERS OF THE COMPANY

DESCRIPTION OF THE DIRECTORS:

Sl. No.	Name	Age (Years)	Position	Date of Becoming Director for the first time	Expiry of current term	Experience
1	Mr. Saifuddin Quader Chowdhury	56	Chairman	08.08.1995	31 st AGM	32 Years business experience of textile, shipping, real estate etc.
2	Mr. Giasuddin Quader Chowdhury	54	Managing Director	08.08.1995	30 th AGM	30Years business experience of textile, shipping, real estate etc.
3	Mrs. Meena Parveen Quader Chowdhury	45	Director	06.12.2004	32 nd AGM	22 years business experience in different fields.
4	Mr. Jamaluddin Quader Chowdhury	50	Director	08.08.1995	30 th AGM	26 years business experience of textile, shipping, real estate etc.
5	Mr. Sameer Quader Chowdhury	24	Director	18.05.2005	29 th AGM	6 Years
6	Mr. Md. Amirul Islam Nominated by Bangladesh Shilpa Rin Sangstha from 23.04.1987	54	Director	23.04.1987	Continued	27 years

FAMILY RELATIONSHIP AMONG THE DIRECTORS

Mr. Saifuddin Quader Chowdhury, Mr. Giasuddin Quader Chowdhury and Mr. Jamaluddin Quader Chowdhury are brothers. Mrs. Meena Parveen Quader Chowdhury is wife of Mr. Giasuddin Quader Chowdhury and Mr. Sameer Quader Chowdhury is son of Mr. & Mrs. Giasuddin Quader Chowdhury.

FAMILY RELATIONSHIP AMONG DIRECTORS AND TOP FIVE OFFICERS

There is no relationship among directors and top five officers of the Company except that the Managing Director Mr. Giasuddin Quader Chowdhury is also the director of the company.

Short Bio-Data of the Directors

▪ Mr. Saifuddin Quader Chowdhury

Saifuddin Quader Chowdhury is Chairman of the company. He was born in 1951 at Chittagong; He is the second son of Late A.K.M. Fazlul Quader Chowdhury, a former Speaker of erstwhile Pakistan National Assembly, Minister of the Central Government and Acting President of Pakistan and Late Selina Quader Chowdhury. Mr. Saifuddin Quader Chowdhury obtained M Sc. in Mechanical Engineering from University

of Texas, Austin, USA. After completion of his education, Mr Chowdhury absorbed himself in his family business, which includes QC Shipping Ltd., QC Container Line Ltd., QC Petroleum Ltd., QC Enterprise Ltd., QC Express Line Ltd., QC Trading Ltd., Eastern Maritime Ltd. and The Dacca Dyeing & Manufacturing Company Limited.

▪ **Mr. Giasuddin Quader Chowdhury**

Giasuddin Quader Chowdhury is Director of the company and also entrusted with the responsibility of Managing Director. He was born on 1953 at Chittagong. He is the third son of late A.K.M. Fazlul Quader Chowdhury. Mr. Giasuddin Quader Chowdhury obtained his Secondary and Higher Secondary Education from Fauzderhat Cadet Collage, Chittagong, and then he got himself admitted into the University of Dhaka as a student of Political Science and obtained his Honours Degree in Political Science in 1977. After completion of his education, Mr. Chowdhury absorbed himself in his family business, which includes QC Shipping Ltd., QC Container Line Ltd., QC Petroleum Ltd., QC Enterprise Ltd., QC Express Line Ltd., QC Trading Ltd., Eastern Maritime Ltd., The Dacca Yarn Dyeing Ltd. and The Dacca Dyeing & Manufacturing Company Limited.

▪ **Mr. Jamaluddin Quader Chowdhury, Director**

Mr. Jamaluddin Quader Chowdhury was born in 1957 at Chittagong. He is the fourth son of Late A.K.M. Fazlul Quader Chowdhury. Mr. Jamaluddin Quader Chowdhury obtained B.Sc. (Marketing and Finance) and MBA Degree form Colombia University, New York, USA. After completion of his education, Mr. Chowdhury absorbed himself in his family business, which includes QC Shipping Ltd., QC Container Line Ltd., QC Petroleum Ltd., QC Enterprise Ltd., QC Express Line Ltd., QC Trading Ltd., Eastern Maritime Ltd., The Dacca Yarn Dyeing Ltd. and The Dacca Dyeing & Manufacturing Company Limited.

▪ **Mrs. Meena Parveen Quader Chowdhury, Director**

Mrs. Meena Parveen Quader Chowdhury was born on February 21, 1962. She completed her Masters from the University of Dhaka in Public Administration in 1985. She is a widely traveled woman. She engaged herself in the family business for a long time, which includes QC Petroleum Ltd., The Dacca Yarn Dyeing Ltd. and The Dacca Dyeing & Manufacturing Company Limited.

▪ **Mr. Sameer Quader Chowdhury, Director**

Mr. Sameer Quader Chowdhury, eldest son of Mr. & Mrs. Giasuddin Quader Chowdhury, is a Director of the company. He recently has completed his BBA from American Intercontinental University, London. His educational and family background will help him acquiring the needed skill in managing business affairs of export-oriented industries. He is a widely travelled and energetic young man who has been able to demonstrate his talent in conducting impressive dialogues in fruitful business negotiations. He engaged himself in the family business, which includes The Dacca Yarn Dyeing Ltd. and The Dacca Dyeing & Manufacturing Company Limited.

▪ **Mr. MD. AMIRUL ISLAM, Director
(Nominated by BSRS)**

General Manager of Bangladesh Shilpa Rin Sangstha is a highly experienced professional executive who has been serving in BSRS a Development Financing Institutions since 1983 and specialization in the management, Accounts, Finance, and Administration. He is involved in 6 numbers of listed and non-listed Companies as a nominee director of BSRS. Mr. Amirul Islam has completed his Honours and Masters degree in Management from the University of Dhaka. He is a Fellow member of the Institute of Chartered Accountants of Bangladesh and the Institution of Chartered Secretaries and Managers of Bangladesh.

CIB REPORT

There is a "Stay Order" from Honorable High Court due to not showing Mr. Giasuddin Quader Chowdhury, one of the directors of The Dacca Dyeing & Manufacturing Company Ltd., as a director of a company wherein he has interest. The rest of the directors and shareholders having 5% or more shares in the paid up capital of the Company are not loan defaulter in terms of the CIB Report of Bangladesh Bank.

DIRECTORS INVOLVEMENT IN OTHER ORGANIZATION

Sl. No.	Name	Age Years	Designation with DDMCL	Entities where they have interest	Position
1.	Mr. Saifuddin Quader Chowdhury	56	Chairman	QC Shipping Ltd.	Managing Director
				QC Container Line Ltd.	Chairman
				QC Petroleum Ltd.	Director
				QC Enterprise Ltd.	Director
				QC Express Line Ltd.	Director
				QC Trading Ltd.	Managing Director
				Eastern Maritime Ltd.	Managing Director
2.	Mr. Giasuddin Quader Chowdhury	54	Managing Director	QC Shipping Ltd.	Director
				QC Container Line Ltd.	Director
				QC Petroleum Ltd.	Director
				QC Enterprise Ltd.	MD
				QC Express Line Ltd.	Director
				QC Trading Ltd.	Director
				Eastern Maritime Ltd.	Director
				The Dacca Yarn Dyeing Ltd.	Chairman & CEO
3.	Mrs. Meena Parveen Quader Chowdhury	45	Director	The Dacca Yarn Dyeing Ltd.	Director
				QC Petroleum Ltd.	Director
4.	Mr. Jamaluddin Quader Chowdhury	50	Director	QC Shipping Ltd.	Director
				QC Container Line Ltd.	CEO
				QC Petroleum Ltd.	Managing Director
				QC Enterprise Ltd.	Director
				QC Express Line Ltd.	Managing Director
				QC Trading Ltd.	Director
				Eastern Maritime Ltd.	Director
The Dacca Yarn Dyeing Ltd.	Director (Representative of The Dacca Dyeing & Mfg. Co. Ltd)				
5.	Mr. Sameer Quader Chowdhury	24	Director	The Dacca Yarn Dyeing Ltd.	Director
6.	Mr. Md. Amirul Islam Nominated by Bangladesh Shilpa Rin Sangstha	54	Director	Aramit Cement Ltd.	Director Nominated by BSRS
				Agrani Insurance Ltd.	
				Hakkani Pulp & Papers Mills Ltd.	
				Bangladesh Welding Electrodes Ltd.	
				Echo Cotton Mills Ltd.	
Gonoshastha Grameen Textile Ltd.					

Particulars of Officers of the Company

Sl. No.	Name of the Officers	Position	Educational Qualification	Date of Joining in the Company	Last Job Experience
1.	Mr. Giasuddin Quader Chowdhury	Managing Director	B.A (Hons) DU	08.08.1995	30 Years business experience of textile, shipping, real estate etc
2.	Mr. Sameer Quader Chowdhury	Director - Marketing	BBA, MBA	01.07.2007	4 years
3.	Mr. Md. Nurul Hoque	Executive Director (Factory in charge)	B.S.C Engg. (Tex) PGD (UK)	07.02.2004	More than 33 years in textile Sector
4.	Mr.Subhendu Bikash Das	GM – Marketing (Marketing in charge)	B.S.C Engg. (Tex) MBA (IBA, DU)	10.12.04	16 years in textile Sector
5.	Mr. Ali Ahsan Mohbub	GM (Finance in charge)	MBA (IBA, DU)	01.04.2008	16 years
6.	Mr.Majibur Rahman	Company Secretary & DGM (Acc & Fin)	M.com (Accounting), CMA	01.11.2007	8 years
7.	Major (Ret.) Hussain Imam	GM (Head of Adm.)	M.A	16.03.2007	27 years in military
8.	Mr. Mohammad Munawar	GM (Head of Weaving)	MBA (Textile Management) Karachi.	31.10.2007	More than 20 years in textile Sector

INVOLVEMENT OF DIRECTORS AND OFFICERS IN CERTAIN LEGAL PROCEEDINGS

No Directors or Officer of the company was involved in any of the following types of legal proceedings in the past ten years:

- 1) Any bankruptcy petition filed by or against any company of which any officer or director of the issuer company filling the prospectus was a director, officer or partner at the time of the bankruptcy;
- 2) Any conviction of director, officer in criminal proceedings or any criminal proceedings pending against him;
- 3) Any order, judgment or decree of any Court of competent jurisdiction against any director, officer permanently or temporarily enjoying, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.
- 4) Any order of the Securities and Exchange Commission or other regulatory authority or foreign financial regulatory authority suspending or otherwise limiting the involvement of any director or officer in any type of business of securities or banking activities.

CERTAIN RELATIONSHIPS 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 person as under, except as mentioned in Note No. 31 (Related Party Transaction) of the Auditors' Report:

- a. Any director or executive officer of the issuer.
- b. Any director or officer.
- c. Any person owning 5% or more of the outstanding shares of the issuer.
- d. Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the above persons.
- e. Any transaction or arrangement entered into by the issuer or its subsidiary for a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus.

f. Loan Given/Taken.

- a) The long term unsecured interest free loan taken from Directors (including Managing Director) is disclosed as follows:

(As per note no. 15 of audited account)

Sl. No.	Name of Directors	Balance of Loan as on 30.06.2008 (in Tk.)
1.	Giasuddin Quader Chowdhury (Managing Director)	13,182,826.00
2.	Jamaluddin Quader Chowdhury	2,500,000.00
3.	Sameer Quader Chowdhury	1,118,000.00
Total		16,800,826.00

The above loans are taken in different time according to the decision taken by the Board of Directors in their meeting held on August 1, 2007, which will be repaid in convenient time.

- b) No loan has been given to any Director of the company.

g. Interests and Facilities enjoyed by the Directors

All Directors are taking fees for attending in the meeting of the Board of Directors and two of the Directors named Giasuddin Quader Chowdhury and Sameer Quader Chowdhury are also taking salary as employee from the Company as disclosed in note no. 30 of audited accounts.

EXECUTIVE COMPENSATION

- a. Remuneration paid to top 5 salaried officers in the last accounting year:

Sl. No.	Name	Designation	Remuneration (July '07 to June '08)	Remarks
1.	Giasuddin Quader Chowdhury	Managing Director	Tk. 12,00,000.00	
2.	Nurul Hoque	Executive Director	Tk 16,20,000.00	
3.	Subhendu Bikash Das	GM (Marketing)	Tk. 9,00,000.00	
4.	Ali Ahsan Mohbub	GM (Finance in charge)	Tk. 2,40,000.00	Joining from 01.04.2008
5.	Mohammad Munawar	GM (Weaving)	Tk. 16,80,000.00	

b. Aggregate amount of remuneration paid to all directors & officers:

(As per audited accounts)

Sl. No.	Name	Remuneration (July '07 to June '08)
01.	Directors: i. Managerial remuneration ii. Board meeting fee	Tk. 15,00,000.00 Tk. 1,40,000.00
02.	Executives, Officers, Staffs & Labours	Tk. 8,07,58,329.00

c. The Company did not pay any remuneration to any director, who was not an officer of the Company during the last accounting year.

d. Contract for payment of future compensation

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

e. Pay Increase Intention

Besides normal increment, additional salary increment may be considered to exceptionally deserving employees based on the performance evaluation.

OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

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

TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

a) Benefits From the Company during last five years:

Name of the directors and subscribers	Nature of value received	Amount in Taka 01.07.2003 to 30.06.08
Mr. Saifuddin Quader Chowdhury	Board Meeting Attendance Fees	46,000.00
	Dividend (Cash & Bonus)	6,119,700.00
Mr. Giasuddin Quader Chowdhury	Salary	2,370,000.00
	Board Meeting Attendance Fees	64,000.00
	Dividend (Cash & Bonus)	20,287,920.00
Mrs. Meena Parveen Quader Chowdhury	Board Meeting Attendance Fees	25,000.00
	Dividend (Cash & Bonus)	4,209,350.00
Mr. Jamaluddin Quader Chowdhury	Board Meeting Attendance Fees	32,500.00
	Dividend (Cash & Bonus)	5,873,330.00
Mr. Sameer Quader Chowdhury	Salary	475,000.00
	Board Meeting Attendance Fees	43,000.00
	Dividend (Cash & Bonus)	4,183,600.00
Mr. Md. Amirul Islam (Nominated by Bangladesh Shilpa Rin Sangstha)	Board Meeting Attendance Fees	71,500.00
Mr. Andrew Gomes	Dividend (Cash & Bonus)	41.00
Mr. Birendra Chandra Saha	Dividend (Cash & Bonus)	451.00
	Salary	3,444,000.00
Mr. P. F. Gomes	Dividend (Cash & Bonus)	3.00

b) Directors and Subscribers' Assets to the Company:

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

- i) Fund against allotment of shares;
- ii) Transaction mentioned under caption 'loan given/taken' in the prospectus;
- iii) Services from two directors named Mr. Giasuddin Quader Chowdhury and Mr. Sameer Quader Chowdhury.

c) No assets were acquired or are to be acquired from the directors and subscribers to the memorandum.

Tangible Assets per Share
(As per audited accounts as at 30.06.2008)

Sl. No.	Particulars	Amount in Taka
	Current Assets:	
1.	Inventories	401,584,050
2.	Trade and others receivables	229,410,082
3.	Advance, deposits & prepayments	66,369,482
4.	Cash & Bank balances	8,853,673
		706,217,287
	Non - Current Assets:	
5.	Fixed Assets (at cost less depreciation)	959,312,183
6.	Investment in shares	50,000
		959,362,183
	Total Assets (A)	1,665,579,470
7.	Current Liabilities	521,066,634
8.	Non - Current Liabilities	661,173,351
	Total Liabilities (B)	1,182,239,985
9.	Net Tangible Assets (A - B)	483,339,485
10.	No. of ordinary shares	23,000,000
	Net Tangible Assets per share	21.01

We have examined the above calculation of Tangible Assets Per Share of The Dacca Dyeing & Manufacturing Company Limited, which is found correct.

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountant

Dated: October 16, 2008
Dhaka.

OWNERSHIP OF THE COMPANY'S SECURITIES

Share holding position as on 07.12.2008 (As per schedule X certified by RJSC):

Sl. No.	Name in full	Address	Status	No. of Share	Percentage of ownership
1	Mr. Dipanker Srijana Mohathera	Buidhist Temple Road, Chittagong	Shareholder	57	0.00020
2	Mr. Iqbal Rashid Siddique	Mechinel & Kilbern Ltd., Ispahani Building, Motijheel C/A, Dhaka	Shareholder	333	0.00119
3	Mr. Abdul Mannan	Vill.-Madertak, Bashaboo, Dhaka	Shareholder	3	0.00001
4	Mr. P. F. Gomes	60/1, Bagabat Sankadi Road, Narinda, Dhaka	Shareholder	1	0.00000
5	Mr. Andrew Gomes	60/1, Bagabat Sankadi Road, Narinda, Dhaka	Shareholder	8	0.00003
6	Mr. Birendra Chandra Saha	KA-113/7 Khilkhet Uttar Para, Dhaka Cant. Dhaka-1229	Shareholder	129	0.00046
7	Bangladesh Shilpa Rin Sangstha	BSRS Bhaban, 12, Kawran Bazar C/A, Dhaka-1215.	Shareholder	5,600,000	20.00000
8	Mrs. Mildred Ferrendez	Burmah Eastern Ltd., Chittagong	Shareholder	11	0.00004
9	Mrs. Mohsenara Taher	C/O-Sejan Complex, Roazan College Gate, Roazan, Chittaong	Shareholder	700	0.00250
10	Mr. Md. Abu Taher B. Com	C/O-Sejan Complex, Roazan College Gate, Roazan, Chittaong	Shareholder	700	0.00250
11	Mr. Md. Abu Taher	Plot No.689, East Dholairpar, Noor Bagh, PO. Dhania, PS. Shampur, Dhaka	Shareholder	116	0.00041
12	Mr. Mozer Ali Vasi	Huda Vasi Chowdhury & Co. Ispahani Building, Motijheel C/A, Dhaka	Shareholder	1	0.00000
13	Mr. Mohd Janab Ali	Vill.-Madertak, Bashaboo, Dhaka	Shareholder	34	0.00012

Sl. No.	Name in full	Address	Status	No. of Share	Percentage of ownership
14	Mr. Ejazul Haque	113/A, Tejgaon Industrial Area, Dhaka	Shareholder	5	0.00002
15	Mr. Delwar Ahmed	Manager, Bangladesh Shilpa Bank, Zonal Office, Chittagong	Shareholder	2	0.00001
16	Mr. Nasim Ahmed	113, Tejgaon Industrial Area, Dhaka	Shareholder	23	0.00008
17	Mrs. Shahnoor Kursia Begum	Block-C, Plot-7, Road-17, Banani, Dhaka	Shareholder	46	0.00016
18	Janab Shafiuddin Ahmed, J. Sec.M.Ins.	Ministry of Industries, Shilpa Bhaban, Motijheel C/A, Dhaka	Shareholder	57	0.00020
19	Mr. Moniruzzaman	House No.77, Road No. 4, Dhanmondi, Dhaka	Shareholder	1	0.00000
20	Mr. B. B. Biswas	43 Tati Bazar, Dhaka	Shareholder	12	0.00004
21	Mr. Serajul Islam, Advocate	Fulbaria Bazar, P.O.& P.S.-Fulbaria, Mymensingh	Shareholder	6	0.00002
22	Mr. Abdur Rahim	Hamdard Laboratories(Waqf) Bangladesh.291/1, Sonangaon Rd.Dhaka-1205	Shareholder	10	0.00004
23	Mr. Jagadish Chandra Sarker	14, Shakari Bazar Road, Dhaka	Shareholder	10	0.00004
24	Mr. Sirajul Hoque	Prime Group, Sena Kalyan Bhaban, Floor-8, Motijheel, Dhaka	Shareholder	107	0.00038
25	Mrs. Jahanara Akbar	53, New Eskaton Road, Dhaka	Shareholder	4,827	0.01724
26	Mr. Salauddin Quader Chowdhury	Goods Hill, Rahmatgonj, Chittagong	Shareholder	716,288	2.55817
27	Mr. Saifuddin Quader Chowdhury	Goods Hill, Rahmatgonj, Chittagong	Chairman	816,008	2.91431
28	Mr. Jamaluddin Quader Chowdhury	Goods Hill, Rahmatgonj, Chittagong	Director	691,148	2.46839
29	Mr. Giasuddin Quader Chowdhury	Goods Hill, Rahmatgonj, Chittagong	Managing Director & Director	11,801,528	42.14831
30	Agrani Bank Limited	9 D, Dilkusha C/A, Motijheel, Dhaka	Shareholder	55,860	0.19950
31	Mr. Mohd. Gholam Akbar	53, New Eskaton Road, Dhaka	Shareholder	575	0.00205
32	Mrs. Shiban Akbar	53, New Eskaton Road, Dhaka	Shareholder	575	0.00205
33	Mr. Humayun Kabir Ayub	220 West Dhanmondi, Road-10A, (19 Old) Dhaka-1209	Shareholder	32	0.00011
34	Mr. Q.H. Chowdhury	House No. 25, Road No. 8, Sector 3, Uttara Model Town, Dhaka	Shareholder	5	0.00002
35	Mr. Fazlul Quader Chowdhury	Road No.-10A, House No.-28, Dhanmondi R/A, Dhaka-1209	Shareholder	575	0.00205
36	Ms. Farzeen Quader Chowdhury	Road No.-10A, House No.-28, Dhanmondi R/A, Dhaka-1209	Shareholder	575	0.00205
37	Mr. Humam Quader Chowdhury	Road No.-10A, House No.-28, Dhanmondi R/A, Dhaka-1209	Shareholder	575	0.00205
38	Mrs. Meena Parveen Quader Chowdhury	House No. 5, Road No. 88, Gulshan-2, Dhaka-1212	Director	251,651	0.89875
39	Mr. Sameer Quader Chowdhury	House No. 5, Road No. 88, Gulshan-2, Dhaka-1212	Director	2,416,651	8.63090
40	Miss. Samiha Quader Chowdhury	House No. 5, Road No. 88, Gulshan-2, Dhaka-1212	Shareholder	1,400,826	5.00295
41	Mr. Shaker Quader Chowdhury	House No. 5, Road No. 88, Gulshan-2, Dhaka-1212	Shareholder	2,376,641	8.48800
42	Miss Shazia Quader Chowdhury	House No. 5, Road No. 88, Gulshan-2, Dhaka-1212	Shareholder	1,400,826	5.00295
43	Mrs. Shama Quader Chowdhury	House No. CEN(D) 26, Road No. 104, Gulshan-2, Dhaka-1212	Shareholder	575	0.00205

Sl. No.	Name in full	Address	Status	No. of Share	Percentage of ownership
44	Miss. Nabiha Quader Chowdhury	House No. CEN(D) 26, Road No. 104, Gulshan-2, Dhaka-1212	Shareholder	575	0.00205
45	Mr. Khatib Quader Chowdhury	House No. CEN(D) 26, Road No. 104, Gulshan-2, Dhaka-1212	Shareholder	46,000	0.16429
46	Miss Mariha Quader Chowdhury	House No. CEN(D) 26, Road No. 104, Gulshan-2, Dhaka-1212	Shareholder	575	0.00205
47	Mrs. Salina Quader Chowdhury	Goods Hill, Rahmatgonj, Chittagong	Shareholder	575	0.00205
48	Ms. Selima Quader Chowdhury	Goods Hill, Rahmatgonj, Chittagong	Shareholder	575	0.00205
49	Ms. Shahnaz Quader Chowdhury	Goods Hill, Rahmatgonj, Chittagong	Shareholder	575	0.00205
50	Mr. Sadat Quader Chowdhury	Goods Hill, Rahmatgonj, Chittagong	Shareholder	575	0.00205
51	Mr. Saquib Quader Chowdhury	Goods Hill, Rahmatgonj, Chittagong	Shareholder	575	0.00205
52	Mr. Md. Sirajul Islam	QC Enterprises Ltd., Sharif Manshan, 56-57 Motijheel C/A, Dhaka 1000.	Shareholder	16,362	0.05844
53	Mr. Md. Nazrul Islam Farazi	1075/2/G, Ibrahimpur Habibullah Road, Dhaka Cant. Dhaka-1206	Shareholder	20,000	0.07143
54	Ms. Rehana Parvin	1075/2/G, Ibrahimpur Habibullah Road, Dhaka Cant. Dhaka-1206	Shareholder	10,000	0.03571
55	Ms. Sitara Parvin	1075/2/G, Ibrahimpur Habibullah Road, Dhaka Cant. Dhaka-1206	Shareholder	10,000	0.03571
56	Ms. Nasrin Parvin	1075/2/G, Ibrahimpur Habibullah Road, Dhaka Cant. Dhaka-1206	Shareholder	10,000	0.03571
57	Ms. Nasrin Akhter	1075/2/G, Ibrahimpur Habibullah Road, Dhaka Cant. Dhaka-1206	Shareholder	5,000	0.01786
58	Dr. Parimal Kanti Debnath	295 Ka Tally Office Road , Rayer Bazar, Dhaka-1209	Shareholder	50,000	0.17857
59	Mr. A.K. M. Kamaluddin	732/C Khilgaon, Dhaka-1219	Shareholder	5,000	0.01786
60	Mr. Md. Majibur Rahman	Apt. No. A 3, Land Mark Classique, 46/2/C Zikatala, Dhaka	Shareholder	500	0.00179
61	Mr. Md. Nasir Uddin	89, Kalabagan (Gr. Floor) 2nd Lane, Dhanmondi, Dhaka	Shareholder	500	0.00179
62	Mr. Ananda Kumar Sarker	La 32/4/1 Merul Badda (3rd Floor) Dhaka-1212	Shareholder	500	0.00179
63	Mr. Abdullah Shiblei	43/2 Maradia, Nayapara, P.O. Khilgaon, Dhaka-1219	Shareholder	500	0.00179
64	Mr. Md. Wabaidur Rahman	266/1/B, Ahmednagar, Paikpara, Mirpur, Dhaka	Shareholder	2,000	0.00714
65	Mrs. Mahmuda Rahman	121/2, Ahmednagar, Paikpara, Mirpur, Dhaka	Shareholder	500	0.00179
66	Mr. Mohammad Abdul Wadud	121/2, Ahmednagar, Paikpara, Mirpur, Dhaka	Shareholder	500	0.00179
67	Mrs. Hasna Hena	121/2, Ahmednagar, Paikpara, Mirpur, Dhaka	Shareholder	500	0.00179
68	Mr. Md. Ikramuzzaman Khan	Curriculum Specialist, N C T B, 69-70 Motijheel C/A, Dhaka, 1st fl.	Shareholder	500	0.00179
69	Mr. Md. Iftexhar Hafiz	3/701 Eastern Peace, 30/40 Santinagar, Dhaka	Shareholder	5,000	0.01786
70	Mr. Mir Ibrahim Kabir	531/A, South Banoshree, Madertak, Dhaka	Shareholder	500	0.00179
71	Mr. Md. Ziaul Haque	98/A, North Mugdapara, (3rd Floor), Dhaka-1214	Shareholder	500	0.00179
72	Mrs. Salaha Haque	98/A, North Mugdapara, (3rd Floor), Dhaka-1214	Shareholder	500	0.00179
73	Ms. Sanzia Haque Pial	98/A, North Mugdapara, (3rd Floor), Dhaka-1214	Shareholder	500	0.00179
74	Mr. Md. Rezaul Haque	Vill.- Horogram, P.O.- Rajshahi Court, P.S.- Rajpara Dist.- Rajshahi	Shareholder	500	0.00179
75	Mr. A. K. M. Aminul Hoque	247/1 Dawlat Cottage (1st Floor, Right Side), Fakirapool, 2nd Lane, Dhaka	Shareholder	500	0.00179

Sl. No.	Name in full	Address	Status	No. of Share	Percentage of ownership
76	Mr. Riazul Islam	128/6, Ulon, (4th Floor), West Rampura, Dhaka-1219	Shareholder	1,500	0.00536
77	Mr. M.K. Anar Hossain	House-149, Block-E, South Banasree, Khilgaon, Dhaka-1219	Shareholder	500	0.00179
78	Mr. Indrajit Banik	232, Green Road, Dhanmondi, Dhaka	Shareholder	500	0.00179
79	Mr. Syed Sadeque Md. Ali	NE (N) 1/C, Road # 86, Gulshan-2, Dhaka	Shareholder	10,000	0.03571
80	Mrs. Asma Ali	NE (N) 1/C, Road # 86, Gulshan-2, Dhaka	Shareholder	10,000	0.03571
81	Mr. Ratan Manik Roy	Zaman Villa, (3rd Floor), 100, North Bashaboo, Dhaka	Shareholder	20,000	0.07143
82	Mr. Md. Joinul Alam Chowdhury	QC Shipping Ltd. BCIC Bhaban(Gr. Floor) 30-31, Dilkusha C/A, Dhaka	Shareholder	500	0.00179
83	Mr. Md. Anowar Hussain	QC Shipping Ltd. BCIC Bhaban(Gr. Floor) 30-31, Dilkusha C/A, Dhaka	Shareholder	1,000	0.00357
84	Mr. Syed Khalid Amin	21/1, Pallabi, (2nd Floor), Mirpur, Dhaka-1221	Shareholder	1,000	0.00357
85	Mr. Syed Hasan Musanna	434/A, North Jatrabari, Dhaka-1204	Shareholder	500	0.00179
86	Mr. Khan Sarwar Bachchu	Immco Telecom Ltd. 168, Atlantic Wazuddin Tower (3rd Fl.) Elephant Rd, Hatirpool, Dhaka-1205	Shareholder	10,000	0.03571
87	Ms. Kamrun Nahar Lucky	Immco Telecom Ltd. 168, Atlantic Wazuddin Tower (3rd Fl.) Elephant Rd, Hatirpool, Dhaka-1205	Shareholder	500	0.00179
88	Ms. Shitol Rahman	8, Shah-Sheb Lane, Narinda, Dhaka-1100	Shareholder	500	0.00179
89	Mr. Mohammed Anamul Haque	The Dacca Dyeing & Mfg. Company Limited, Pagar, Tongi, Gazipur	Shareholder	500	0.00179
90	Mr. Sayad Anwar Habib	The Dacca Dyeing & Mfg. Company Limited, Pagar, Tongi, Gazipur	Shareholder	1,000	0.00357
91	Mr Muhammad Payel Khan	Madina Mansion, (1st Floor), 291/2, South Paikpara, Mirpur-1, Dhaka-1216	Shareholder	1,000	0.00357
92	Mr. Liton Kumar Saha	48 A.C. Dhar Road (4th Floor), Kalirbazar, Narayongong	Shareholder	500	0.00179
93	Mr. Md. Mohibur Rahman	23, T.B. Cross Road, Khulna	Shareholder	500	0.00179
94	Mr. Md. Khaleduzzaman	Bangladesh Commerce Bank Limited, Head Office, Taranga Complex, 19, Rajuk Avenue, Dhaka-1000	Shareholder	10,000	0.03571
95	Mr. Md. Fahim Khan	528, South Manda, Hero Mia Road, P.S.-Sabujbag, Dhaka-1214	Shareholder	500	0.00179
96	Ms. Poly Akter	C/O- Mr. Md. Fahim Khan, 528, South Manda, Hero Mia Road, P.S.-Sabujbag, Dhaka-1214	Shareholder	500	0.00179
97	Mr. Md. Azhar Ali	532, South Manda, Hero Mia Road, P.S.-Sabujbag, Dhaka-1214	Shareholder	1,000	0.00357
98	Mr. Md. Ashrafuzzaman	G. Kibria & Co, Chartered Accountants, 24-25, Dilkusha C/A, Dhaka-1000	Shareholder	40,000	0.14286
99	Mrs. Shabnam Shirin	1287/1, East Monipur, Mirpur-10, Dhaka-1216.	Shareholder	10,000	0.03571
100	Mr. Md. Anisur Rahman	1287/1, East Monipur, Mirpur-10, Dhaka-1216.	Shareholder	15,000	0.05357
101	Mr. Mrinal Kanti Sarker	3 Avoya das lane, Diganta -1, Flat no. B2, Titkatuly, Dhaka	Shareholder	25,000	0.08929
102	Mr. Fahim Hussain	42/43, Purana Paltan, Dhaka-1000.	Shareholder	1,00,000	0.35714
103	Mr. Md. Manirul Islam Dawan	1092/A(30/1/1), Road 21, khilgaon, Dhaka 1215	Shareholder	8,500	0.03036
104	Mr. Md. Lutfur Rahman	1/1, L/2 Uttar Jatrabari, Bibir Baghicha, Dhaka.	Shareholder	1,000	0.00357
Total				28,000,000	100.00000

Securities of the Company owned by each director:

Securities owned by each director is given below:

Sl. No.	Name of the directors	Number of shares owned	Percentage of outstanding shares
1.	Mr. Saifuddin Quader Chowdhury	816,008	2.9143%
2.	Mr. Giasuddin Quader Chowdhury	11,801,528	42.1483%
3.	Mrs. Meena Parveen Quader Chowdhury	251,651	0.8988%
4.	Mr. Jamaluddin Quader Chowdhury	691,148	2.4684%
5.	Mr. Sameer Quader Chowdhury	2,416,651	8.6309%
6.	Bangladesh Shilpa Rin Sangstha (Mr. Md. Amirul Islam - Nominated Director)	5,600,000	20.0000%

Securities of the Company owned by the top ten salaried officers and all other officers as a group:

Securities owned by the top ten salaried officers is given below:

Sl. No.	Name of the top ten salaried officer	Designation	Number of shares owned	Percentage of outstanding shares
1.	Giasuddin Quader Chow.	Managing Director	11,801,528	42.1483%
2.	Birendra Chandra Shaha	DGM (Fin. & Adm.)	129	0.0005%
3.	Md. Majibur Rahman	Company Secretary & DGM (Acc & Fin)	500	0.0018%

Other than the above three officers, 2,431,651 shares are held by all other officers (16 nos.) as a group which is 8.68% of outstanding shares as on 07.12.2008.

DETERMINATION OF OFFERING PRICE

Net Asset Value per share:

The carrying amount of fixed assets as per valuation (net of depreciation) has been considered for determining the NAV per share. This is determined on the basis of the figures appearing in the audited balance sheet as at 30.06.2008:

Sl. No.	Particulars	Amount in Taka
Non - Current Assets:		
		959,362,183
1	Fixed Assets	959,312,183
2	Investment in shares	50,000
Current Assets:		706,217,287
3	Inventories	401,584,050
4	Trade and others receivable	229,410,082
5	Advance, deposits & prepayments	66,369,482
6	Cash & Bank balance	8,853,673
Total Assets (A)		1,665,579,470
1	Current Liabilities	521,066,634
2	Non - Current Liabilities	661,173,351
Total Outside Liabilities (B)		1,182,239,984
Net Assets Value (A - B)		483,339,485

The Net Assets Value (NAV) is also equivalent to the shareholders' equity consisting of Paid - up Capital and Reserve / Retained earnings as follows:

Sl. No.	Particulars	Amount in Taka
1.	Share Capital	230,000,000
2.	Share money deposit	27,927,970
3.	Capital Reserve	192,888,817
4.	Tax holiday reserve	3,804,291
5.	Retained earnings	28,718,407
6.	Total Shareholders Equity	483,339,485
7.	Number of Ordinary Shares	23,000,000
8.	Net Assets Value per Share (6/7)	21.01

We have examined the above calculation of NAV of The Dacca Dyeing & Manufacturing Company Limited, which is found correct.

Net Assets Value per Share is Tk. 21.01 as on 30.06.2008.

Sd/-

Rahman Mostafa Alam & Co.

Chartered Accountants

Dated: October 16, 2008, Dhaka.

Net assets value (NAV) after issuance of right share:

Net assets value (NAV) =

$$\frac{\text{Shareholders equity as on 30.06.2008} + \text{Proceeds from right share after 30.06.2008 excluding share money deposit Tk. 27,927,970}}{\text{Nos. of share as on 30.06.2008} + \text{Nos. of right share issued}}$$
$$= \frac{483,339,485 + (50,000,000 - 27,927,970)}{23,000,000 + 5,000,000}$$
$$= \text{Tk. 18.05}$$

Net Asset Value per share of Tk. 10.00 each is Tk 21.01 as on 30.06.2008 and Tk. 18.05 as on 10.07.2008 those are higher than the face value, but the Company is offering its initial issue price at Tk. 10.00 per share (at par).

MARKET FOR THE SECURITIES BEING OFFERED

The issuer shall apply to

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.

Within 7 (seven) working days from the date of consent accorded by the Commission to issue prospectus.

DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

DIVIDEND, VOTING, PREEMPTION RIGHT

The share capital of the Company is divided into ordinary shares, carrying equal rights to vote in the AGM and EGM and receive dividend in terms of the relevant provisions of the Companies Act, 1994 and the Articles of Association of the Company. Shareholders shall have the usual voting right in person or by proxy for selection of Auditors and on the agenda of General Meeting – Ordinary or Extra Ordinary. On a show of hand every shareholder present and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him/her.

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

CONVERSION & LIQUIDATION RIGHT

The company is issuing ordinary shares through this prospectus with the consent of the SEC. Company in its General Meeting may convert any fully paid up shares into stock and reconvert such stock into paid up shares of any denomination if it is so determined by the company.

DIVIDEND POLICY

- Subject to the rights of members entitled to share (if any) with preferential or special rights attached hereto, the profits of the Company which it shall from time to time be determined to divide in respect of any year or other period shall be applied in the payment of a dividend on the ordinary shares of the Company but so that partly paid up share shall only entitle the member registered in respect thereof to such a proportion of the distribution upon a fully paid up share as the amount paid thereon bears to the nominal amount of such share and so that where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to participate in profits
- The Company in general meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may fix the time for payment.
- No larger dividend shall be declared than is recommended by the Board, but the Company in general meeting may declare a smaller dividend.
- No dividend shall be payable except out of profit of the Company of the year or any other undistributed profits, and no dividend shall carry interest as against the company.
- The declaration of the Board as to the amount of the net profits of the company shall be conclusive.
- The board may, from time to time, pay to the members such interim dividends as appear to the Board to be justified by the profits of the company.
- The Directors may retain any dividends on which the company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the company and the member, be set off against the call. The making of a call under this Article shall be deemed ordinary business of an ordinary meeting which declares a dividend.
- Any general meeting declaring a dividend may resolve that such dividend be paid wholly or in part by the distribution of specific assets, and in particular of paid-up share, debentures or debenture-stock of the Company, or paid-up shares, debentures or debenture-stock of any other company or in any one or more of such ways.
- A transfer of share shall not pass the rights to any dividend declared before the registration of the transfer by the company.

- No dividend shall be paid in respect of any share except to the member registered in respect of such share or to this order or to his bankers but nothing contained in this Article shall be deemed to require the bankers of a member to make a separate application to the company for the payment of the dividend.
- Any one of several persons who are registered jointly as members in respect of any share may give effectual receipts for all dividends bonuses and other payments in respect of such share.
- Notice of any dividend, whether interim or otherwise, shall be given to the persons entitled to a share in the manner hereinafter provided.
- Unless otherwise directed, any dividend, interest or other moneys payable in cash in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or in the case of members who are registered jointly to the registered address of that one of such members who is first named on the Register in respect of the joint-holding or to such person and such address as the member or members who are registered jointly, as the case may be, may direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.
- All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the company until claimed and all dividends unclaimed for six years after declaration may be forfeited by the order for the benefit of the company but the Board may annul the forfeiture wherever it may think proper.
- There is no limitation on the payment of dividend to the common shareholder because of provision in debt instruments or otherwise.

Other Rights of Stock Holders

The shareholders shall have the right to receive all periodical reports and statements audited as well as un-audited published by the company from time to time. The Directors shall present the financial statements as required under the law and International Accounting Standards. Financial Statements will be prepared in accordance with Accounting Standards, consistently applied throughout 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.

In Case of any declaration of Stock dividend by issue of bonus shares, all shareholders shall be entitled to it in proportion to their shareholdings on the date of book closure for the purpose. The shareholders holding not less than 10% of the issued / fully paid up capital of the company shall have the right to requisition Extra-Ordinary General Meeting of the Company as provided under Section 84 of the Companies Act, 1994.

DEBT SECURITIES

Up to 31.12.2008 the company did not issue any debt securities and is not planning to issue any of such securities within next six months.

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.

Sl. No.	Name in full	Status	No. of Share	Amount in Tk.	Percentage of ownership	Acquisition date	Expire date of lock-in
1	Mr. Dipanker Srijana Mohathera	Shareholder	57	570	0.00020	03.11.1977	09.07.2012
2	Mr. Iqbal Rashid Siddique	Shareholder	333	3,330	0.00119	03.11.1977	09.07.2012
3	Mr. Abdul Mannan	Shareholder	3	30	0.00001	03.11.1977	09.07.2012
4	Mr. P. F. Gomes	Shareholder	1	10	0.00000	03.11.1977	09.07.2012
5	Mr. Andrew Gomes	Shareholder	8	80	0.00003	03.11.1977	09.07.2012
6	Mr. Birendra Chandra Saha	Shareholder	129	1,290	0.00046	03.11.1977	09.07.2012
7	Bangladesh Shilpa Rin Sangstha	Shareholder	5,600,000	56,000,000	20.00000	03.11.1977	09.07.2012
8	Mrs. Mildred Ferrendez	Shareholder	11	110	0.00004	03.11.1977	09.07.2012

Sl. No.	Name in full	Status	No. of Share	Amount in Tk.	Percentage of ownership	Acquisition date	Expire date of lock-in
9	Mrs. Mohsenara Taher	Shareholder	700	7,000	0.00250	03.11.1977	09.07.2012
10	Mr. Md. Abu Taher B. Com	Shareholder	700	7,000	0.00250	03.11.1977	09.07.2012
11	Mr. Md. Abu Taher	Shareholder	116	1,160	0.00041	03.11.1977	09.07.2012
12	Mr. Mozer Ali Vasi	Shareholder	1	10	0.00000	03.11.1977	09.07.2012
13	Mohd Janab Ali	Shareholder	34	340	0.00012	03.11.1977	09.07.2012
14	Mr. Ejazul Haque	Shareholder	5	50	0.00002	03.11.1977	09.07.2012
15	Mr. Delwar Ahmed	Shareholder	2	20	0.00001	03.11.1977	09.07.2012
16	Mr. Nasim Ahmed	Shareholder	23	230	0.00008	03.11.1977	09.07.2012
17	Mrs. Shahnoor Kursia Begum	Shareholder	46	460	0.00016	03.11.1977	09.07.2012
18	Janab Shafiuddin Ahmed, J. Sec.M.Ins.	Shareholder	57	570	0.00020	26.03.1972	09.07.2012
19	Mr. Moniruzzaman	Shareholder	1	10	0.00000	20.12.1986	09.07.2012
20	Mr. B. B. Biswas	Shareholder	12	120	0.00004	20.12.1986	09.07.2012
21	Mr. Serajul Islam, Advocate	Shareholder	6	60	0.00002	20.12.1986	09.07.2012
22	Mr. Abdur Rahim	Shareholder	10	100	0.00004	20.12.1986	09.07.2012
23	Mr. Jagadish Chandra Sarker	Shareholder	10	100	0.00004	20.12.1986	09.07.2012
24	Mr. Sirajul Hoque	Shareholder	107	1,070	0.00038	20.12.1986	09.07.2012
25	Mrs. Jahanara Akbar	Shareholder	4,827	48,270	0.01724	23.01.1994	09.07.2012
26	Mr. Salauddin Quader Chowdhury	Shareholder	716,288	7,162,880	2.55817	08.08.1995	09.07.2012
27	Mr. Saifuddin Quader Chowdhury	Chairman	816,008	8,160,080	2.91431	08.08.1995	09.07.2012
28	Mr. Jamaluddin Quader Chowdhury	Director	691,148	6,911,480	2.46839	08.08.1995	09.07.2012
29	Mr. Giasuddin Quader Chowdhury	Managing Director	11,801,528	118,015,280	42.14831	08.08.1995	09.07.2012
30	Agrani Bank Limited	Shareholder	55,860	558,600	0.19950	06.01.1996	09.07.2012
31	Mr. Mohd. Gholam Akbar	Shareholder	575	5,750	0.00205	26.08.1997	09.07.2012
32	Mrs. Shiban Akbar	Shareholder	575	5,750	0.00205	26.08.1997	09.07.2012
33	Mr. Humayun Kabir Ayub	Shareholder	32	320	0.00011	26.08.1997	09.07.2012
34	Mr. Q.H. Chowdhury	Shareholder	5	50	0.00002	26.08.1997	09.07.2012
35	Mr. Fazlul Quader Chowdhury	Shareholder	575	5,750	0.00205	03.12.1997	09.07.2012
36	Ms. Farzeen Quader Chowdhury	Shareholder	575	5,750	0.00205	03.12.1997	09.07.2012
37	Mr. Humam Quader Chowdhury	Shareholder	575	5,750	0.00205	03.12.1997	09.07.2012
38	Mrs. Meena Parveen Quader Chowdhury	Director	251,651	2,516,510	0.89875	03.12.1997	09.07.2012
39	Mr. Sameer Quader Chowdhury	Director	2,416,651	24,166,510	8.63090	03.12.1997	09.07.2012
40	Miss. Samiha Quader Chowdhury	Shareholder	1,400,826	14,008,260	5.00295	03.12.1997	09.07.2012
41	Mr. Shaker Quader Chowdhury	Shareholder	2,376,641	23,766,410	8.48800	03.12.1997	09.07.2012
42	Miss Shazia Quader Chowdhury	Shareholder	1,400,826	14,008,260	5.00295	03.12.1997	09.07.2012

Sl. No.	Name in full	Status	No. of Share	Amount in Tk.	Percentage of ownership	Acquisition date	Expire date of lock-in
43	Mrs. Shama Quader Chowdhury	Shareholder	575	5,750	0.00205	03.12.1997	09.07.2012
44	Miss. Nabiha Quader Chowdhury	Shareholder	575	5,750	0.00205	03.12.1997	09.07.2012
45	Mr. Khatib Quader Chowdhury	Shareholder	46,000	460,000	0.16429	03.12.1997	09.07.2012
46	Miss Mariha Quader Chowdhury	Shareholder	575	5,750	0.00205	03.12.1997	09.07.2012
47	Mrs. Salina Quader Chowdhury	Shareholder	575	5,750	0.00205	03.12.1997	09.07.2012
48	Ms. Selima Quader Chowdhury	Shareholder	575	5,750	0.00205	03.12.1997	09.07.2012
49	Ms. Shahnan Quader Chowdhury	Shareholder	575	5,750	0.00205	03.12.1997	09.07.2012
50	Mr. Sadat Quader Chowdhury	Shareholder	575	5,750	0.00205	03.12.1997	09.07.2012
51	Mr. Saquib Quader Chowdhury	Shareholder	575	5,750	0.00205	03.12.1997	09.07.2012
52	Mr. Md. Sirajul Islam	Shareholder	16,362	163,620	0.05844	22.04.2008	09.07.2010
53	Mr. Md. Nazrul Islam Farazi	Shareholder	20,000	200,000	0.07143	10.07.2008	09.07.2010
54	Ms. Rehana Parvin	Shareholder	10,000	100,000	0.03571	10.07.2008	09.07.2010
55	Ms. Sitara Parvin	Shareholder	10,000	100,000	0.03571	10.07.2008	09.07.2010
56	Ms. Nasrin Parvin	Shareholder	10,000	100,000	0.03571	10.07.2008	09.07.2010
57	Ms. Nasrin Akhter	Shareholder	5,000	50,000	0.01786	10.07.2008	09.07.2010
58	Dr. Parimal Kanti Debnath	Shareholder	50,000	500,000	0.17857	10.07.2008	09.07.2010
59	Mr. A.K. M. Kamaluddin	Shareholder	5,000	50,000	0.01786	10.07.2008	09.07.2010
60	Mr. Md. Majibur Rahman	Shareholder	500	5,000	0.00179	10.07.2008	09.07.2010
61	Mr. Md. Nasir Uddin	Shareholder	500	5,000	0.00179	10.07.2008	09.07.2010
62	Mr. Ananda Kumar Sarker	Shareholder	500	5,000	0.00179	10.07.2008	09.07.2010
63	Mr. Abdullah Shiblei	Shareholder	500	5,000	0.00179	10.07.2008	09.07.2010
64	Mr. Md. Wabaidur Rahman	Shareholder	2,000	20,000	0.00714	10.07.2008	09.07.2010
65	Mrs. Mahmuda Rahman	Shareholder	500	5,000	0.00179	10.07.2008	09.07.2010
66	Mr. Mohammad Abdul Wadud	Shareholder	500	5,000	0.00179	10.07.2008	09.07.2010
67	Mrs. Hasna Hena	Shareholder	500	5,000	0.00179	10.07.2008	09.07.2010
68	Mr. Md. Ikramuzzaman Khan	Shareholder	500	5,000	0.00179	10.07.2008	09.07.2010
69	Mr.Md. Iftexhar Hafiz	Shareholder	5,000	50,000	0.01786	10.07.2008	09.07.2010
70	Mr. Mir Ibrahim Kabir	Shareholder	500	5,000	0.00179	10.07.2008	09.07.2010
71	Mr. Md. Ziaul Haque	Shareholder	500	5,000	0.00179	10.07.2008	09.07.2010
72	Mrs. Salaha Haque	Shareholder	500	5,000	0.00179	10.07.2008	09.07.2010
73	Ms. Sanzia Haque Pial	Shareholder	500	5,000	0.00179	10.07.2008	09.07.2010
74	Mr. Md. Rezaul Haque	Shareholder	500	5,000	0.00179	10.07.2008	09.07.2010
75	Mr. A. K. M. Aminul Hoque	Shareholder	500	5,000	0.00179	10.07.2008	09.07.2010
76	Mr. Riazul Islam	Shareholder	1,500	15,000	0.00536	10.07.2008	09.07.2010
77	Mr. M.K. Anar Hossain	Shareholder	500	5,000	0.00179	10.07.2008	09.07.2010
78	Mr. Indrajit Banik	Shareholder	500	5,000	0.00179	10.07.2008	09.07.2010
79	Mr. Syed Sadeque Md. Ali	Shareholder	10,000	100,000	0.03571	10.07.2008	09.07.2010
80	Mrs. Asma Ali	Shareholder	10,000	100,000	0.03571	10.07.2008	09.07.2010
81	Mr. Ratan Manik Roy	Shareholder	20,000	200,000	0.07143	10.07.2008	09.07.2010
82	Mr.Md.Joinul Alam Chowdhury	Shareholder	500	5,000	0.00179	10.07.2008	09.07.2010
83	Mr. Md. Anowar Hussain	Shareholder	1,000	10,000	0.00357	10.07.2008	09.07.2010
84	Mr. Syed Khalid Amin	Shareholder	1,000	10,000	0.00357	10.07.2008	09.07.2010
85	Mr. Syed Hasan Musanna	Shareholder	500	5,000	0.00179	10.07.2008	09.07.2010
86	Mr. Khan Sarwar Bachchu	Shareholder	10,000	100,000	0.03571	10.07.2008	09.07.2010
87	Ms. Kamrun Nahar Lucky	Shareholder	500	5,000	0.00179	10.07.2008	09.07.2010
88	Ms. Shitol Rahman	Shareholder	500	5,000	0.00179	10.07.2008	09.07.2010
89	Mr. Mohammed Anamul Haque	Shareholder	500	5,000	0.00179	10.07.2008	09.07.2010
90	Mr. Sayad Anwar Habib	Shareholder	1,000	10,000	0.00357	10.07.2008	09.07.2010
91	Mr Muhammad Payel Khan	Shareholder	1,000	10,000	0.00357	10.07.2008	09.07.2010

Sl. No.	Name in full	Status	No. of Share	Amount in Tk.	Percentage of ownership	Acquisition date	Expire date of lock-in
92	Mr. Liton Kumar Saha	Shareholder	500	5,000	0.00179	10.07.2008	09.07.2010
93	Mr. Md. Mohibur Rahman	Shareholder	500	5,000	0.00179	10.07.2008	09.07.2010
94	Mr. Md. Khaleduzzaman	Shareholder	10,000	100,000	0.03571	10.07.2008	09.07.2010
95	Mr. Md. Fahim Khan	Shareholder	500	5,000	0.00179	10.07.2008	09.07.2010
96	Ms. Poly Akter	Shareholder	500	5,000	0.00179	10.07.2008	09.07.2010
97	Mr. Md. Azhar Ali	Shareholder	1,000	10,000	0.00357	10.07.2008	09.07.2010
98	Mr. Md. Ashrafuzzaman	Shareholder	40,000	400,000	0.14286	10.07.2008	09.07.2010
99	Mrs. Shabnam Shirin	Shareholder	10,000	100,000	0.03571	15.10.2008	09.07.2010
100	Mr. Md. Anisur Rahman	Shareholder	15,000	150,000	0.05357	15.10.2008	09.07.2010
101	Mr. Mrinal Kanti Sarker	Shareholder	25,000	250,000	0.08929	15.10.2008	09.07.2010
102	Mr. Fahim Hussain	Shareholder	100,000	1,000,000	0.35714	15.10.2008	09.07.2010
103	Mr. Md. Manirul Islam Dawan	Shareholder	8,500	85,000	0.03036	15.10.2008	09.07.2010
104	Mr. Md. Lutfur Rahman	Shareholder	1,000	10,000	0.00357	15.10.2008	09.07.2010
Total			28,000,000	280,000,000	100.00000		

REFUND OF SUBSCRIPTION MONEY

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 and other banks as mentioned below, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms.

Trust Bank Limited
Investment Corporation of Bangladesh (ICB)
Standard Bank Limited
Bangladesh Shilpa Rin Sangstha
National Bank Limited

The City Bank Limited
Dutch-Bangla Bank Limited
National Credit and Commerce Bank Limited
IFIC Bank Limited

Otherwise, refund will be made only through "Account Payee" cheque(s) with bank account number and name of bank branch as mentioned in the application payable at Dhaka or Chittagong, as the may be.

For this purpose the number of the bank account along with name of bank and branch shall be indicated in the securities application form.

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

1. A Non-Resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concern bank, for the value of Securities applied for through crossed bank cheque marking "Account Payee only".

2. The value of Securities applied for by such person may be paid in Taka or US Dollar, UK Pound Sterling or Euro at the rate of exchange mentioned in the securities application form.

3. 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.

AVAILABILITY OF SECURITIES

IPO will be 1,70,00,000 ordinary shares @ TK. 10.00 each totaling Tk. 17,00,00,000.00 as per the Securities and Exchange Commission (Public Issue) Rules, 2006, 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 remaining 80% shall be open for subscription by the general public. The position is thus as follows:

1. Securities:

	Securities	Number of shares	Total amount (Tk.)
A	10% of IPO i.e. 17,00,000 ordinary shares shall be reserved for Non-Resident Bangladeshis (NRB).	17,00,000	1,70,00,000.00
B	10% of IPO i.e. 17,00,000 ordinary shares shall be reserved for mutual funds and collective investment schemes registered with the Commission.	17,00,000	1,70,00,000.00
C	Remaining 80% of IPO i.e. 1,36,00,000 ordinary shares shall be open for subscription by the general public.	1,36,00,000	13,60,00,000.00
	Total	1,70,00,000	17,00,00,000.00

2. All securities as stated in clause – 1(A) shall be offered for subscription and subsequent allotment by the issuer, subject to any restriction, which may be imposed, from time to time, by the Securities and Exchange Commission.

3. In case of over-subscription under any of the categories mentioned in clause – 1(A), the issuer and the issue managers shall jointly conduct an open lottery of all the applications received under each category separately in accordance with the letter of consent issued by the Securities and Exchange Commission.

4. In case of under subscription under any of the 10% categories mentioned in clause – 1(A), 1(B), the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the issue manager shall jointly conduct an open lottery of all the applications added together.

5. In case of under subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter (s). The lottery as stated in clause – 3 and 4 shall be conducted in presence of representatives from the issuer, the stock exchanges, and the applicants, if there be any.

UNDERWRITER

The Initial Public Offering (IPO) is for 1,70,00,000 ordinary shares of Tk. 10.00 each amounting to Tk. 17,00,00,000.00 of The Dacca Dyeing & Manufacturing Co. Ltd. As per guideline of Securities & Exchange Commission, 50% of the IPO amount i.e. 85,00,000 ordinary shares of Tk. 10.00 each amounting to Tk. 8,50,00,000.00 has been underwritten by the following underwriters:

Sl. No.	Name and Address of the Underwriters	No. Of Shares Underwritten	Underwriting Amount in Tk.
1.	ICB Capital Management Limited 8, DIT Avenue, Dhaka-1000.	30,00,000	3,00,00,000.00
2.	Standard Bank Limited 122-124, Motijheel C/A, Dhaka-1000.	10,00,000	1,00,00,000.00
3.	Grameen Capital Management Limited Grameen Bank Bhaban Mirpur-2, Dhaka-1216.	5,00,000	50,00,000.00
4.	Exim Bank Limited Printers Building 5, Rajuk Avenue, Dhaka-1000.	5,00,000	50,00,000.00
5.	IDLC Finance Limited Peoples Insurance Bhaban 36, Dilkusha C/A, Dhaka-1000.	10,00,000	1,00,00,000.00
6.	Trust Bank Limited Peoples Insurance Bhaban (2 nd , 16 th & 17 th Floor) 36, Dilkusha C/A, Dhaka-1000.	5,00,000	50,00,000.00
7.	National Bank Limited 18, Dilkusha C/A, Dhaka-1000.	5,00,000	50,00,000.00
8.	Dhaka Bank Limited Biman Bhaban 100, Motijheel C/A, Dhaka-1000.	5,00,000	50,00,000.00
9.	IFIC Bank Limited BSB building (8 th , 10 th , 16 th to 19 th Floor) 8, Rajuk Avenue, Dhaka-1000.	10,00,000	1,00,00,000.00
	Total	85,00,000	8,50,00,000.00

PRINCIPAL TERMS AND CONDITIONS OF UNDERWRITING AGREEMENTS

- 1) If and to the extent that the shares offered to the public through 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 underwriters in writing to subscribe the shares/debentures not so subscribed and ask the underwriters to pay for them in cash in full within 15 (fifteen) days of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.
- 2) If payment is made by Cheque /Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under his Agreement, until such time as the Cheque / Bank Draft has been encashed 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 deposit of share money by the underwriters to the Commission.
- 4) In case of failure by any underwriters to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under this agreement.
- 5) In case of failure by the Company to call upon the underwrites for the aforementioned purpose within the stipulated time, the Company and its directors shall individually and collectively be held responsible for the consequence and/or penalties as determined by the Securities and Exchange Commission under the law.

Commission for Underwriters

The company shall pay to the underwriter an underwriting commission at the rate of 0.50% of 50% of the IPO amount (i.e. Tk. 8,50,00,000.00) of the issue value of shares underwritten by them out of the Public Issue.

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.

Officer or director of the underwriters acting as director of the company

No officer or Director of the underwriters is presently engaged as the Director of the Company.

ALLOTMENT

The company reserves the right of accepting any application, either in whole, or in part, successful applicants will be notified by the dispatch on an allotment letter by registered post/courier. Letter of allotment and refund warrants will be issued within 6(six) weeks from the closing of the subscription list. After allotment the company will have to transfer the shares to the allottee's Beneficiary Owners (BO) account, which has been mentioned in the application form.

The company shall issue share allotment letter to all successful applicants, within 6(six) weeks, from the date of the subscription closing date. At the same time, the unsuccessful application shall be refunded with the application money within 6 (six) weeks from the closing of the subscription date, by Account Payee Cheque, without interest payable at Dhaka/Chittagong/Khlulna/Rajshahi/Barisal/Sylhet, as the case may be.

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

APPLICATION FOR SUBSCRIPTION

01. Application for Shares may be made for a minimum lot for 500 (Five Hundred) Ordinary Shares to the value of Tk. 5000.00 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 Ltd. 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.

02. 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.

03. 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.

04. 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 purpose.

05. Bangladeshi Nationals (including Non-Resident Bangladeshi nationals working abroad) and Foreign Nationals shall be entitled to apply for Shares.

06. 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/Pay Order/Bank Draft shall be made payable to the Bank to which it is

sent and be marked "THE DACCA DYEING & MANUFACTURING CO. LTD." 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.

07. 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.

08. A Non-Resident Bangladeshi (NRB) shall apply against the IPO either directly by enclosing a foreign demand draft drawn on 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 US Dollars, UK Pound Sterling (£) and Euro at the rate of exchange mentioned in the Share Application Form. 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 at its Registered Office. Copies of Application Form and Prospectus shall be available with Bangladesh High Commission in USA, UK, Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain, Malaysia and South Korea and web site of the SEC.

09. 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 A/C No. 36001761 Standard Bank Limited, Principal Branch, Dhaka**, Bangladesh 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 **Standard Bank Limited, Principal Branch, Dhaka**. In case of over subscription, refund shall be made by the Company out of the respective FC Accounts:

Sl. No.	Name of the FC Accounts	Account No.	Bank & Branch
1.	US Dollar	010242000468	Standard Bank Limited, Principal Branch, Dhaka.
2.	UK Pound Sterling	010244000061	Standard Bank Limited, Principal Branch, Dhaka.
3.	Euro	010242000476	Standard Bank Limited, Principal Branch, Dhaka.

11. In the case of over-subscription of securities to the NRB applicants, refund shall be made by Standard Bank Limited out of the "FC Account for IPO". The Dacca Dyeing & Manufacturing Co. Ltd. has already opened the aforesaid FC Accounts and shall close these FC Accounts after refund of over-subscription if any.

12. 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.

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

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

MATERIAL CONTRACTS

1. Issue Management Agreement between the Company and ICB Capital Management Limited
2. Underwriting Agreement between the Company and the Underwriters.
3. Agreement between the company and the Central Depository Bangladesh Limited (CDBL).
4. Consortium Loan Agreement.

Copies of the aforementioned contracts and documents and a copy of Memorandum and Articles of Association of the Company and the Consent Order from the Securities and Exchange Commission may be inspected on any working day during office hours at the Office of the Company and the manager to the issue.

MANAGER TO THE ISSUE

ICB Capital Management Limited 8, DIT Avenue (14th Floor), Dhaka-1000 is the Manager to the Issue. The Issue Manager will get Tk. 6,80,000.00 as issue management fee being @ 0.40% on total issue.

COMMISSION TO THE BANKER TO THE ISSUE

Commission at the rate of 0.1% of the amount collected will be paid to the Bankers to the Issue for the services to be rendered by them.

CORPORATE DIRECTORY

Miscellaneous Information:

Office	Sharif Mansion, 56-57, Motijheel Commercial Area (4th Floor), Dhaka-1000.
Auditor	Rahman Mostafa Alam & Co. Chartered Accountants Paramunt Heights (Level - 7 - D2) 65/2/1, Box Culvert Road Purana Paltan, Dhaka-1000.
Principal Banker	Standard Bank Limited, Principal Branch, Dhaka.
Manager to the Issue	ICB Capital Management Limited 8, DIT Avenue, Dhaka-1000.
Company's Compliance Officer	Md. Majibur Rahman Company Secretary & Deputy General Manager (Accounts & Finance)

All investors are hereby informed by the Company that the Company Secretary would be designated as compliance officer who will monitor the compliance of the Acts, and 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 redressal of investors' grievances.

BANKERS TO THE ISSUE

<p><u>Investment Corporation of Bangladesh</u></p> <p>Head Office, NSC Tower, Dhaka Local Office, Nayapaltan, Dhaka -1000. Barisal Branch, Barisal Bogra Branch, Bogra. Chittagong Branch, Chittagong. Khulna Branch, Khulna Rajshahi Branch, Rajshahi Sylhet Branch, Sylhet</p> <p><u>National Bank Ltd.</u></p> <p>Agrabad Branch, Chittagong Anderkillah Branch, Chittagong Babubazar Branch, Dhaka Bangshal Road Branch, Dhaka. Barisal Branch, Barisal Bogra Branch, Bogra. Comilla Branch, Comilla. Dhanmondi Branch, Dhaka. Dilkusha Branch, Dhaka. Elephant Road Branch, Dhaka. Foreign Ex. Branch, Dhaka. Gazipur Branch, Gazipur. Gulshan Branch, Dhaka. Imamganj Branch, Dhaka. Islampur Branch, Dhaka. Jatrabari Branch, Dhaka. Jubilee Road Branch, Chittagong Kawran Bazar Branch, Dhaka. Khatunganj Branch, Chittagong Khulna Branch, Khulna. Lake Circus Branch, Kalabagan, Dhaka Malibagh Branch, Dhaka. Mirpur Brnch, Dhaka. Mohakhali Branch, Dhaka. Mohammadpur Branch, Dhaka. Motijheel Branch, Dhaka. Narayanganj Branch, N'Gonj. Narsingdi Branch, Narsingdi. North Brook Hall Branch, Dhaka. Pahartali Branch, Chittagong. Pragati Sarani Branch, Dhaka. Pagla Bazar Branch, N'Gonj Rajshahi Branch, Rajshahi. Rangpur Branch, Rangpur. Savar Bazar Branch, Savar, Dhaka. Sheikh Mujib Road Branch, Chittagong Sylhet Branch, Sylhet. Tangail Branch, Tangail. Uttara Branch, Dhaka. Z H Sikder M.C. Branch, Dhaka.</p>	<p><u>IFIC Bank Limited</u></p> <p>Agrabad Branch, Chittagong Banani Branch, Dhaka Bogra Branch, Bogra Brahmanbaria Branch, Brahmanbaria Boro Bazar, Khulna Barisal Branch, Barisal Cox's Bazar Branch, Cox's Bazar Commilla Branch, Collima Choumuhani Branch, Noakhali Chawk Bazar Branch, Chittagong Dhanmondi Branch, Dhaka Dinazpur Branch, Dinajpur Elephant Road Branch, Dhaka Federation Branch, Dhaka Feni Branch, Feni Faridpur Branch, Faridpur Gulshan Branch, Dhaka Islampur Branch, Dhaka Jessor Branch, Jessore Karwan Bazar Branch, Dhaka Khulna Branch, Khulna Khatunganj Branch, Chittagong Kustia Branch, Kustia Lalmatia Branch, Dhaka North Brook Hall Road Branch, Dhaka Mymensingh Branch, Mymensingh Moulavibazar Branch, moulavibazar Malibagh Branch, Dhaka Narayanganj Branch, Narayanganj Narsingdi Branch, Narsingdi Naya Paltan Branch, Dhaka Pallabi branch, Dhaka Pabna Branch, Pabna Rajshahi Branch, Rajshahi Rangpur Branch, Rangpur Santinagar Branch, Dhaka Sheikh Mujib Road Branch, Chittagong Sylhet Branch, Sylhet Uttara Branch, Dhaka Uposhohor Branch, Sylhet</p> <p><u>The City Bank Limited</u></p> <p>Principal Office, Dhaka. B B Avenue Br., Dhaka. Dhaka Chamber Br., Dhaka. Dhanmondi Branch, Dhaka. Foreign Ex. Branch, Dhaka. Gulshan Branch, Dhaka. Imamganj Branch, Dhaka. Islami Banking Branch, Dhaka. Johson Road Br., Dhaka. Karwan Bazar Branch, Dhaka. Mirpur Brnch, Dhaka. Mouchak Br., Dhaka. Newmarket Br., Dhaka. Shaymoli Br., Dhaka. Uttara Branch, Dhaka. VIP Road Br., Dhaka. DSE Nikunja Br., Dhaka. Barisal Branch, Barisal. Tongi Br., Gazipur. Tanbazar Br., Narayanganj. Commilla Branch, Collima. Agrabad Branch, Chittagong. Jubilee Road Branch, Chittagong.</p>	<p>Khatunganj Branch, Chittagong. O.R Nizam Road, Chittagong. Bandar Bazar Br., Sylhet. Zinda Bazar Br., Sylhet. Bogra Branch, Bogra. Rajshahi Branch, Rajshahi. Khulna Branch, Khulna.</p> <p><u>National Credit and Commerce Bank Ltd.</u></p> <p>Agrabad Branch, Chittagong, Babu Bazar Branch, Dhaka Bangshal Branch, Dhaka Cox's Bazar Branch, Cox's Bazar Banani Branch, Dhaka Commila Branch, Commila Dhanmondi Branch, Dhaka Dilkusha Branch, Dhaka Elephant Road Branch, Dhaka. Feni Branch, 10 Trank Road, Feni. Foreign Exchange Branch, Dhaka. Gulshan Branch, Dhaka. Islampur Branch, Dhaka. Jatrabari Branch, Dhaka. Jubilee Road Branch, Chittagong. Kawran Bazar, Branch, Dhaka. Khulna Branch, Khulna. Khatunganj Branch, Chittagong Laldighirpar Branch, Sylhet. Malibagh Branch, DIT Road, Dhaka. Mirpur Branch, Dhaka Mitford Branch, Dhaka Mogh Bazar Branch, Dhaka Motijheel Main Branch, Dhaka O.R Nizam Road, Chittagong Rajshahi Branch, Rajshahi. Utrara Branch, Dhaka</p> <p><u>Bangladesh Shilpa Rin Sangstha</u></p> <p>Motijheel Branch, Dhaka. Karwan Bazar Branch, Dhaka.</p> <p><u>Standard Bank Limited</u></p> <p>Agrabad Branch, Chittagong Banani Branch, Dhaka CDA Avenue Branch, Chittagong Dhanmondi Branch, Dhaka, Foreign Exchange Branch, Dhaka Gulshan - 1 Branch, Dhaka Gulshan Branch, Dhaka Imamganj Branch, Dhaka Jessore Branch, Jessore Jublee Road Branch, Chittagong Khatunganj Branch, Chittagong Khulna Branch, Khulna Munshikhola Branch, Dhaka Narayanganj Branch, Narayanganj Panthapath Branch, Dhaka Principal Branch, Dhaka Rajshahi Branch, Rajshahi Sylhet Branch, Sylhet Topkhana Road Branch, Dhaka Uttara Branch, Dhaka</p>	<p><u>Dutch Bangla Bank Limited</u></p> <p>Agrabad Branch, Chittagong B. B. Road Branch, Narayanganj Baburhat Branch, Narayanganj Banani Branch, Dhaka Barisal Branch, Barisal Basundhara Branch, Dhaka Biswanath Branch, Sylhet. Board Bazar Branch, Gazipur Bogra Branch, Bogra CDA Avenue Branch, Chittagong Comilla Branch, Comilla Cox,s Bazar Branch, Cox,s Bazar Dania Branch, Dhaka Dhaka EPZ Branch, Dhaka Dhanmondi Branch, Dhaka Elephant Road Branch, Dhaka Feni Branch, Feni Gazipur Chowrasta Branch, Gazipur Gazipur Chowrasta, Gazipur Golapgonj Branch, Sylhet Gulshan Branch, Dhaka Hathazari Branch, Chittagong Imamgonj Branch, Dhaka Islampur Branch, Dhaka Joypara Branch, Dhaka Jubilee Road Branch, Chittagong Kadamtali Branch, Chittagong Kawran Bazar Branch, Dhaka Khulna Branch, Khulna Local Office, 1 Dilkusha C/A, Dhaka Lohagara Branch, chittagong Manikgonj Branch, Manikgonj Mirpur Branch, Dhaka Mirzapur Branch, Tangail Mohakhali Branch, Dhaka Motijheel Foreign Exchange Branch, Zerim Mansion, Dhaka Moulavi Bazar Branch, Moulavi Bazar. Muradpur Branch, Chittagong Nababpur Branch, Dhaka Narayanganj Branch, Narayangang Naya Bazar Branch, Dhaka Netaiganj Branch, Narayanganj Patherhat Branch, Chittagong Rajshahi Branch, Rajshahi Ring Road Branch, Dhaka Savar Bazar Branch, Dhaka Shantinagar Branch, Dhaka Simrail Branch, Narayanganj Sylhet Branch, Sylhet Uttara Branch, Dhaka</p> <p><u>Trust Bank Limited</u></p> <p>Principle Branch, Dhaka. SKB Branch, Dhaka. Comilla Branch, Comilla Chittagong Cant. Branch, Chittagong Rangpur Cant. Branch, Rangpur Jessore Cant. Branch, Jessore Agrabad Branch, Chittagong Khatungong Branch, Chitangong Dhanmondi Branch, Dhaka Gulshan Corporate Branch, Dhaka Dilkusha Corporate Branch, Dhaka CDA Avenue Branch, Chittagong Sylhet Corporate Branch, Sylhet Millenium Corporate Branch, Dhaka Mirpur Branch, Dhaka Neval Base Branch, Chittagong Narayanganj Branch, Narayangang Karwan Bazar Branch, Dhaka</p>
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**AUDITORS' REPORT
TO
THE SHAREHOLDERS**

We have audited the accompanying balance sheet of **The Dacca Dyeing & Manufacturing Company Limited** as of June 30, 2008 and the related profit and loss account, statement of cash flows, statement of changes in shareholders equity and the explanatory notes to the financial statements for the year 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 misstatements. 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 the company's affairs as of June 30, 2008 and the result of its operations and its cash flows for the year then ended and comply with the applicable sections of the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

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 purposes of our audit and made due verification thereof ;
- b. in our opinion, proper books of account as required by the law have been kept by the company so far as it appeared from our examination of those books ;
- c. the company's balance sheet, profit & loss account and statement of cash flow dealt with by the report are in agreement with the books of account and returns ; and
- d. the expenditure were incurred for the purpose of the company's business.

Dated : Dhaka
October 15, 2008

Sd/-
Rahman Mostafa Alam & Co
Chartered Accountants

The Dacca Dyeing & Manufacturing Company Limited
Balance Sheet
As at June 30, 2008

	Notes	2008 Taka	2007 Taka
Assets			
Non-current assets :			
Fixed assets (at cost less depreciation)	3	959,312,183	1,004,251,344
Investment in shares	4	50,000	50,000
Current assets :			
Inventories	5	401,584,050	361,670,746
Trade and others receivables	6	229,410,082	221,734,738
Advance, deposits & prepayments	7	66,369,482	35,373,748
Cash & bank balances	8	8,853,673	85,306,428
Total Assets		<u>1,665,579,470</u>	<u>1,708,387,004</u>
Equity and Liabilities :			
Equity attributable to equity holders of the company		483,339,485	455,922,422
Share capital	9	230,000,000	200,000,000
Share money deposit	10	27,927,970	-
Capital reserve	11	192,888,817	221,831,752
Tax holiday reserve	12	3,804,291	10,804,291
Retained earnings	13	28,718,407	23,286,379
Non-current liabilities :			
Interest-bearing project loan (long term)	14	636,131,780	572,136,954
Deffered tax liability	25.2	8,240,745	-
Loan from directors	15	16,800,826	3,332,639
Current liabilities :			
Trade and other payables	16	208,317,969	395,259,345
Interest-bearing loans (short term)	17	309,508,271	273,980,193
Provision for income tax	18	3,240,394	7,755,451
Total Equity and Liabilities		<u>1,665,579,470</u>	<u>1,708,387,004</u>

The annexed notes 1 to 38 form an integral part of these financial statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
October 15, 2008

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

The Dacca Dyeing & Manufacturing Company Limited

Profit & Loss Account

For the year ended June 30, 2008

Particulars	Notes	2007-08 Taka	2006-07 Taka
Sale of goods	19	1,092,222,870	605,613,917
Cost of goods sold	20	(870,119,077)	(453,850,597)
Gross profit		222,103,793	151,763,320
		184,997,777	124,167,773
Selling and distribution expenses	21	37,413,988	38,022,672
Administrative expenses	22	29,403,241	29,365,598
Financial charges	23	118,180,548	56,779,503
Gross operating profit		37,106,017	27,595,547
Non-operating income		1,400,395	88,515
Profit before contribution to WPPF & WWF		38,506,412	27,684,062
Contribution to WPPF & WWF	24	1,833,639	1,318,289
Profit before tax		36,672,773	26,365,773
Provision for income tax		8,240,745	3,954,866
Current tax	25.1	-	3,954,866
Deffered tax	25.2	8,240,745	-
Net profit after tax for the year		28,432,028	22,410,907
Earning per share	26	1.24	0.97

The annexed notes 1 to 38 form an integral part of these financial statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
October 15, 2008

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

The Dacca Dyeing & Manufacturing Company Limited
Cash Flow Statements
For the year ended June 30, 2008

Particulars	Notes	2007-08 Taka	2006-07 Taka
Cash flows from operating activities			
Receipts from customers		1,084,547,526	443,451,501
Payment to suppliers and employees		(1,072,941,130)	(437,498,962)
Other income		1,400,395	88,515
Cash generated from operation		13,006,791	6,041,054
Interest & bank charges paid		(25,513,580)	(6,841,692)
Increased in bank overdraft		6,782,762	-
Income tax paid		(6,236,485)	(1,972,842)
Net cash used in operating activities	27	(11,960,512)	(2,773,480)
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,774,644)	(8,650,440)
Acquisition of capital work-in-progress		(25,498,850)	(39,309,450)
Investment in associates		1,002,007	-
Net cash used in investing activities		(28,271,486)	(47,959,890)
Cash flows from financing activities			
Proceeds from long term loan		-	56,405,385
(Decrease) / Increase in short term loan		(77,616,914)	64,623,759
Received from share money deposit		27,927,970	-
Received from directors & associates		13,468,187	3,332,639
Dividend paid		-	(4,151,453)
Net cash used in financing activities		(36,220,757)	120,210,330
Net decrease in cash and cash equivalents		(76,452,755)	69,476,960
Cash and cash equivalents at the beginning of the financial year		85,306,428	15,829,468
Cash and cash equivalents at the end of the financial year		8,853,673	85,306,428

The annexed notes 1 to 38 form an integral part of these financial statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

Dated : Dhaka
October 15, 2008

Rahman Mostafa Alam & Co.

Chartered Accountants

The Dacca Dyeing & Manufacturing Company Limited**Statements of Changes in Equity**

For the year ended June 30, 2008

Particulares	Issued Capital	Share Money Deposit	Capital Reserve	Tax Holiday Reserve	Proposed Dividend	Retained Earnings	Total Equity	
Balance at 1 July 2006	200,000,000	-	250,922,266	10,804,291	4,151,453	875,472	466,753,482	
Cash dividend for 2007	-	-	-	-	(4,151,453)	-	(4,151,453)	
Surplus for the year ended June 30, 2007	-	-	-	-	-	22,410,907	22,410,907	
Depreciation on revalued assets	-	-	(29,090,514)	-	-	-	(29,090,514)	
Cash dividend for the year	-	-	-	-	-	-	-	
Balance at 1 July 2007	200,000,000	-	221,831,752	10,804,291	-	23,286,379	455,922,422	
Transfer for bonus share issue	-	-	-	(7,000,000)	-	7,000,000	-	
Issue of bonus share on 28.12.07	30,000,000	-	-	-	-	(30,000,000)	-	
Surplus for the year ended June 30, 2008	-	-	-	-	-	28,432,028	28,432,028	
Share money deposit for right share	-	27,927,970	-	-	-	-	27,927,970	
Depreciation on revalued assets	-	-	(28,942,935)	-	-	-	(28,942,935)	
Cash dividend for the year	-	-	-	-	-	-	-	
Balance at 30 June 2008	Taka	230,000,000	27,927,970	192,888,817	3,804,291	-	28,718,407	483,339,485

The Dacca Dyeing & Manufacturing Company Limited

Notes to the Financial Statements

1. Corporate Information and Nature of Business Activities :

Corporate Information

The Dacca Dyeing & Manufacturing Company Limited is a Public Limited Company was incorporated on December 31, 1963 under the Companies Act 1913 and now the company is following the Companies Act 1994. The registered office of the company is situated at Sharif Mansion, 56-57 Motijheel C/A, Dhaka- 1000.

Nature of Business Activities

The Company owns and operates one composite textile plant at Tongi, Gazipur having preparatory weaving, dyeing, finishing and printing facilities producing high quality of bed sheet, napkin, table cloth, shirting fabrics, towel bath linen, kitchen linen and all shorts of home textile products for marketing in Europe and North America. To some extent the company's products penetrate into the local market.

2. Significant Accounting Policies :

2.1 Statement of Compliance

The financial statements have been prepared and disclosures of information made in accordance with the requirements of the Companies Act 1994, The Securities and Exchange Rules 1987, and International Accounting Standards (IASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs).

2.2 Basis of Preparation

The Financial Statements have been prepared based on the accrual basis of accounting following going concern assumption and prepared under the historical cost convention except for the revaluation of certain non-current assets and financial instruments.

2.3 Basis of Reporting

Financial statements are prepared and presented for external users by the enterprise in accordance with identified reporting framework. Presentation has been made in compliance with the standards adopted by the ICAB for reporting, IAS 1- Presentation of Financial Statements.

2.4 Property, Plant & Equipment

Property, plant & equipment are stated at cost less accumulated depreciation in accordance with IAS 16 "Property Plant & Equipment".

i) Recognition of Property, Plant & Equipment

The cost of an item of property, plant and equipment shall be recognized as an asset when it is probable that future economic benefit associated with the item will flow to the entity and the cost of the item can be measured reliably. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its operating condition for its intended use inclusive of inward freight, duties, non-refundable taxes, construction, erection and capitalization of pre-production expenditure. Some fixed assets are re-valued by a professional valuer as stated note 3.

The gain or losses arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized as non-operating income / (loss) and reflected in the profit & loss account.

ii) Capital Work-in-Progress

Capital work in progress has been allocated and transferred to property, plant & equipment from the month when it is starting of commercial operation.

iii) Depreciation of Property, Plant & Equipment

Depreciation is charged on fixed assets on diminishing balance method. Depreciation on additions during the year is made for the full year irrespective to the actual dates of acquisition. No depreciation has been charged on the assets disposed off during the year. No depreciation has been charged on the freehold land & land development and capital work-in- progress. The rate at which the assets are depreciated per annum depended on the nature and estimated useful life of each assets which are given below :

<u>Name of the Assets</u>	<u>Rate of Depreciation in (%)</u>
Factory building & other construction	2.25%
Plant & machinery	10%
Electrical installation	15%
Office and other equipment	15%
Furniture & fixtures	6%
Vehicles	20%
Development cost	20%
Air conditioner & sundry assets	25%
Tele communication equipment	40%
Sales center development	20%
Laboratory equipment (Lab)	15%
Workshop machinery	10%
Gas line	15%
Generator	10%

2.5 Inventories

Inventories are assets held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process. Inventories are stated at the lower of cost or net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to the particular class of inventory. Net realizable value represents the estimated selling price for the inventories less all estimated cost of completion and cost necessary to make the sale.

<u>Category of Stocks</u>	<u>Basis of Valuation</u>
Raw material of yarn, dyes, chemical and store & spares	Weighted average cost
Work-in-process	Cost of raw materials consumed plus other direct charges
Finished goods	Lower of cost or net realizable value

2.6 Foreign Currency Translation

Transactions in foreign currencies are translated into BDT at the rate of exchange ruling on date of transaction. Monetary assets and liabilities expressed in foreign currencies are translated into BDT at the rate of exchange ruling at the balance sheet date. Gain or losses resulting from foreign currency transitions are taken to the profit & loss account complying with IAS 21.

2.7 Taxation

The company qualified as a “Public Limited Company”. Provision for income tax has been made in the accounts as required. Income tax assessment of the company has been completed up to the assessment year 2005-2006. The assessment order for 2006-2007 is in Tribunal for hearing and for 2007-2008 the assessment has been submitted as per Universal Self Assessment. Considering the practices generally followed in Bangladesh the company have been reserved deferred tax assets or liabilities in accordance with IAS 12 “Income Tax”.

2.8 Revenue Recognition

In compliance with the requirements of IAS 18 “Revenue”, revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measure. Revenue is measure at the fair value of the consideration received or receivable excluding discounts, rebates, and other sales taxes.

Revenue from the sale of goods is recognized when the following conditions are satisfied:

- i) the enterprise has transferred to the buyer the significant risk and rewards of ownership of the goods;
- ii) the enterprise retains neither continuing managerial involvement to the degree usually associated with ownership of the goods;
- iii) the amounts of revenue can be measured reliably;
- iv) it is probable that the economic benefits associated with the transaction will flow to the entity; and
- v) the cost incurred or to be incurred in respect of the transaction can be measured reliably.

2.9 Borrowing Costs

In compliance with the requirements of IAS 23 “Borrowing Costs” borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs are recognized as expenses in the period in which they incurred and capitalized the same that incurred before commencement of commercial operation.

2.10 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank current accounts, other bank deposits free of encumbrance and having maturity dates of three months or less from respective dates of deposit.

2.11 Financial Assets and Liabilities

Financial assets and liabilities are recognized on the balance sheet date when the entity has become a party to a contractual provision of the instruments.

i) Receivables

Trade receivables are stated their real value and consider good. No provision has been made for doubtful debts and no amount was written off as bad.

ii) Payable

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the company.

iii) Related party disclosure

As per IAS - 24 parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company has carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with related parties. Related parties are stated their actual value in note no 7.1.

iv) Borrowings

Interest bearing bank loans and overdrafts are recorded at the proceeds received net of direct issue costs. Financial charges are accounted for on an accrual basis.

2.12 Lease Agreements

The company has three lease agreements with Prime Finance & Investment Limited, Peoples Leasing & Financial Services Limited and International Leasing and Financial Services Limited for vehicles. The lease is classified as an operating lease as it does not transfer substantial risks and rewards incident to the ownership consistent with the view laid down in IAS 17 "Leases".

Measurement of Lease Payments

Lease payments (excluding cost for services such as insurance and maintenance) are recognized as expense in the profit & loss account.

2.13 Cash Flows Statement

Statement of cash flows is prepared principally in accordance with IAS 7 "Cash Flow Statements" and cash flows from operating activities has been presented under direct method as required by the Securities and Exchange Rules 1987.

2.14 Earning Per Share

The company calculates Earning Per Share (EPS) in accordance with IAS 33. Earning per share that has been shown on the face of profit and loss account and the computation of EPS is stated in note 26.

2.15 Provision

The preparation of the financial statements in conformity with the International Accounting Standards IAS 37 "Provision, Contingent Liabilities and Contingent Assets" requires management to make estimates and assumptions that affect of the reported amounts of revenue and expenses, assets and liabilities and the disclosure requirements for contingent assets and liabilities at the date of the financial statements.

In accordance with the guidelines as prescribed by IAS 37 provisions were recognized in the following situations :

- i) when the company has a present obligation as a result of past event;
- ii) when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- iii) reliable estimates can be made of the amount of obligation.

We have shown the provisions in the balance sheet at an appropriate level with regard to an adequate provision for risks and uncertainties. An amount recorder as a provision represents the best estimate of the probable expenditure required to fulfill the current obligation on the balance sheet date.

2.16 Workers Profit Participation Fund

Provision for Workers Profit Participation Fund (WPPF) and Worker Welfare Fund (WWF) has been made @ 5% on net profit as per provision of the Workers Profit Participation Act 1968 and payable to workers as defined in the said law.

2.17 Comparative Figure

Comparative figures and account titles in the financial statements have been re-arrange/re-classified where necessary to conform with changes in presentation in the current year.

2.18 General

Figures appearing in these financial statements have been rounded off to the nearest Bangladesh Taka.

3. Fixed Assets :

Particulars	Cost				Rate of dep.%	Depreciation				Written Down Value As on 30.06.2008
	As on 01.07.2007	Addition made during the year	Adjustment made during the year	As on 30.06.2008		As on 01.07.2007	Charged during the year	Adjustment made during the year	As on 30.06.2008	
Land & Land Development	179,842,477	-	-	179,842,477	-	-	-	-	-	179,842,477
Factory Building & Other Construction	114,480,596	39,310,216	-	153,790,812	2.25	9,820,452	3,239,333	-	13,059,785	140,731,027
Sales Center Development	4,263,581	627,500	-	4,891,081	20	1,120,164	754,183	-	1,874,347	3,016,734
Plant & Machinery	682,930,659	56,283,399	-	739,214,058	10	112,287,551	62,692,651	-	174,980,202	564,233,856
Electrical Installation	3,259,066	786,756	-	4,045,822	15	1,510,538	380,293	-	1,890,831	2,154,991
Laboratory Equipment(Lab)	6,065,790	295,015	-	6,360,805	15	1,029,540	799,690	-	1,829,230	4,531,575
Workshop Machinery	6,257,600	-	-	6,257,600	10	3,264,610	299,299	-	3,563,909	2,693,691
Office Equipment	4,497,720	1,399,285	-	5,897,005	15	1,617,651	641,903	-	2,259,554	3,637,451
Furniture & Fixture	1,947,253	368,861	-	2,316,114	6	381,921	116,052	-	497,973	1,818,141
Website Development	78,500	-	-	78,500	20	42,762	7,148	-	49,910	28,590
Vehicles	49,122	27,000	-	76,122	20	72,195	785	-	72,980	3,142
Airconditioner & Compressor	2,760,276	-	-	2,760,276	25	1,019,371	435,226	-	1,454,597	1,305,679
Gas Line	3,037,228	150,000	-	3,187,228	15	461,775	408,818	-	870,593	2,316,635
Generator	46,707,922	-	-	46,707,922	10	6,590,807	4,011,712	-	10,602,519	36,105,404
Telecommunication Equi.	410,498	206,608	-	617,106	40	256,238	144,347	-	400,585	216,521
Sundry Assets	941,268	541,425	-	1,482,693	25	357,836	281,214	-	639,050	843,643
Capital Work-in-Progress	86,254,850	25,498,850	95,921,073	15,832,627	-	-	-	-	-	15,832,627
Total Taka	1,143,784,406	125,494,914	95,921,073	1,173,358,247		139,833,411	74,212,653	-	214,046,064	959,312,183

The Company has shown the fixed assets on the basis of cost and some assets were revalued by a professional valuer (Commodity Inspection Service BD, Ltd.) as on 24.07.1996 and 03.11.2000 in order to ascertain the company's true net worth. The capital work-in-progress includes the expenditures on account of factory building under construction, plant & machinery and gas line installation. The capital work-in-progress which are completed in nature upto June 30, 2008 are transferred to respective fixed assets as per board resolution no-148 dt 22.09.08.

Allocation of Depreciation:

Particulars	%	Amount
Manufacturing overhead	60%	44,527,592
Administrative expenses	1%	742,127
Assets revaluation reserve	39%	28,942,935
Taka		74,212,653

3.01 Revaluation of Fixed Assets:

The first revaluation of company's assets was made on 24.07.1996 by a survey company named Commodity Inspection Services (BD.) Limited. The valuation has been made for reflection of actual value of its assets. The revalued amount was incorporated in the accounts as on 30.06.1996. The summary of revaluation is shown below:

Description	Book value as on 30.06.1996	Revaluation surplus as on 30.06.1996	Revalued Book value as on 30.06.1996
Land & Land Development	5,093,142	60,665,858	65,759,000
Factory Building & Other Construction	2,642,833	44,633,331	47,276,164
Plant & Machinery	2,955,111	51,055,561	54,010,672
Electrical Installations	683,944	2,471,606	3,155,550
Testing Laboratory Equipment	7,370	424,630	432,000
Workshop Machinery	124,327	4,918,873	5,043,200
Office Equipment	268,931	-	268,931
Furniture & Fixtures	467,832	-	467,832
Vehicles	82,255	-	82,255
Air Conditioner and Compressor	4,245	-	4,245
Gas Line Construction	12,160	-	12,160
Generator	3,553,000	-	3,553,000
Sundry Assets	7,070	-	7,070
Capital Work-in-Progress	9,651,000	-	9,651,000
Total	Taka <u>25,553,220</u>	<u>164,169,859</u>	<u>189,723,079</u>

The second revaluation was made on 03.11.2000 by Commodity Inspection Services (BD.) Limited. The valuation has been made for reflection of actual value of its assets. The revalued amount was incorporated in the accounts as on 30.06.2000. The summary of revaluation is shown below:

Description	Book value as on 30.06.2000	Revaluation surplus as on 30.06.2000	Revalued Book value as on 30.06.2000
Land & Land Development	67,177,500	111,549,600	178,727,100
Factory Building & Other Construction	43,235,636	8,276,864	51,512,500
Plant & Machinery	97,889,896	3,237,516	101,127,412
Electrical Installations	1,492,634	247,366	1,740,000
Testing Laboratory Equipment	225,507	-	225,507
Workshop Machinery	3,308,844	2,948,756	6,257,600
Office Equipment	504,333	-	504,333
Furniture & Fixtures	558,836	-	558,836
Vehicles	165,888	-	165,888
Air Conditioner and Compressor	42,476	-	42,476
Gas Line Construction	6,348	-	6,348
Generator	2,590,137	1,962,863	4,553,000
Sundry Assets	183,725	-	183,725
Capital Work-in-Progress	70,143,882	-	70,143,882
Capital Work-in-Progress	16,186,943	-	16,186,943
Total	Taka <u>303,712,584</u>	<u>128,222,965</u>	<u>431,935,550</u>

The revaluation reserve has been written off subsequently on yearly basis against the depreciation charged on the revalued assets. The balance of revaluation reserve was Tk.192, 844,180 as on 30.06.2008.

4. Investment in shares:

The investment in the shares of The Dacca Yarn Dyeing Limited for 500 shares @ Tk. 100 each has been shown at cost price because the securities held are not tradable in the market.

5. Inventories:

Particulars	2008		2007	
	Quantity	Taka	Quantity	Taka
Raw material of yarn	849,612 lbs	70,698,901	1,847,958 lbs	113,298,281
Raw material of dyes		9,102,565		10,000,503
Raw material of chemical		15,812,327		8,406,000
Stores, spares, packing material & others		36,950,888		17,645,450
Work-in-process:		242,423,401		162,389,655
Towel	54,485 kg		45,918 kg	
Fabrics	2,185,241 mtr		1,069,499 mtr	
Fabrics & Towel	354,018 pcs		569,491 pcs	
Finished goods:				-
Towel	18,082 pcs	1,213,837	87,293 pcs	9,292,523
Fabrics	85,219 mtr	9,428,411	425,172 mtr	40,435,000
Fabrics	5,832 set	2,495,769	-	-
Material in transit		13,457,951		203,334
		401,584,050		361,670,746

Total inventories are valued at lower of cost or net realisable value as per IAS 2. Work-in-process has been valued at materials cost and 50% of conversion cost.

	2008 Taka	2007 Taka
6. Trade and others receivables :		
Export sales receivables	90,022,393	75,241,836
Cash assistance receivables	6.1 45,838,898	18,639,966
Receivable from general customers	93,548,791	127,852,936
	229,410,082	221,734,738

6.1. Cash assistance receivables :

Balance as on 1st July	18,639,966	8,073,473
Add : Addition made during the year	29,582,104	13,047,910
	48,222,070	21,121,383
Less : Realised during the year	2,383,172	2,481,417
Balance as on 30th June	45,838,898	18,639,966

There is no amount due from directors, managers and officers of the company.

Debts outstanding for a period of exceeding six months amounting of Tk. 30,764,135.

Other debts Tk. 198,645,947.

Debts considered good but unsecured amounting to Tk. 93,548,791.

Debts considered good and fully secured amounting to Tk. 135,861,291

No provision has been made for doubtful or bad debts due to all debts are considered as good and recoverable.

No amount is due from any associate undertakings and related parties as on 30.6.2008.

The subsequent position of the above mentioned items are as follows :

Export proceeds fully realised subsequently.

An amount of taka 93,548,791 is receivable from local customers.

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**2008
Taka****2007
Taka****7. Advance, deposits & prepayments :**

Advance and prepayments	7.1	31,478,495	19,495,419
Deposits	7.2	34,890,987	15,878,329
		66,369,482	35,373,748

7.1. Advance and prepayments :

Suppliers		13,541,580	5,482,917
Employees		444,811	427,658
Local purchase		8,465	146,703
Others		6,842,650	1,143,251
Office rent		527,000	1,178,894
The Dacca Yarn Dyeing Ltd.	7.1.1	10,113,989	7,888,339
QC Enterprise (Note- 31)		-	3,227,657
		31,478,495	19,495,419

7.1.1. The Dacca Yarn Dyeing Ltd. :

Balance as on 1st July		7,888,339	3,850,065
Add : Addition made during the year		2,225,650	4,038,274
		10,113,989	7,888,339
Less : Payment during the year		-	-
Balance as on 30th June		10,113,989	7,888,339

The advance & pre-payments considered good and recoverable.

There is no amount due from any associate undertaking and related parties as on 30.06.08 except The Dacca Yarn Dyeing Ltd.

7.2. Deposits :

Income tax deducted at source (TDS)		5,743,439	3,527,449
Income tax deposit (AIT)		2,911,740	3,406,302
Deposit with DDGL		23,500	23,500
Athena Enterprise		157,109	157,109
Refundable deposits		21,468	78,968
Security deposit with Titas Gas T&D Co. Ltd.		3,718,700	2,389,400
Security deposit against telephone line		59,895	59,895
Margin deposits for bank guarantee (DBBL)		1,221,406	1,221,406
L/C margin deposits		21,033,730	5,014,300
		34,890,987	15,878,329

All deposits are considered goods & recoverable.

8. Cash & bank balances :

Cash in hand (8.1)		1,253,947	415,417
Cash at bank (8.2)		7,599,726	84,891,011
		8,853,673	85,306,428

8.1. Cash in hand :

At head office		43,329	37,685
At sales center		10,000	10,000
At factory		1,200,618	367,732
		1,253,947	415,417

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2008
Taka**2007**
Taka**8.2. Cash at Bank:**

Agrani Bank Ltd.- CD-(Unit-2)	-	28
Agrani Bank Ltd.- FCAD-93	9,083	9,083
Agrani Bank Ltd.- FBPAR(BTB)	375,285	375,286
Agrani Bank Ltd.- Cash Subsidy A/c	5,200	5,200
Agrani Bank Ltd.- Pr.Br.CD-14425-8	6,336	47,029
Agrani Bank Ltd.- Tongi CD-1590-5	2,139	14,475
Commercial Bank of Cylon Ltd.CD A/c 91000	15,762	727,109
Uttara Bank Ltd. CD- 7934	14,991	14,991
Dutch-Bangla Bank Ltd.-STD-951	-	4,510,460
Dutch-Bangla Bank Ltd.-FC-053	521,175	71,024
Dutch-Bangla Bank Ltd.-FBPAR -050-against import	362,034	63,349,851
Dutch-Bangla Bank Ltd.-11671	2,391	10,495,492
Dutch-Bangla Bank Ltd.-Margin-8500	6,236,722	1,248,714
Islami Bank Bangladesh Ltd. -CD-78412	38,708	4,012,269
IFIC Bank Ltd. CD A/c 2897	9,900	10,000
	7,599,726	84,891,011

9. Share capital:**Authorised share capital**

100,000,000 Ordinary shares @ of Tk. 10 each	1,000,000,000	1,000,000,000
	1,000,000,000	1,000,000,000

Issued, subscribed and paid-up capital

23,000,000 Ordinary shares @ of Tk. 10 each	230,000,000	200,000,000
	230,000,000	200,000,000
Paid-up in cash (20,000,000 Ordinary shares @ Tk. 10 each)	200,000,000	200,000,000
Issue of bonus share (3,000,000 Ordinary shares @ Tk. 10 each)	30,000,000	-
	230,000,000	200,000,000

The position of share holding :

Particulars	2008		2007	
	Number of share	% of Holding	Number of share	% of Holding
Sponsors	18,288,498	79.52%	15,848,547	79.24%
General share holders :				
Bangladesh Shilpa Rin Songstha	4,600,000	20.00%	4,000,000	20.00%
Agrani Bank Ltd.	45,885	0.20%	39,900	0.20%
Others	65,617	0.28%	111,553	0.56%
	23,000,000	100.00%	20,000,000	100.00%

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Share distribution schedule :

The number of shareholders and shareholding position are given below :

Range of shares	No. of Shareholders	Shareholding %
Less than 500 shares	23	0.004
500 to 5,000 shares	16	0.058
5,001 to 10,000 shares	1	0.023
10,001 to 20,000 shares	-	-
20,001 to 30,000 shares	-	-
30,001 to 40,000 shares	-	-
40,001 to 50,000 shares	2	0.400
50,001 to 100,000 shares	-	-
100,001 to 1,000,000 shares	5	16.620
over 1,000,000 shares	5	82.895
Total	52	100

10. Share money deposit :

Shareholder Name	No. of Share	Tk.	Tk.
Md. Sirajul Haque	19	190	-
Md. Abu Taher	21	210	-
Humayun Kabir Ayub	6	60	-
Birendra Chandra Saha	23	230	-
Md.Sirajul Islam	1,136	11,360	-
Serajul Islam	1	10	-
Mrs.Mohsen Ara Taher	125	1,250	-
Agrani Bank Ltd	9,975	99,750	-
Samaha Quader Chowdhury	174,255	1,742,550	-
Giasuddin Quader Chowdhury	1,607,111	16,071,110	-
Bangladesh Shilpo Rin Sanghtha	1,000,000	10,000,000	-
Md.Abu Taher, B com	125	1,250	-
	2,792,797	27,927,970	-

The amount represents the subscription money received for 27,92,797 number of right shares upto 30th June 2008 (Note: 38).

11. Capital reserve :

Capital gain	11.1	44,636	44,636
Assets revaluation reserve	11.2	192,844,181	221,787,116
		192,888,817	221,831,752

11.1. Capital gain :

Sale of fixed assets in 1993-94	25,000	25,000
Sale of fixed assets in 1994-95	19,636	19,636
	44,636	44,636

11.2. Assets revaluation reserve :

Balance as on 1st July	221,787,116	250,877,630
Adjustment for depreciation (Note: 3)	(28,942,935)	(29,090,514)
Balance as on 30th June	192,844,181	221,787,116

12. Tax holiday reserve :

	2008 Taka	2007 Taka
Balance as on 1st July	10,804,291	10,804,291
Less : Transferred to retain earnings for bonus share	7,000,000	-
Balance as on 30th June	<u>3,804,291</u>	<u>10,804,291</u>

13. Retained earnings :

Balance as on 1st July	23,286,379	875,472
Add : Transferred from tax holiday reserve	7,000,000	-
	<u>30,286,379</u>	<u>875,472</u>
Less : Issue of bonus share	30,000,000	-
	<u>286,379</u>	<u>875,472</u>
Add : Profit made during the year	28,432,028	22,410,907
Balance as on 30th June	<u>28,718,407</u>	<u>23,286,379</u>

14. Interest-bearing project loan (long term) :

Agrani Bank Ltd.	14.1	410,462,609	373,554,412
Sonali Bank Ltd.	14.2	178,005,307	159,678,601
Dutch Bangla Bank Ltd.	14.3	47,663,864	38,903,941
		<u>636,131,780</u>	<u>572,136,954</u>

14.1. Agrani Bank Ltd. :

Balance as on 1st July	373,554,412	334,541,728
Add : Reface (Interest & Bank charges) made during the year	43,030,197	39,012,684
	<u>416,584,609</u>	<u>373,554,412</u>
Less : Payment made during the year	6,122,000	-
Balance as on 30th June	<u>410,462,609</u>	<u>373,554,412</u>

This loan is secured by land, building, machinery, equipment and directors personal guarantee. The repayment of loan will be made by 16 half yearly installment.

14.2. Sonali Bank Ltd. :

Disbursed loan	14.2.1	175,487,307	157,160,601
IDCP loan		2,518,000	2,518,000
		<u>178,005,307</u>	<u>159,678,601</u>

14.2.1. Sonali Bank Ltd. (disbursed loan) :

Balance as on 1st July	157,160,601	140,791,721
Add : Addition (Interest) made during the year	18,326,706	16,368,880
	<u>175,487,307</u>	<u>157,160,601</u>
Less : Payment made during the year	-	-
Balance as on 30th June	<u>175,487,307</u>	<u>157,160,601</u>

This loan is secured by land, building, machinery, equipment and directors personal guarantee. The repayment of loan will be made by 16 half yearly installment.

14.3. Dutch Bangla Bank Ltd. :

Balance as on 1st July	38,903,941	40,000,000
Add : Addition(Interest) made during the year	10,125,507	-
	<u>49,029,448</u>	<u>40,000,000</u>
Less : Payment made during the year	1,365,584	1,096,059
Balance as on 30th June	<u>47,663,864</u>	<u>38,903,941</u>

15. Loan from Directors (unsecured) :**Name of Directors**

Mr. Giasuddin Quader Chowdhury (M.D)	15.1	13,182,826	762,639
Mr. Jamaluddin Quader Chowdhury		2,500,000	2,500,000
Mr. Sameer Quader Chowdhury	15.2	1,118,000	70,000
		16,800,826	3,332,639

15.1. Mr. Giasuddin Quader Chowdhury (M.D) :

Balance as on 1st July		762,639	-
Add : Received during the year		12,420,187	762,639
		13,182,826	762,639
Less : Payment made during the year		-	-
Balance as on 30th June		13,182,826	762,639

15.2. Sameer Quader Chowdhury :

Balance as on 1st July		70,000	-
Add : Received during the year		1,048,000	70,000
		1,118,000	70,000
Less : Payment made during the year		-	-
Balance as on 30th June		1,118,000	70,000

16. Trade and other payables :

Liabilities for goods purchases		1,499,322	85,819,741
Liability for L/C (Raw materials)		174,489,009	161,453,380
Liability for letter of trust receipts (LTR)		943,881	78,560,795
Liabilities for expenses-trade & advance		15,874,858	45,553,520
Liabilities for others expenses		10,900,858	20,957,752
Audit Fee		40,000	25,000
Workers Profit Participation Fund		4,209,591	2,375,952
Payable to BTMC		-	100,079
Advance received against local sales		360,450	413,126
		208,317,969	395,259,345

17. Interest-bearing loans (short term) :

Cash Credit (Hypo loan)	17.1	301,743,882	272,998,566
Bank Overdraft	17.2	7,764,389	981,627
		309,508,271	273,980,193

17.1. Cash Credit (Hypo loan):

Agrani Bank Ltd.	17.1.1	138,286,948	128,405,585
Sonali Bank Ltd.	17.1.2	163,456,934	144,592,981
		301,743,882	272,998,566

17.1.1. Agrani Bank Ltd. (CC A/c 051425) :

Balance as on 1st July		128,405,585	107,533,289
Add: Addition (Interest) made during the year		18,292,363	20,872,296
		146,697,948	128,405,585
Less: Payment made during the year		8,411,000	-
Balance as on 30th June		138,286,948	128,405,585

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17.1.2. Sonali Bank Ltd. (A/c 09977) :

	2008 Taka	2007 Taka
Balance as on 1st July	144,592,981	100,841,518
Add : Addition(Interest) made during the year	18,863,953	43,751,463
	<u>163,456,934</u>	<u>144,592,981</u>
Less : Payment made during the year	-	-
Balance as on 30th June	<u><u>163,456,934</u></u>	<u><u>144,592,981</u></u>

17.2. Bank Overdraft :

Agrani Bank Ltd.CD-10288	1,024,759	359,659
Dutch Bangla Bank Ltd.CD-1796	2,844,859	621,968
Dutch Bangla Bank Ltd.STD-951	3,894,771	-
	<u><u>7,764,389</u></u>	<u><u>981,627</u></u>

Cash credit facilities secured by the hypothecation of raw materials, work in process, finished goods, sundry debtors etc.

18. Provision for income tax :

Balance as on 1st July		7,755,451	5,278,865
Add : Amount provided during the year (Note - 25)		-	3,954,866
		<u>7,755,451</u>	<u>9,233,731</u>
Less : Adjustment / Payment made during the year	18.1	4,515,057	1,478,280
Balance as on 30th June		<u><u>3,240,394</u></u>	<u><u>7,755,451</u></u>

18.1. Adjustment / Payment made during the year :

Adjustment for Assessment Year 2007-2008	18.1.1	3,954,866	-
Deposit during the year	18.1.2	560,191	1,478,280
		<u><u>4,515,057</u></u>	<u><u>1,478,280</u></u>

18.1.1 Adjustment for Assessment Year 2007-2008 :

Cash payment	3,051,280	-
From TDS	409,024	-
From advance amount	494,562	-
	<u><u>3,954,866</u></u>	<u><u>-</u></u>

18.1.2. Deposit during the year :

Income year	Assessment year	Taka	Taka
1997-1998	1998-1999	-	405,890
1999-2000	2000-2001	750	50,460
2000-2001	2001-2002	9,441	250,000
2002-2003	2003-2004	-	451,171
2003-2004	2004-2005	200,000	120,759
2004-2005	2005-2006	-	200,000
2005-2006	2006-2007	350,000	-
		<u><u>560,191</u></u>	<u><u>1,478,280</u></u>

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19. Sale of goods :

		2008	2007
		Taka	Taka
Export sales	19.1	845,202,977	372,797,431
Incentive *		29,582,104	13,047,910
Local sales	19.2	217,437,789	219,768,576
		<u>1,092,222,870</u>	<u>605,613,917</u>

19.1. Export sales :

Particulars	2008		2007	
	Quantity	Taka	Quantity	Taka
Towel	525,828 pcs	67,616,238	293,876 pcs	34,521,042
Fabrics	6,190,484 mtr	777,586,739	2,697,192 mtr	338,276,389
		<u>845,202,977</u>		<u>372,797,431</u>

19.2. Local sales :

Particulars	2008		2007	
	Quantity	Taka	Quantity	Taka
Towel	273,878 pcs	28,266,913	308506 pcs	28,262,239
Fabrics	1,028,289 mtr	80,451,982	1175401 mtr	83,643,920
Fabrics	201,244 set	108,718,894	213028 set	107,862,417
		<u>217,437,789</u>		<u>219,768,576</u>

* Incentive is cash subsidy given by Bangladesh Bank as a 100% export oriented Company rated of which is 5% of export after necessary adjustment.

20. Cost of goods sold :

Cost of yarn consumption	20.1	502,545,880	279,259,890
Cost of dyes & chemical consumption	20.2	140,898,452	127,216,016
Cost of spare & store consumption	20.3	74,214,748	24,941,274
Manufacturing overhead	20.4	195,904,237	148,209,811
		<u>913,563,317</u>	<u>579,626,991</u>
Inventory adjustment			
Changes in work-in process		(80,033,746)	(121,073,853)
Changes in stock of finished goods		36,589,506	(4,702,541)
		<u>(43,444,240)</u>	<u>(125,776,394)</u>
Total cost of goods sold		<u>870,119,077</u>	<u>453,850,597</u>

20.1. Cost of yarn consumption :

Opening Stock	113,298,281	72,726,015
Add : Purchase during the year	459,946,500	319,832,156
	<u>573,244,781</u>	<u>392,558,171</u>
Less :Closing Stock	70,698,901	113,298,281
	<u>502,545,880</u>	<u>279,259,890</u>

20.2. Cost of dyes & chemical consumption :

Opening Stock	18,406,504	32,905,768
Add : Purchase during the year	147,406,840	112,716,752
	<u>165,813,344</u>	<u>145,622,520</u>
Less :Closing Stock	24,914,892	18,406,504
	<u>140,898,452</u>	<u>127,216,016</u>

20.3. Cost of spare & store :

Opening Stock	17,645,450	4,847,402
Add : Purchase during the year	93,520,186	37,739,322
	<u>111,165,636</u>	<u>42,586,724</u>
Less :Closing Stock	36,950,888	17,645,450
	<u>74,214,748</u>	<u>24,941,274</u>

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20.4. Manufacturing overhead :

	2008	2007
	Taka	Taka
Salaries & wages	62,905,661	48,767,722
Electricity Expenses	452,305	436,130
Gas	28,328,399	22,487,665
Repairs & maintenance	3,821,981	3,441,832
Insurance	2,811,549	3,733,769
Rent,rates & taxes	139,815	135,208
Carriage	2,966,333	1,717,903
Traveling & conveyance	510,920	237,266
Entertainment	1,528,942	780,156
Postages, telegram & telephone	759,259	517,399
Printing & stationary	1,539,446	539,836
License fees	41,030	6,000
Vehicles-fuel & maintenance	1,970,545	1,024,340
General expenses	4,650,804	3,333,810
Processing charge	38,949,656	16,296,138
Depreciation (Note - 3)	44,527,592	44,754,637
	195,904,237	148,209,811

21. Selling and distribution expenses :

Salaries & wages	4,700,305	2,334,123
Office Rent	614,472	707,895
Electricity Expenses	94,001	96,548
Repairs & maintenance	41,579	311,736
Carriage outward	4,265,213	3,009,091
Freight & forwarding	13,713,771	9,936,785
Traveling & conveyance	29,506	673,061
Entertainment	69,311	260,672
Sales promotion	3,178,620	3,738,531
Postages,telephone & news paper	1,588,683	630,479
Documentation	306,195	348,015
Legal expenses & license fees	3,000	9,136
Business development (sales promotion)	8,010,294	13,454,781
Printing & stationary	170,890	564,972
Fair & exhibition	499,148	1,845,180
Advertisement	129,000	101,667
	37,413,988	38,022,672

22. Administrative expenses :

Salaries & allowances	13,152,363	12,522,851
Electricity expenses	590,382	646,615
Office rent	2,922,037	1,716,365
Repairs & maintenance	1,374,902	1,162,663
Traveling & conveyance	672,748	1,176,240
Postages,telegram & telephone	1,594,540	2,644,191
Entertainment	296,611	404,043
Lease rent	3,645,240	3,847,370
Vehicles fuel & maintenance	1,260,207	1,091,272
Donation & subscription	408,400	149,373
Printing & stationary	587,048	1,014,584
Legal & professional fees	250,705	408,415
Documentation	1,441,243	1,114,934
AGM expenses	163,590	145,827
Audit fees	40,000	25,000
License fees	42,695	353,864
Board meeting fees & expenses	151,433	137,624
Advertisement	66,971	58,456
Depreciation (Note - 3)	742,127	745,911
	29,403,241	29,365,598

23. Financial charges :

		2008	2007
		Taka	Taka
Bank interest	23.1	108,557,001	54,950,435
Bank charges		9,623,547	1,829,068
		<u>118,180,548</u>	<u>56,779,503</u>

23.1. Bank interest :

Working capital (C.C Hypo)		37,150,741	30,808,733
Project Loan		71,406,260	24,141,702
		<u>108,557,001</u>	<u>54,950,435</u>

24. Contribution to WPPF & WWF :

Provision for contribution to WPPF & WWF		1,833,639	1,318,289
		<u>1,833,639</u>	<u>1,318,289</u>

This represents 5% of net profit after charging such contribution and provided as per provision of the company's Workers Profit Participation Act 1968.

25. Provision for income tax :

Tax provision for the year 2007-2008:	25.1	-	3,954,866
Deferred tax for the year 2007-2008	25.2	8,240,745	-
		<u>8,240,745</u>	<u>3,954,866</u>

25.1. Tax provision for the year 2007-2008 :

Profit before tax as per financial accounts		36,672,773	26,365,773
Less : Additional depreciation as per tax base than financial accounts		54,938,299	-
Profit / (Loss) before tax as per tax base		<u>(18,265,526)</u>	<u>26,365,773</u>
Tax rate		15%	15%
Tax provision		<u>-</u>	<u>3,954,866</u>

25.2. Deferred tax for the year 2007-2008

Depreciation charge as per tax base		100,208,018	45,500,548
Depreciation charge as per financial accounts		45,269,719	45,500,548
Total temporary difference at the end of year 2007-08		<u>54,938,299</u>	<u>-</u>
Tax rate		15%	15%
Deferred tax liability		<u>8,240,745</u>	<u>-</u>

26. Earning per share (Basic) :

Profit for the year		28,432,028	22,410,907
Divided by number of weighted average ordinary share		23,000,000	23,000,000
Earning per share (Basic)		<u>1.24</u>	<u>0.97</u>

Since the bonus issue is an issue without consideration, the issue is treated as if it had occurred prior to the beginning of 2007, the earliest period reported.

Rahman Mostafa Alam & Co.

Chartered Accountants

2008
Taka**2007**
Taka**27. Cash flow from operating activities under indirect method:**

Profit for the year	28,432,028	22,410,907
Add back: Depreciation	45,269,720	45,500,547
Adjusted Profit	73,701,748	67,911,454
Increase in inventories	(39,913,304)	(162,415,948)
Increase in trade and others receivable	(7,675,344)	(162,162,416)
Increase in advance, deposits and prepayments	(31,997,741)	(9,191,237)
Increase/(Decrease) in trade and other payables	(9,801,559)	261,156,657
Increase/(Decrease) in provision for income tax	(4,515,057)	1,928,010
Increase in deferred tax	8,240,745	-
	<u>(11,960,512)</u>	<u>(2,773,480)</u>

28. Contingent liability :

There was no sum for which the company is contingently liable as on 30th June, 2008.

29. Claim against the company :

There was no claim against the company yet acknowledged as debt as on 30th June, 2008.

Rahman Mostafa Alam & Co.

Chartered Accountants

30. Payment / Perquisites to directors:

The aggregate amounts paid / provided during the year in respect of directors are disclosed below:

	2008	2007
Directors' emolument	--	--
Managerial remuneration	1500,000	840,000
Board meeting fees	140,000	72,500

Managerial remuneration paid to the directors for their full time services, rendered are:

Mr. Giasuddin Quader Chowdhury, Managing Director	12,00,000	690,000
Mr. Sameer Quader Chowdhury, Director	3,00,000	1,50,000

- (a) No compensation was made to the Managing Director of the company except as stated in (30) above.
- (b) No amount was spent by the company for compensating any member of the Board of Directors except as stated in (30) above.

31. Related party transactions :

During the year the company carried out a number of transactions with related party in the normal course of business and on arms' length basis. The names of the related parties, the nature of these transactions and their total value has been set out below.

Name of the parties	Relationship	Nature of transaction	Value of Transaction	Closing Balance
The Dacca Yarn Dyeing Ltd.	Equity Investor	Share money deposit	2,225,650	10,113,989
The Dacca Cargo Movers Ltd.	Common management	Loan	3,000	--
QC Enterprise Ltd.	Common management	Loan	3,227,657	--

32. Production capacity & utilization:

(Figure in Lac)

Particulars	Licensed Capacity	Installed Capacity	Actual Production
Weaving	158.97 yrds.	151.75 yrds.	75.00 yrds.
Dyeing	270.00 yrds.	262.61 yrds.	164.00 yrds.
Printing	270.00 yrds.	262.61 yrds.	164.00 yrds.
Stitching	No Mention	218.85 yrds.	160.00 yrds

33. Operating lease obligation :

The future annual rentals are as follows :

Lease Rental Payable	Amount
Not later than one year	4,774,320
Later than one year and not later than five years	10,723,020
Later than five years	Nil
Total	Tk. <u>15,497,340</u>

Rahman Mostafa Alam & Co.

Chartered Accountants

34. Foreign exchanged earned :

Export of goods calculated on FOB basis is US\$ 12,178,796.

35. Payments in foreign currency :

(a) During the year under review, the value of imports of raw materials calculated on CIF basis in respect of :

Name of Items	In USD	In EURO	C.I.F Value in Tk.
Yarn	911,995.93	--	63,383,717
Chemical & Dyes	410,325.70	62,060.00	35,033,936
Others	39,267.35	13,173.55	4,112,221

(b) No payment was made during the year in foreign currency on account of royalty, know-how, professional consultation fees, interest and other matters.

36. Value of material consumption :

Value of consumption of raw materials, spare parts and components and percentage of consumption are as follows:

Particular	Amount in Taka			
	Yarn	Dyes & Chemical	Spares & Store	Total
Opening Stock	113,298,281	18,406,504	17,645,450	149,350,235
Purchase-import	64,492,932	35,682,064	4,167,736	104,342,732
Purchase-Local	395,453,568	111,724,776	89,352,450	596,530,794
Closing Stock	(70,698,901)	(24,914,892)	(36,950,888)	(132,564,681)
Consumption	502,545,880	140,898,452	74,214,748	717,659,080
% of Consumption	70.03%	19.63%	10.34%	100.00%

37. Number of employees :

The company paid an aggregate amount more than Taka 3,000 to 1,255 employees and less than Taka 3,000 per month to 318 employees who were in employment for full period of the year.

38. Event after the balance sheet date:

38.01 As per approval of the 29th Annual General Meeting held on 28th December 2007 and the decision of the Board of Directors, the company allotted further 50,00,000 number of ordinary shares of Tk. 10 each on 10th July 2008 against right issues. Consequently the paid-up capital of the company has been raised at Tk. 280,000,000.

38.02 The Directors recommended 10% stock dividend for the shareholders whose name will be appeared in the shareholders' registers at the date of book closure, which is subject to shareholders' approval at the forthcoming annual general meeting.

38.03 Except the fact stated above, no circumstances have arisen since the balance sheet date, which would require adjustment to, or disclosure in, the financial statement or notes thereto.

Sd/-
Managing DirectorSd/-
DirectorSd/-
Company Secretary

Auditors' Report in pursuance of section 135(1) under paragraph 24(1) of part II of the Third Schedule of the Companies Act, 1994

As per section 135 (1) under paragraph 24(1) of Part II of the Third Schedule of the Companies Act 1994, **The Dacca Dyeing & Manufacturing Company Limited** has prepared the following statement of assets and liabilities and statement of operating results for :

1. The Company was incorporated on December 31, 1963.

2. **A. The statements of financial position of the company are as under :**

Amount in Taka

Balance Sheet	30.06.2008	30.06.2007	30.06.2006	30.06.2005	30.06.2004	30.06.2003
ASSETS						
Non-current assets						
Fixed assets (as per schedule)	959,312,183	1,004,251,344	983,937,115	911,556,037	693,430,229	632,089,508
Investment in shares	50,000	50,000	50,000	50,000	-	-
	<u>959,362,183</u>	<u>1,004,301,344</u>	<u>983,987,115</u>	<u>911,606,037</u>	<u>693,430,229</u>	<u>632,089,508</u>
Current assets						
Inventories	401,584,050	361,670,746	199,254,798	158,252,763	114,939,696	64,527,045
Trade and others receivables	229,410,082	221,734,738	59,572,322	26,767,806	8,221,784	3,261,712
Advance, deposits & prepayments	66,369,482	35,373,749	26,182,511	22,515,623	16,778,646	7,936,642
Cash & bank balances	8,853,673	85,306,428	15,829,468	9,982,658	1,646,602	2,917,553
	<u>706,217,287</u>	<u>704,085,661</u>	<u>300,839,099</u>	<u>217,518,850</u>	<u>141,586,728</u>	<u>78,642,952</u>
TOTAL ASSETS	<u><u>1,665,579,470</u></u>	<u><u>1,708,387,004</u></u>	<u><u>1,284,826,214</u></u>	<u><u>1,129,124,887</u></u>	<u><u>835,016,957</u></u>	<u><u>710,732,460</u></u>

Rahman Mostafa Alam & Co.

Chartered Accountants

Balance Sheet	30.06.2008	30.06.2007	30.06.2006	30.06.2005	30.06.2004	30.06.2003
EQUITY AND LIABILITIES						
Equity attributable to equity holders of the company						
Share capital	230,000,000	200,000,000	200,000,000	44,000,000	44,000,000	44,000,000
Capital reserve	192,888,817	221,831,752	250,922,266	254,788,719	258,609,056	262,619,847
Tax holiday reserve	3,804,291	10,804,291	10,804,291	10,804,291	9,432,471	7,206,541
Retained earnings	28,718,407	23,286,379	875,472	518,098	737,661	727,564
Proposed Dividend	-	-	4,151,453	2,728,000	-	-
Share Money Deposit	27,927,970	-	-	-	-	-
Total equity	483,339,485	455,922,422	466,753,482	312,839,108	312,779,188	314,553,952
Non-current liabilities						
Interest-bearing project loan (long term)	636,131,780	572,136,954	517,851,449	472,101,928	289,652,951	60,000,000
Loan from directors & associates	16,800,826	3,332,639	1,212,759	114,577,598	103,042,405	63,356,396
Deffered tax liability	8,240,745	-	-	-	-	-
	661,173,351	575,469,593	519,064,208	586,679,526	392,695,356	123,356,396
Current liabilities						
Trade and other payables	208,317,969	395,259,345	77,788,926	59,495,771	27,389,990	225,486,998
Interest-bearing loans (short term)	309,508,271	273,980,193	215,940,733	166,009,491	97,880,070	42,762,761
Provision for Income tax	3,240,394	7,755,451	5,278,865	4,100,991	4,272,353	4,572,353
	521,066,634	676,994,989	299,008,524	229,606,253	129,542,413	272,822,112
Total liabilities	1,182,239,984	1,252,464,582	818,072,732	816,285,779	522,237,769	396,178,508
TOTAL EQUITY AND LIABILITIES	1,665,579,470	1,708,387,004	1,284,826,214	1,129,124,887	835,016,957	710,732,460

Sd/-

Dated: Dhaka
February 02, 2009

Rahman Mostafa Alam & Co.
Chartered Accountants

Rahman Mostafa Alam & Co.

Chartered Accountants

The Dacca Dyeing & Manufacturing Company Limited

B. The statements of operating results of the Company are as under :

Amount in Taka

Particulars	30.06.2008	30.06.2007	30.06.2006	30.06.2005	30.06.2004	30.06.2003
Sale of goods	1,092,222,870	605,613,917	333,004,547	167,433,403	174,445,665	105,666,024
Cost of goods sold	(870,119,077)	(453,850,597)	(256,351,800)	(127,516,709)	(134,334,945)	(80,937,202)
Gross profit	222,103,793	151,763,320	76,652,747	39,916,694	40,110,720	24,728,822
Selling and distribution costs	(37,413,988)	(38,022,672)	(21,756,810)	(6,745,727)	(11,080,159)	(4,493,314)
Administrative expenses	(29,403,241)	(29,365,598)	(22,990,097)	(13,707,563)	(15,265,232)	(9,470,591)
Financial charges	(118,180,548)	(56,779,503)	(24,059,462)	(15,208,862)	(8,911,293)	(8,781,621)
Gross operating profit	37,106,017	27,595,547	7,846,378	4,254,542	4,854,036	1,983,296
Non-operating income	1,400,395	88,515	44,069	59,797	34,792	3,134,036
Contribution to WPPF & WWF	(1,833,639)	(1,318,289)	(375,736)	(205,445)	(232,801)	(243,682)
Profit before tax	36,672,773	26,365,773	7,514,711	4,108,894	4,656,027	4,873,650
Tax holiday reserve	-	-	-	(1,371,820)	(2,225,930)	(2,061,219)
Current tax	-	(3,954,866)	(1,127,207)	(228,637)	-	-
Deferred tax	8,240,745	-	(1,878,678)	-	-	-
Profit for the year	28,432,028	22,410,907	4,508,826	2,508,437	2,430,097	2,812,431
Accumulated surplus brought forward	23,286,379	875,472	518,098	737,661	727,564	335,133
Proposed Dividend	-	-	(4,151,453)	(2,728,000)	(2,200,000)	(2,200,000)
Deferred distribution tax	-	-	-	-	(220,000)	(220,000)
Issue of Bonus Share	(23,000,000)	-	-	-	-	-
Accumulated surplus carry forward	28,718,407	23,286,379	875,471	518,098	737,661	727,564

Sd/-

Rahman Mostafa Alam & Co.

Chartered Accountants

Dated : Dhaka

February 02, 2009

Rahman Mostafa Alam & Co.

Chartered Accountants

Additional Disclosures:

Particulars	30.06.2008	30.06.2007	30.06.2006	30.06.2005	30.06.2004	30.06.2003
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C. Earning per share	1.236	0.974	0.225	0.570	0.552	0.639
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D. The Company declared dividends for the last five years are as follows:

Cash Dividend	-	-	10%	10%	5%	5%
Stock Dividend	10%	15%	-	-	-	-

E. Subsidiary Company

The Company has no subsidiary company as on the Balance Sheet date.

F. Proceeds of the issue of shares

No proceeds or any part thereof of the issue of shares were applied directly by the Company in the purchase of any business.

G. Preparation of accounts after 30 June 2008

The Company did not prepare any accounts for any period subsequent to 30 June 2008.

H. Non- recurring nature of income

In the statement of operating results of the company for different years, non-recurring nature of income had been included in Non-operating income.

Dated : Dhaka
February 02, 2009

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

The Dacca Dyeing & Manufacturing Company Limited

Tangible Assets Per Share

(As per audited accounts as at 30.06.2008)

S.L.No.	Particulars	Amount in Taka
Current Assets:		
1	Inventories	401,584,050
2	Trade & other receivables	229,410,082
3	Advance, deposits & prepayments	66,369,482
4	Cash & bank balances	8,853,673
		<u>706,217,287</u>
Non Current Assets :		
5	Fixed assets	959,312,183
6	Investment in shares	50,000
		<u>959,362,183</u>
	Total Assets (A)	1,665,579,470
1	Current liabilities	521,066,634
2	Non-current liabilities	661,173,351
	Total outside liabilities (B)	<u>1,182,239,984</u>
7	Net Tangible Assets (A - B)	483,339,485
8	Number of ordinary shares	23,000,000
9	Net Tangible Assets Per Share	<u><u>21.01</u></u>

We have examined the above calculation of Tangible Assets Per Share of The Dacca Dyeing & Manufacturing Company Limited, which is found correct.

Dated: Dhaka
February 02, 2009

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

The Dacca Dyeing & Manufacturing Company Limited
Net Asset Value Per Share

The carrying amount of fixed assets as per revaluation (net of depreciation) has been considered for determining the NAV per share. This is determined on the basis of the figures appearing in the audited balance sheet as at 30.06.2008.

S.L.No.	Particulars	Amount in Taka
	Non - Current Assets :	959,362,183
1	Fixed Assets	959,312,183
2	Investment in shares	50,000
	Current Assets :	706,217,287
3	Inventories	401,584,050
4	Trade and others receivable	229,410,082
5	Advance, deposits & prepayments	66,369,482
6	Cash & bank balances	8,853,673
	Total Assets (A)	<u>1,665,579,470</u>
1	Current liabilities	521,066,634
2	Non-current liabilities	661,173,351
	Total Outside Liabilities (B)	<u>1,182,239,984</u>
	Net Assets Value (A - B)	<u>483,339,485</u>

The Net Assets Value (NAV) is also equivalent to the shareholders' equity consisting of Paid-up capital and reserve / retained earnings as follows :

S.L.No.	Particulars	Amount in Taka
1	Share Capital	230,000,000
2	Share money deposit	27,927,970
3	Capital Reserve	192,888,817
4	Tax holiday reserve	3,804,291
5	Retained earnings	28,718,407
6	Total Shareholders Equity	<u>483,339,485</u>
7	Number of ordinary shares	<u>23,000,000</u>
8	Net Assets Value per Share (6/7)	<u>21.01</u>

We have examined the above calculation of NAV of The Dacca Dyeing & Manufacturing Company Limited which is found correct.

Net Assets Value per Share is Tk. 21.01 as on 30.06.2008.

Dated: Dhaka
February 02, 2009

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

The Dacca Dyeing & Manufacturing Company Limited

**Selected Ratios as per specified in rule 8B (20) I- Annexure B of the
"Securities and Exchange Commission (Public Issue) Rules, 2006"**

Particulars	30.06.08	30.06.07	30.06.06	30.06.05	30.06.04	30.06.03
Liquidity Ratios						
Current Ratio (Times)	1.36	1.04	1.01	0.95	1.09	0.27
Quick Ratio (Times)	0.58	0.51	0.34	0.26	0.21	0.05
Times Investment Earned Ratio (Times)	N /A	N /A	N /A	N /A	N /A	N /A
Times Interest Earned Ratio	1.34	1.48	1.32	1.28	1.58	1.68
Debt Equity Ratio (Times)	1.37	1.26	1.11	1.88	1.26	0.33
Operating Ratios						
Accounts Receivable Turnover Ratio (Times)	4.84	4.31	7.71	9.57	30.38	14.78
Inventory Turnover Ratio (Times)	2.28	1.62	1.43	0.93	1.50	1.21
Asset Turnover Ratio (Times)	0.65	0.40	0.28	0.17	0.23	0.17
Profitability Ratios						
Gross Margin Ratio (%)	20.34	25.06	23.02	23.84	22.99	23.40
Operating Income Ratio (%)	3.40	4.56	2.36	2.54	2.78	1.88
Net Income Ratio (%)	2.60	3.70	1.35	1.50	1.39	2.66
Return on Assets Ratio (%)	9.88	4.97	2.52	1.78	1.72	2.15
Return on Equity Ratio (%)	5.88	4.92	0.97	0.80	0.78	0.89
Earnings Per Share (Taka)	1.24	0.97	0.23	0.57	0.55	0.64

We have examined the above calculation of ratios of The Dacca Dyeing & Manufacturing Company Limited which is found correct.

Dated : Dhaka
February 02, 2009

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

The Dacca Dyeing & Manufacturing Company Limited

Auditors' Certificate for Issue of Shares Otherwise than for Cash

Allotment of shares to the directors and subscribers to the Memorandum of Association and Articles of Association for any consideration otherwise than for cash issued in the year ended 30 June 2008 stated as follows :

Name of Directors	Status with the Company	No. of shares Allotted
Saifuddin Quader Chowdhury	Chairman	240,855
Giasuddin Quader Chowdhury	Managing Director	949,266
Sameer Quader Chowdhury	Director	209,105
Jamaluddin Quader Chowdhury	Director	228,532
Mrs. Meena Parveen Quader Chowdhury	Director	209,105
Bangladesh Shilpa Rin Shangshata	Shareholder	600,000
Agrani Bank	Shareholder	5,985
Others	Shareholders	557,152
Total		3,000,000

We certify that the books of accounts of the company have been verified and found in order.

Dated: Dhaka
February 02, 2009

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

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

**THE DACCA DYEING AND MANUFACTURING COMPANY LIMITED
APPLICATION FORM**

APPLICATION FOR SHARES BY INVESTORS OTHER THAN NON-RESIDENT BANGLADESHIS

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

The Managing Director

THE DACCA DYEING & MANUFACTURING COMPANY LIMITED

Sharif Mansion, 56-57, Motijheel Commercial Area (3rd & 4th Floor), Dhaka-1000.

Bankers SI No.

Brokers SI No.

Dear Sir,

I/we apply for and request you to allot me/us the following numbers of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon 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 Ordinary shares allotted to me /us pursuant to this application and credit the said shares in my/our depository account (BO account) and/or a crossed (Account 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:

- No. of Ordinary Shares of Tk. 10.00 each at par.
- Amount of Tk. (in figure) (In words)..... only deposited vide cash/Cheque/Draft/Pay Order No. Date
on..... BankBranch

3.	Depository (BO) A/C No																			
----	------------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

(If you do not mention your valid BO A/C No. your application will be treated as invalid)

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

5. **Particulars of Applicant(s) :**

Sole/First Applicant: Mr./Mrs./Ms.	
Father's/Husband's Name:	
Mother's Name:	
Postal Address:	
Occupation:	Nationality:
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. Applicant's Bank A/C No. :	
Name of the Bank:	Branch:

Second Applicant: Mr./Mrs./Ms.	
Father's/Husband's Name:	
Mother's Name:	
Postal Address:	
Occupation:	Nationality:

6. I/we hereby declare that I/we have read the Prospectus of **THE DACCA DYEING & MANUFACTURING COMPANY LIMITED** and have willingly subscribed for..... No. of Ordinary Shares of Tk. 10.00 each at par.

7. Specimen Signature(s):

(i) Name (in Block Letters)	Signature:
(ii) Name (in Block Letters)	Signature:

BANKERS' ACKNOWLEDGEMENT

Certified that this Bank has received Tk.....(in word.....) only from Mr./Mrs./Ms.being the Application money for Nos. of Ordinary Shares of **THE DACCA DYEING & MANUFACTURING COMPANY LIMITED**.

Banker's SL. No.

Seal & Date

Authorized Signature
(Name & Designation)

INSTRUCTIONS

1. As per provision of Depository Act, 1999 and regulations made thereunder shares will only be issued in dematerialized condition. Please mention your Beneficiary Owner (BO) Account number in the Application form. If you do not mention your valid BO account number your application will be treated as invalid.
2. All information must be typed or written in full 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 criteria 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 favouring A/C "THE DACCA DYEING & MANUFACTURING COMPANY 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. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with other person by one cheque/DD/PO. More than two applications by one cheque/DD/PO will not be allowed.**
7. In the case of Joint Application Form, the Allotment Letter will be despatched 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.
8. Joint Application Form for more than two persons will not be accepted. In case of Joint Application, each party must sign the Application Form.
9. 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 must be accompanied by Memorandum and Articles of Association and Certificate of Incorporation.
10. **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.**
11. 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.
12. 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) with bank account number and name of bank branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
13. Allotment shall be made solely in accordance with the instructions of the Securities and Exchange Commission (SEC).
14. 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 the share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by law.
15. Applications, which do not meet the above requirements, or Applications, which are incomplete, shall not be considered for allotment purpose.
16. 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.
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 has been published.**

BANKERS TO THE ISSUE

<p><u>Investment Corporation of Bangladesh</u></p> <p>Head Office, NSC Tower, Dhaka. Local Office, Nayapaltan, Dhaka. Barisal Branch, Barisal Bogra Branch, Bogra. Chittagong Branch, Chittagong. Khulna Branch, Khulna Rajshahi Branch, Rajshahi Sylhet Branch, Sylhet</p> <p><u>National Bank Ltd.</u></p> <p>Agrabad Branch, Chittagong Anderkillah Branch, Chittagong Babubazar Branch, Dhaka Bangshal Road Branch, Dhaka. Barisal Branch, Barisal Bogra Branch, Bogara. Comilla Branch, Comilla. Dhanmondi Branch, Dhaka. Dilkusha Branch, Dhaka. Elephant Road Branch, Dhaka. Foreign Ex. Branch, Dhaka. Gazipur Branch, Gazipur. Gulshan Branch, Dhaka. Imamganj Branch, Dhaka. Islampur Branch, Dhaka. Jatrabari Branch, Dhaka. Jubilee Road Branch, Chittagong. Kawran Bazar Branch, Dhaka. Khatunganj Branch, Chittagong Khulna Branch, Khulna. Lake Circus Branch, Kalabagan, Dhaka Malibagh Branch, Dhaka. Mirpur Branch, Dhaka. Mohakhali Branch, Dhaka. Mohammadpur Branch, Dhaka. Motijheel Branch, Dhaka. Narayanganj Branch, N'Gonj. Narsingdi Branch, Narsingdi. North Brook Hall Branch, Dhaka. Pahartali Branch, Chittagong. Pragati Sarani Branch, Dhaka. Pagla Bazar Branch, N'Gonj Rajshahi Branch, Rajshahi. Rangpur Branch, Rangpur. Savar Bazar Branch, Savar, Dhaka. Sheikh Mujib Road Branch, Chittagong Sylhet Branch, Sylhet. Tangail Branch, Tangail. Uttara Branch, Dhaka. Z H Sikder M.C. Branch, Dhaka.</p>	<p><u>IFIC Bank Limited</u></p> <p>Agrabad Branch, Chittagong Banani Branch, Dhaka Bogra Branch, Bogra Brahmanbaria Branch, Brahmanbaria Boro Bazar, Khulna Barisal Branch, Barisal Cox's Bazar Branch, Cox's Bazar, Comilla Branch, Collima Choumuhani Branch, Noakhali Chawk Bazar Branch, Chittagong Dhanmondi Branch, Dhaka Dinazpur Branch, Dinajpur Elephant Road Branch, Dhaka Federation Branch, Dhaka Feni Branch, Feni Faridpur Branch, Faridpur Gulshan Branch, Dhaka Islampur Branch, Dhaka Jessor Branch, Jessore Karwan Bazar Branch, Dhaka Khulna Branch, Khulna" Khatunganj Branch, Chittagong Kustia Branch, Kustia Lalmatia Branch, Dhaka North Brook Hall Road Branch, Dhaka Mymensingh Branch, Mymensingh Mouvibazar Branch, Moulvibazar Malibagh Branch, Dhaka Narayanganj Branch. Narayanganj Narsingdi Branch, Narsingdi Naya Paltan Branch, Dhaka Pallabi branch, Dhaka Pabna Branch, Pabna Rajshahi Branch, Rajshahi Rangpur Branch, Rangpur Santinagar Branch, Dhaka Sheikh Mujib Road Branch, Chittagong Sylhet Branch, Sylhet Uttara Branch, Dhaka Uposhor Branch, Sylhet</p> <p><u>The City Bank Limited</u></p> <p>Principal Office, Dhaka. B B Avenue Br., Dhaka. Dhaka Chamber Br., Dhaka. Dhanmondi Branch, Dhaka. Foreign Ex. Branch, Dhaka. Gulshan Branch, Dhaka. Imamganj Branch, Dhaka. Islami Banking Branch, Dhaka. Johson Road Br., Dhaka. Karwan Bazar Branch, Dhaka. Mirpur Brnch, Dhaka. Mouchak Br., Dhaka. Newmarket Br., Dhaka. Shaymoli Br., Dhaka. Uttara Branch, Dhaka. VIP Road Br., Dhaka. DSE Nikunja Br., Dhaka. Barisal Branch, Barisal. Tongi Br., Gazipur. Tanbazar Br., Narayanganj. Comilla Branch, Comilla. Agrabad Branch ,Chittagong. Jublee Road Branch, Chittagong.</p>	<p>Khatungonj Branch, Chittagong. O.R Nizam Road, Chittagong. Bandar Bazar Br., Sylhet. Zinda Bazar Br., Sylhet. Bogra Branch, Bogra. Rajshahi Branch, Rajshahi. Khulna Branch, Khulna.</p> <p><u>National Credit and Commerce Bank Ltd.</u></p> <p>Agrabad Branch, Chittagong. Babu Bazar Branch, Dhaka Bangshal Branch, Dhaka Cox's Bazar Branch, Cox's Bazar Banani Branch, Dhaka Commila Branch, Commila Dhanmondi Branch, Dhaka Dilkusha Branch. Dhaka Elephant Road Branch, Dhaka. Feni Branch, 10 Trank Road, Feni. Foreign Exchange Branch, Dhaka. Gulshan Branch, Dhaka. Islampur Branch, Dhaka. Jatrabari Branch, Dhaka. Jubilee Road Branch, Chittagong. Kawran Bazar, Branch, Dhaka. Khulna Branch, Khulna. Khatungonj Branch, Chittagong Laldighirpar Branch, Sylhet. Malibagh Branch, DIT Road, Dhaka. Mirpur Branch, Dhaka Mitford Branch, Dhaka Mogh Bazar Branch, Dhaka Motijheel Main Branch, Dhaka O.R Nizam Road, Chittagong Rajshahi Branch, Rajshahi. Utrara Branch, Dhaka</p> <p><u>Bangladesh Shilpa Rin Sangstha</u></p> <p>Motijheel Branch, Dhaka. Karwan Bazar Branch, Dhaka.</p> <p><u>Standard Bank Limited</u></p> <p>Agrabad Branch, Chittagong Banani Branch, Dhaka CDA Avenue Branch, Chittagong Dhanmondi Branch, Dhaka, Foreign Exchange Branch, Dhaka Gulshan - 1 Branch, Dhaka Gulshan Branch, Dhaka Imamganj Branch, Dhaka Jessore Branch, Jessore Jublee Road Branch, Chittagong Khatungonj Branch, Chittagong Khulna Branch, Khulna Munshikhola Branch, Dhaka Narayanganj Branch, Narayanganj Panthapath Branch, Dhaka Principal Branch, Dhaka Rajshahi Branch, Rajshahi Sylhet Branch, Sylhet Topkhana Road Branch, Dhaka Uttara Branch, Dhaka</p>	<p><u>Dutch Bangla Bank Limited</u></p> <p>Agrabad Branch, Chittagong B. B. Road Branch, Narayanganj Baburhat Branch, Narayanganj Banani Branch, Dhaka Barisal Branch, Barisal Basundhara Branch, Dhaka Biswanath Branch, Sylhet. Board Bazar Branch, Gazipur Bogra Branch, Bogra CDA Avenue Branch, Chittagong Comilla Branch, Comilla Cox,s Bazar Branch,Cox,s Bazar Dania Branch, Dhaka Dhaka EPZ Branch, Dhaka Dhanmondi Branch, Dhaka Elephant Road Branch, Dhaka Feni Branch, Feni Gazipur Chowrasta Branch, Gazipur Golapgonj Branch, Sylhet Gulshan Branch, Dhaka Hathazari Branch, Chittagong Imamgonj Branch, Dhaka Islampur Branch, Dhaka Joypara Branch, Dhaka Jubilee Road Branch, Chittagong Kadamtai Branch, Chittagong Kawran Bazar Branch, Dhaka Khulna Branch, Khulna Local Office, 1 Dilkusha C/A, Dhaka Lohagara Branch, chittagong Manikgonj Branch, Manikgonj Mirpur Branch, Dhaka Mirzapur Branch, Tangail Mohakhali Branch, Dhaka Motijheel Foreign Exchange Branch, Zerin Mansion, Dhaka Moulavi Bazar Branch, Moulavi Bazar. Muradpur Branch, Chittagong Nababpur Branch, Dhaka Narayanganj Branch, Narayanganj Naya Bazar Branch, Dhaka Netaiganj Branch, Narayanganj Patherhat Branch, Chittagong Rajshahi Branch, Rajshahi Ring Road Branch, Dhaka Savar Bazar Branch, Dhaka Shantinagar Branch, Dhaka Simrail Branch, Narayanganj Sylhet Branch, Sylhet Uttara Branch, Dhaka</p> <p><u>Trust Bank Limited</u></p> <p>Principle Branch, Dhaka. SKB Branch, Dhaka. Comilla Branch, Comilla Chittagong Cant. Branch, Chittagong Rangpur Cant. Branch, Rangpur Jessore Cant. Branch, Jessore Agrabad Branch, Chittagong Khatungong Branch, Chitagon Dhanmondi Branch, Dhaka Gulshan Corporate Branch, Dhaka Dilkusha Corporate Branch, Dhaka CDA Avenue Branch, Chittagong Sylhet Corporate Branch, Sylhet Millenium Corporate Branch, Dhaka Mirpur Branch, Dhaka Neval Base Branch, Chittagong Narayanganj Branch, Narayanganj Karwan Bazar Branch, Dhaka</p>
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INSTRUCTIONS

1. As per provisions of Depository Act, 1999 and regulations made thereafter 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 Account number, your application will be treated as invalid.
2. All information must be written or typed 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. 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 **"THE DACCA DYEING & MANUFACTURING COMPANY LIMITED"** and crossed **"ACCOUNT PAYEE ONLY"**.
5. Application shall be sent by the applicant directly to the Company within 03.09.2009 so as to reach the Company within 12.09.2009. Any Application sent after 03.09.2009 or received by the Company after 12.09.2009 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 through A/C Payee Cheque payable at Dhaka with bank account number, Bank's name and Branch.
7. All the applicants first be treated as applied for one minimum lot. 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. On the other hand if there is under subscription then all the applicants shall first be distributed with a single lot and thereafter, for the balance amount, lottery shall be held for the applicants who have applied for multiple lots on the basis of dividing the application money by amount of a market lot separately for both NRB and General Public.
8. Money receipt of 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 by post to the first applicant.
10. Application must be made by an individual, a corporation or Company, a trust or a society and not by a firm, minor or persons of unsound mind.
11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) with bank account number and name of bank branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the application liable to rejection and subject to forfeiture of application money and/or forfeiture of the 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 Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by law.
13. The intending NRB applicants shall deposit share money by US \$ /UK Pound sterling/EURO draft drawn on and payable in Dhaka, Bangladesh, so that the Issuer's collecting Bank can clear that proceeds and deposit the same into Issuer's Bank Account in time.
14. The spot buying rate (TT Clean) in US \$ / UK Pound Sterling / EURO of Sonali Bank as prevalent on the date of opening of subscription will be applicable for the Non Resident Bangladeshi (NRB) applicants.
15. **The applicant shall furnish photocopies of relevant pages of valid passport(s) 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.**
16. In case of joint NRB application, joint applicant shall also submit supporting papers / documents in support of their being an NRB as mentioned in para 15 above.
17. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the commission.**
18. **A NRB applicant cannot submit more than two applications, one in his/her own name and another jointly with other person by one cheque/DD/PO by US\$/ UK Pound sterling/ Euro/Taka (supported by foreign currency encashment certificate). More than two applications by one cheque/DD/PO by US\$/ UK Pound sterling/ Euro/Taka (supported by foreign currency encashment certificate) will not be allowed.**
19. **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.**

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

Additional disclosure by the Management of the Company

Cash Flows From Operating Activities

The sales volume of the company has been increasing day by day, and it was almost double in each year from previous year. For supplying this incremental order in short time, the company has to procure and maintain large volume of inventory. Other overheads were also increased to that extent. For this reason the cash paid to supplier and direct expenses incurred has exceeded over the cash received from customer.

Sd/-
(Giasuddin Quader Chowdhury)
Managing Director