

**Auditors' Report & Financial Statements
Of
Generation Next Fashions Limited**

For the year ended December 31, 2007

**Ata Khan & Co.
Chartered Accountants
67, Motijheel Commercial Area
Dhaka-1000
Tel: 9560933, 9552833, 9560716**



Place: Dhaka
Dated: May 06, 2008

Chartered Accountants.
Ata Khan & Co.

Ata Khan

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by the law have been kept by the company so far as it appeared from our examination of those books and (where applicable) proper return adequate for the purpose of our audit.
- c) The company's Balance Sheet and Income Statement dealt with by the report are in agreement with the books of accounts, read in conjunction with the annexed notes and related schedules attached.

We also report that:

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BASs), give a true and fair view of the state of the company's affairs as of December 31, 2007 and of the results of its operations and its cash flow for the year then ended and comply with the applicable sections of the companies Act 1994 and other applicable laws and regulations.

Opinion

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

Scope

We have audited the accompanying Balance Sheet of GENERATION NEXT FASHIONS LIMITED as of December 31, 2007 and the related Income Statement, Cash Flows Statement and Statement of Changes in Equity together with related notes for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

GENERATION NEXT FASHIONS LIMITED
OF
AUDITORS' REPORT

67, Motijheel C/A
Dhaka-1000
Tel: 9560933, 9552833, 9560716

Chartered Accountants
Ata Khan & Co.

Generation Next Fashions Limited
Balance Sheet
As at December 31, 2007

Particulars	Notes	31.12.2007 Amount in Tk.	31.12.2006 Amount in Tk.
A NON-CURRENT ASSETS		663,365,083	361,232,770
Property, Plant & Equipment	15	534,288,300	227,666,456
Capital Works-in-Progress	16	128,935,194	133,424,724
Preliminary Expenses		141,590	141,590
B CURRENT ASSETS		206,859,104	108,547,282
Inventories	17	86,398,829	26,776,250
Accounts Receivables	18	91,412,590	45,586,554
Advances, Deposits & Pre-Payments	19	2,434,976	18,610,166
Cash & Cash Equivalents	20	26,612,708	17,574,313
C CURRENT LIABILITIES & PROVISIONS		193,738,350	84,512,324
Accounts Payable	21	3,878,426	376,150
Accrued Expenses		4,782,534	378,037
Bank Overdraft	22	30,901,074	10,533,116
Short Term Bank Credits	23	117,852,935	35,398,072
Deferred L/C Liabilities	24	36,323,381	37,826,949
D NET CURRENT ASSETS (B-C)		13,120,754	24,034,958
E NET ASSETS (A+D)		676,485,837	385,267,728
F SHAREHOLDERS' EQUITY		59,737,292	35,948,151
Share capital	25	47,200,000	47,200,000
Retained Earnings		12,537,292	(11,251,849)
G LONG TERM LOANS		616,748,545	349,319,577
Long Term Bank Loans	26	471,354,793	244,980,989
Other Loans		145,393,752	104,338,588
H LIABILITIES & SHAREHOLDERS' EQUITY (F+G)		676,485,837	385,267,728

The accounting policies and explanatory notes form an integral part of the Financial Statements.

Rajiv Kumar
Director

Shaheen
Managing Director

Place : Dhaka
Dated: May 06, 2008

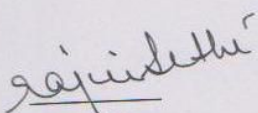


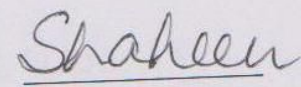
Ata Khan
Ata Khan & Co.
Chartered Accountants

Generation Next Fashions Limited
Income Statement
For the year ended December 31, 2007

Particulars	Notes	2007 Amount in Tk.	2006 Amount in Tk.
A Sales Revenue	27	343,193,871	63,172,459
B Cost of Goods Sold	28	279,642,969	46,016,249
C Gross Profit (A-B)		63,550,902	17,156,210
D Administrative Expenses	29	51,398,322	26,512,540
E Operating Profit/(Loss) (C-D)		12,152,580	(9,356,330)
F Financial Expenses	30	53,788,597	1,810,973
G Others Income	31	69,849,761	73,386
H Net Profit Before Tax (E-F+G)		28,213,744	(11,093,917)
I Provision for Income Tax		4,424,603	157,931
J Net Profit/ (Loss) After Tax Transferred to Statement of Changes in Equity.		23,789,141	(11,251,849)

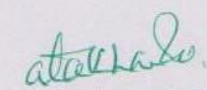
The accounting policies and explanatory notes form an integral part of the Financial Statements.


Director


Managing Director

Place : Dhaka
Dated: May 06, 2008




Ata Khan & Co.
Chartered Accountants

Generation Next Fashions Limited
Statement of Changes in Equity
For the year ended December 31, 2007

Particulars	(Amount in Taka)		
	Share Capital	Retained Earnings	Total
For 2006			
Balance at January 01, 2006	47,200,000	-	47,200,000
Net Profit for the year		(11,251,849)	(11,251,849)
Balance at December 31, 2006	<u>47,200,000</u>	<u>(11,251,849)</u>	<u>35,948,151</u>
For 2007			
Balance at January 01, 2007	47,200,000	(11,251,849)	35,948,151
Net Profit for the year	-	23,789,141	23,789,141
Balance at December 31, 2007	<u>47,200,000</u>	<u>12,537,292</u>	<u>59,737,292</u>

The accounting policies and explanatory notes form an integral part of the Financial Statements.

Rajeev Sethi
Director

Shabeen
Managing Director

Place : Dhaka
Dated: May 06, 2008

Ata Khan & Co.
Ata Khan & Co.
Chartered Accountants



Generation Next Fashions Limited
Cash Flow Statement
For the year ended December 31, 2007

Particulars	(Figures in BDT)	
	31.12.2007	31.12.2006
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	367,217,596	17,659,291
Cash payments for Creditors	(335,763,273)	(72,416,349)
Cash Payments for operating expenses	(62,308,851)	(45,657,977)
	(328,855,297)	(362,288,366)
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of Fixed Assets	(333,344,828)	(228,722,052)
Expenditure against Capital Works-in-Progress	4,489,531	(133,424,724)
Expenditure against Preliminary Expenses	-	(141,590)
	368,748,220	480,277,714
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Bank Overdraft received	20,367,958	10,533,116
Short Term credits received	82,454,863	35,398,072
Deferred L/C Liabilities repaid	(1,503,568)	37,826,949
Share Capital received	-	47,200,000
Long Term Bank Loan received	226,373,802	244,980,989
Other Loan received	41,055,165	104,338,588
	9,038,395	17,574,313
D Net Increase/(Decrease) in cash & cash equivalents (A+B+C)	17,574,313	-
E. Cash & cash equivalents at the beginning of the year	26,612,708	17,574,313
F. Cash & cash equivalents at the end of the year (D+E)	26,612,708	17,574,313

The accounting policies and explanatory notes form an integral part of the Financial Statements.

Rajiv Sethi
Director

Shahen
Managing Director

Ata Khan & Co.
Ata Khan & Co.
Chartered Accountants

Place : Dhaka
Dated: May 06, 2008



Generation Next Fashions Limited
Accounting Policies and Explanatory Notes
For the year ended December 31, 2007

1.00 Corporate Business

Generation Next Fashions Limited was incorporated in Bangladesh under the Companies Act (Act XVIII) 1994 vide Certificate of Incorporation No-C-53966(661)/2004 dated August 19, 2004, to carry out business of spinning, weaving, manufacturing of textile, various types of ready-made garments of international standard and design.

2.00 Corporate Financial Statements and Reportings

This comprises Balance Sheet, Income Statement, Statement of Changes in Equity, Cash Flow Statement, notes and explanatory materials covering accounting policies.

This is prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1994 and the International Accounting Standards (IASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as well as those standards, disclosures recommended by IASs and as applicable to this Company.

The Board of Directors are responsible for preparing and presenting the financial statements including adequate disclosures, who approved and authorized for issue of this financial statements.

The preparation of the financial statements in conformity with the International Accounting Standards (IASs) requires Board of Directors to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities at the date of the reporting period. Due to the inherent uncertainty involved in making estimates, actual result reported could differ from those estimates.

3.00 Fundamental Accounting Concepts/ Assumption

The financial statements have been prepared based on Going concern, Consistency concept, Accrual concept and such other convention as required by IAS-1 for fair presentation of financial statements.

4.00 Going Concern

The company has adequate resources to continue in operation for the foreseeable future. For this reasons the directors continue to adopt going concern basis in preparing the accounts. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business.

5.00 Corporate Accounting Standards Practiced

The following IAS is applicable to the financial statements for the year under review:

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Cash Flow Statement
IAS 10	Events after the Balance Sheet Date
IAS 12	Income Taxes
IAS 16	Property, Plant And Equipment
IAS 18	Revenue
IAS 19	Employee Benefits
IAS 23	Borrowing Costs



IAS 25	Accounting for Investments
IAS 30	Disclosures in the Financial Statements of Banks and similar Financial Institutions
IAS 33	Earnings Per Share
IAS 34	Interim Financial Reporting
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets

6.00 Reporting Period

The period of the financial statements covers from 1st January 2007 to 31st December 2007 consistently.

7.00 Provisions

In accordance with the guidelines as prescribed by IAS-37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations:

- a. when the company has an obligation (legal or constructive) as a result of past events;
- b. when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c. reliable estimates can be made of the amount of the obligation.

8.00 Segmental Reporting

No segmental reporting is applicable for the company as required by BAS 14: Segment Reporting as the company operates in a single industry segment and within a single geographical segment.

9.00 Events after balance sheet date

In compliance with the requirements of BAS 10: Events After the Balance Sheet Date, post balance sheet events that provide additional information about the company's position at the balance sheet date are reflected in the financial statements and events after the balance sheet date that are not adjusting events are disclosed in the notes when material.

10.00 Net profit Before Tax

Net profit before tax for the year were not materially affected by:

- (a) Transactions of a nature not usually undertaken by the company;
- (b) Circumstances of an exceptional or non-recurring nature;
- (c) Changes of credits relating to prior years; and
- (d) Changes in accounting policies.

11.00 Functional and Presentational (Reporting) Currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), Which is the company's functional currency. All financial information presented have been rounded off to the nearest Taka except where indicated otherwise.

Figures in brackets indicated deductions.



12.00 Comparative Information and Rearrangement Thereof

In accordance with the provisions of BAS-34: Interim Financial Reporting, Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements.

Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

13.00 Historical Cost Profit and Losses

There was no revaluation of Fixed Assets in previous years and during the year under review. Therefore, there was no factor like the differences between historical cost depreciation and depreciation on revalued amount, realization of revenue of surplus on retirement or disposal of assets, etc. Accordingly, no separate note of historical cost profit and loss has been presented.

14.00 Principal Accounting Policies

The specific accounting policies selected and applied by the company's directors for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the IAS-1 "Presentation of Financial Statements". The recommendations of IAS-1 relating the format of financial statements were also taken into full consideration for fair presentation.

14.01. Recognition of Tangible Fixed Assets

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation. The cost of acquisition comprises of purchase price, including import duties and non-refundable Taxes and any directly attributable cost of bringing the assets to its working condition for its intended use. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

There is no intangible asset and the fixed assets do not include any assets held under lease.

On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the income statement which is determined with reference to the net book value of assets and the net sales proceeds.

14.02. Depreciation of Tangible Fixed Assets

No depreciation is charged on Land & Land development. Depreciation on all other fixed assets is computed using the reducing balance method so as to write off the assets over their expected useful life.

Half year's depreciation has been charged on additions irrespective of the date when the related assets are put into use and no depreciation is charged on retirement, irrespective of date of retirement.

After considering the useful life of assets as per IAS-16, the annual depreciation rates have been applied as under which is considered reasonable by the management.



Weighted Average Number of Ordinary Shares Outstanding during the year

The basis of computation of number of shares is in line with the provisions of IAS-33 : Earnings Per Share. Therefore, the total number of shares outstanding at the end of the year multiplied by a time weighting factor which is the number of days the specific shares were outstanding as a proportion of total number of days in the period.

Diluted Earnings Per Share

No diluted EPS is required to be calculated for the year, as there was no scope for dilution during the year under review.



14.03. Impairment of assets

All fixed assets have been reviewed and it was confirmed that no such fixed assets have been impaired during the year and for this reason no provision has been made for Impairment of assets.

14.04 Revenue Recognition

Revenue are Recognised when goods are delivered from the factory godown and delivery Challan is issued as per IAS-18.

14.05 Accrued Expenses and Other Payables

Liabilities are recognized for the goods and services received, whether paid or not for those goods and services. Payables are not interest bearing and are stated at their nominal value.

14.06 Inventories

Inventories comprises of raw materials, Work-in-Process, Finished goods, Stores & Spares and materials-in-transit. Raw materials and Stores and Spares have been valued at average cost. Work-in-Process have been valued at prime cost basis as required by IAS-2 with proportionate addition of Factory Overheads. Finished goods have been valued at the lower of cost and net realizable value basis.

14.07 Cash and Cash Equivalents

Cash in hand and cash at banks have been considered as Cash and Cash Equivalents for the preparation of these financial statements, which were held and available for use by company without any restriction and there was insignificant risk of changes in value of the same.

14.08 Cash Flow Statement

Cash Flow Statement is prepared principally in accordance with IAS-7 "Cash Flow Statement" and the cash flows from the operating activities have been presented under indirect method.

14.09 Borrowing Costs

Financial Expenses (Borrowing Costs) incurred during the year was recognized as revenue expenses in accordance with IAS-23 "Borrowing Cost".

14.10 Investments in FDR

The Investment in FDR are valued at per Bank Statement basis.

14.11 Earnings Per Share

This has been calculated in compliance with the requirements of *BAS 33: Earnings Per Share* by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

Basic Earnings

This represents earnings for the period attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.



Note-15.00 PROPERTY, PLANT & EQUIPMENT : TK. 534,288,300

The break-up of the amount is given below:

Particulars	Cost			Rate of Dep. (%)	Depreciation		Written down value as on 31.12.2007
	Balance as on 01.01.07	Addition during the year	Balance as on 31.12.07		Balance as on 01.01.07	Charged during the year	
Land & Land Development	25,760,159	223,937	25,984,096	0%	-	-	25,984,096
Building	38,186,526	2,585,965	40,772,491	2%	83,696	897,472	39,875,019
Plant & Machinery	152,179,020	319,147,466	471,326,486	5%	833,858	24,358,489	446,967,997
Vehicles	9,427,320	425,855	9,853,175	10%	103,313	1,078,299	8,774,876
Other Assets	3,169,027	10,961,605	14,130,632	10%	34,729	1,444,319	12,686,313
	228,722,052	333,344,828	562,066,880		1,055,596	27,778,580	534,288,300



16.00 Capital Work-in-Progress : Tk.128,935,194

The break-up of the amount is given below:

Building
Security Building
Engineered Steel Building
Drain Line
Gas Line Installation
Electrical Installation
Gazi Tanks
Deep Tubewell
Total

Amount in Taka	
31.12.2007	31.12.2006
119,575,232	124,552,307
43,916	43,916
1,538,737	1,294,964
502,280	502,280
632,545	632,545
5,699,645	5,455,873
108,120	108,120
834,719	834,719
128,935,194	133,424,724

17.00 Inventories : Tk. 86,398,829

The break-up of the amount is given below:

Raw Materials (Note : 17.01)
Work-In-Process
Finished Goods
Total

31.12.2007	31.12.2006
33,039,189	-
33,340,121	16,500,250
20,019,520	10,276,000
86,398,829	26,776,250

17.01 Raw Materials : Tk. 33,039,189

The break-up of the amount is given below:

Yarn
Accessories
Chemical
Total

31.12.2007	31.12.2006
15,379,375	-
6,956,896	-
10,702,918	-
33,039,189	-

18.00 Accounts Receivables : Tk. 91,412,590

The break-up of the amount is given below:

Pioneer
Panche
Taxes
Linmark
Como Apparels
DAC Apparels
Norwest
Green Knit Wear
Couture
Asmara
Pelican Resources
AAJ. Ltd
Signet Apparels
Earthee
Euha Apparels
Body Line Far East Ltd.
Palma International
Cash Subsidy from Govt.
Others Accouts Receivable
Total

31.12.2007	31.12.2006
5,236,000	6,354,097
5,025,640	2,761,571
4,263,157	9,546,435
-	2,447,005
-	2,274,017
-	1,436,531
6,926,612	1,250,360
3,052,400	3,552,360
3,190,500	1,025,483
3,045,000	2,658,430
7,158,900	1,590,950
5,586,550	-
6,569,430	1,506,500
5,400,000	-
6,018,387	-
7,062,518	1,240,132
4,867,726	-
9,597,011	-
8,412,759	7,942,682
91,412,590	45,586,554

19.00 Advances, Deposits & Pre-Payments: Tk. 2,434,976

The break-up of the amount is given below:

Advances
Deposit
Total

31.12.2007	31.12.2006
1,809,272	17,984,462
625,704	625,704
2,434,976	18,610,166

20.00 Cash & Cash Equivalents : Tk. 26,612,708

The break-up of the amount is given below:

Cash in Hand (Note-20.01)
Cash at Bank (Note-20.02)
Total

31.12.2007	31.12.2006
145,000	125,623
26,467,708	17,448,690
26,612,708	17,574,313

20.01 Cash in Hand : Tk. 145,000

The break-up of the amount is given below:

Balance in Central Cash
Balance in Petty Cash (Factory)
Total

31.12.2007	31.12.2006
87,950	56,256
57,050	69,367
145,000	125,623

20.02 Cash at Bank : Tk. 26,467,708

The break-up of the amount is given below:

Bank Name	A/C No	Branch Name
EXIM Bank	711100009514	Gulshan Br.
EXIM Bank	711100004728	Ahsilia Br
Southeast Bank	1015600000040	Gulshan Br.
Southeast Bank	1015500000256	Gulshan Br.
Southeast Bank	1015200000041	Gulshan Br.
EXIM Bank	72410024593	Gulshan Br.
EXIM Bank	72410024604	Gulshan Br.
Total		

31.12.2007	31.12.2006
9,046,178	(275,178)
345,650	-
4,076,154	7,417,773
928,029	(193,905)
1,812,948	-
5,129,375	5,250,000
5,129,375	5,250,000
26,467,708	17,448,690

21.00 Accounts Payable :Tk. 3,878,426.

The break-up of the amount is given below:

M/S. Ridoy Furniture
Mr. Salam - Titas Gas Line
World Fiber
M/S. Mam Enterprise
Intimacy
Advance Development Tech.
M/S. Happy Enterprise
Standerd Union Chemicals
Brother's Bulders
Horizon Fashion Ware Ltd.
Others Accounts Payable
Total

31.12.2007	31.12.2006
360,800	-
167,000	-
229,106	-
112,431	-
260,970	-
285,358	-
256,550	-
200,704	-
718,520	-
228,810	-
1,058,177	376,150
3,878,426	376,150

22.00 Bank Overdraft :Tk. 30,901,074

The break-up of the amount is given below:

Southeast Bank CC A/c 101110011987 Gulshan Br
Total

31.12.2007	31.12.2006
30,901,074	10,533,116
30,901,074	10,533,116

23.00 Short Term Bank Credits : Tk. 117,852,935

The break-up of the amount is given below:

Particulars	Bank Name
Time Loan	Southeast Bank
Demand Loan	Southeast Bank
Packing Credit	Southeast Bank
Bill Purchase	Southeast Bank
Total	

31.12.2007	31.12.2006
20,106,109	13,436,441
55,898,187	-
21,837,922	20,087,258
20,010,717	1,874,373
117,852,935	35,398,072

24.00 Deferred L/C Liabilities :Tk. 36,323,381

The break-up of the amount is given below:

Mymun Textile Ltd
Keya Cotton
Jamuna Spinning Mills Ltd.
Matin Spinning Mills Ltd.
3D Printing-Design
Codes & Labels
Pacific Associates Ltd
Sakaimex Ltd.
L.K.M (Thomas)
Al-Haj Karim Textile
Metro Spinning
MSA Spinning Ltd.
Delta Pacific
Noor International
Auxi Colour
GDS Chemical
Hi. Tech Colour
Other Deferred L/C Liabilities
Total

31.12.2007	31.12.2006
-	3,631,606
-	4,529,900
-	2,086,664
-	3,379,077
-	2,346,735
-	2,123,599
-	6,623,725
-	2,535,380
-	2,180,000
9,699,342	-
4,335,705	-
2,880,613	-
2,849,581	-
3,108,259	-
1,498,210	-
3,295,151	-
2,545,629	-
6,110,892	8,390,262
36,323,381	37,826,948

25.00 Share Capital : Tk. 500,000,000

25.01 Authorised Capital :Tk. 500,000,000

50,00,000 Ordinary Shares of Tk. 100/- each.

31.12.2007	31.12.2006
500,000,000	500,000,000



25.02 Issued, Subscribed, Called-up & Paid-up Capital : Tk. 47,200,000

472,000 Ordinary Shares of Tk. 100/- each

47,200,000

47,200,000

The Shareholding position of the Company are as under :

Name	No. of Shares	Percentages (%)	Amount (Tk.)
Mr. Touhidul Islam Chaudhury	242,500	51	24,250,000
Mrs. Saida Muna Tasneem	24,500	5	2,450,000
Shaheen Akhter Chaudhury	2,500	1	250,000
Mr. Wahid Salam	112,500	24	11,250,000
Mr. Rajiv Sethi	66,400	14	6,640,000
Mr. Javed Oopenhaffen	23,600	5	2,360,000
Total	472,000	100	47,200,000

26.00 Long Term Bank Credits : Tk. 471,354,793

The break-up of the amount is given below:

Particulars	Bank Name	31.12.2007	31.12.2006
		31.12.2007	31.12.2006
71300001169	Southeast Bank	-	34,921,632
71300001647	Southeast Bank	-	8,618,675
71300001532	Southeast Bank	-	2,546,380
71300001321	Southeast Bank	-	11,501,796
71300014958	Southeast Bank	-	61,818,312
71300014941	Southeast Bank	-	16,187,580
71300001555	Southeast Bank	-	5,731,570
71300001503	Southeast Bank	-	21,212,444
71300001388	Southeast Bank	-	22,310,914
71300001405	Southeast Bank	-	37,174,154
71300001238	Southeast Bank	-	16,484,706
71300001526	Southeast Bank	-	1,029,898
71300001739	Southeast Bank	115,368,845	-
71300001745	Southeast Bank	148,639,202	-
71300001751	Southeast Bank	10,188,093	-
71300001653	Southeast Bank	160,299,084	-
71300001553	Southeast Bank	12,172,802	-
71300001929	Southeast Bank	20,275,556	-
Car Loan	BRAC Bank	2,257,101	2,775,370
Car Loan	HSBC	1,598,898	1,905,348
Car Loan	Prime Bank	555,211	762,211
Total		471,354,793	244,980,989



Nature of Security of Loans :

Bank Overdraft	Fully secured by 1 (one) undated cheque to cover the entire the limit along with a letter of authority to insert date on the cheque and personal guarantee of the Directors of the Company..
Long Term Bank Credits	Fully secured by first charge on the fixed assets of the Company.
Packing Credit, Bill Purchase & Demand/ Forced Loan	Lien on Master/export L/C
Time Loan	12 (Twelve) post dated cheque and 1 (One) undated cheque for covering entire loan amount.

Interest on Bank Loan:

Bank interest on the above loan has been charged in the Income Statement as Financial Expenses.

Bank Overdraft	16.00% p.a. with Quarterly rests subject to revision from time to time.
Long Term Bank Credits	16.00% p.a. with Quarterly rests subject to revision from time to time.
Time Loan , Forced Loan, Packing Credit & Bill Purchase	Time Loan : 16.00% & 15.50% p.a. with Quarterly rests subject to revision from time to time. Force Loan : 16.00% p.a. with Quarterly rests subject to revision from time to time. Packing Credit : 7.00% p.a. with Quarterly rests subject to revision from time to time. Bill Purchase 16.00% p.a. with Quarterly rests subject to revision from time to time



27.00 Sales Revenue : Tk. 343,193,871

Export Sales is recognized USD 4,973,824 @ Tk 69. Equivalent to Tk. 343,193,871 when delivery challan is issued.

28.00 Cost of Goods Sold : Tk. 279,642,969.

The break-up of the amount is given below:

Opening Stock of Raw Materials:
Add: Purchase (**Note : 28.01**)
Less: Closing Stock of Raw Materials (**Note : 28.02**)

Material Consumed

Add: Direct Labour

Prime Cost

Add: Factory Overhead (**Note : 28.03**)

Cost of Manufacturing

Add: Opening Work-In-Process

Less: Closing Work-In-Process

Cost of Goods Manufactured

Add: Opening Stock of Finished Goods:

Less: Closing Stock of Finished Goods:

Cost Of Goods Sold

2,007	2,006
-	-
262,120,888	45,651,181
33,039,189	
229,081,700	45,651,181
34,607,237	12,855,246
263,688,937	58,506,427
42,537,423	14,286,072
306,226,360	72,792,499
16,500,250	-
33,340,121	16,500,250
289,386,489	56,292,249
10,276,000	-
20,019,520	10,276,000
279,642,969	46,016,249

28.01 Purchase : Tk. 262,120,888.

The break-up of the amount is given below:

Yarn
Accessories
Chemical
Total

2,007	2,006
137,797,175	37,418,940
40,297,480	4,487,315
84,026,234	3,744,927
262,120,888	45,651,181

28.02 Closing stock of Raw Material : Tk. 33,039,189

The break-up of the amount is given below:

Yarn
Accessories
Chemical

2,007
15,379,375
7,456,896
10,202,918
33,039,189

28.03 Factory Overhead : Tk. 42,537,423

The break-up of the amount is given below:

Factory Rent
Security Service
Depreciation
Utility Charge
Fooding Expenses
Transport
Overtime
House Rent
Repair and Maintainence
Land Rent
Machine Oil
Carriage Inward
Other Expenses
Misc. Expenses
Total

2,007	2,006
321,500	33,000
1,209,139	1,175,555
25,325,942	996,994
13,121,379	2,790,020
-	21,995
-	22,207
-	6,292
-	23,500
301,708	2,843,945
-	85,000
812,680	342,120
703,463	301,273
498,010	597,602
243,602	5,046,569
42,537,423	14,286,072



29.00 Administrative Expenses : Tk. 51,398,322

The break-up of the amount is given below:

	2,007	2,006
Staff Salaries	25,135,209	4,372,930
Director Remuneration	1,347,000	212,000
Overtime Allowance	1,794,458	546,975
Entertainment	295,088	353,475
C & F Charge	3,190,933	1,548,254
Courier & Postage	641,396	340,393
Telephone and Others	921,358	681,891
Labour Bill	250,520	292,282
Utility Charge	333,656	447,159
Office Rent	1,266,000	300,727
Service Charge	257,524	432,069
Depreciation	1,397,042	58,603
Insurance Premium	1,653,132	376,626
Repair & Maintenance	655,321	1,833,314
Newspaper & Periodical	-	2,200
Audit Fee	100,000	100,000
Traveling & Conveyance	538,082	1,638,809
Printing & Stationery	671,668	363,552
Fuel & Lubricant	1,115,411	680,054
Carriage Outward	1,215,227	1,835,806
License & Renewals	501,615	150,600
Professional & Consultancy Fee	1,171,260	1,385,300
Logistic Expenses	914,165	984,165
Fooding Expenses	335,893	152,653
Others Expenses	3,833,354	1,261,856
Exchange Loss/Gain	(364,600)	-
Misc. Expenses	2,227,611	6,160,848
Total	51,398,322	26,512,540

30.00 Financial Expenses : Tk. 53,788,597

The break-up of the amount is given below:

	2,007	2,006
Bank Charge & Front End Fee	8,777,117	1,557,420
Interest on Time Loan	4,984,172	174,871
Interest on PC Loan	569,198	78,682
Interest on Term Loan	34,497,649	-
Interest on C/D A/C	1,556,765	-
Interest on Demand Loan	3,294,819	-
Interest on Car Loan	108,877	-
Total	53,788,597	1,810,973

31.00 Other Income: Tk. 69,849,761

The break-up of the amount is given below:

	2,007	2006
Sub-Contract Revenue	58,232,876	
Interest Income	135,520	
Income from Cash Incentive	9,597,011	
Others	1,884,354	73,386
Total	69,849,761	73,386



32.00 Calculation of Basic Earnings Per Share : Tk.50.40

$$\begin{aligned} \text{Basic Earnings Per Share} &= \frac{\text{Net Profit After Tax}}{\text{Number of Ordinary Shares Outstanding during the year}} \\ &= \frac{23,789,141}{472,000} \\ &= 50.40 \end{aligned}$$

33.00 Capital Expenditure Commitment

There was no Capital expenditure contracted but not incurred or provided for as on 31.12.2007

There was no Material Capital expenditure authorised by the Board but not contracted for as on 31.12.2007.

34.00 Contingent Liabilities

There was no sum for which the company is contingently liable as on 31.12.2007.

35.00 Claims not Acknowledge

There was no claims against the company not acknowledged as debt as on 31.12.2007.

36.00 Credit Facilities Availed

There was credit facilities available to the company from Southeast Bank Ltd. availed of as on 31.12.2007 and Trade Credit available in the ordinary course of business.

37.00 Post Balance Sheet Events

There was no post balance sheet event of such importance, accounting or disclosure of which is required.



Rajivinder
Director

Shabeen
Managing Director