

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

**For the year ended December 31, 2008**

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

Ata Khan & Co.  
Chartered Accountants

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

**AUDITORS' REPORT**  
**OF**  
**GENERATION NEXT FASHIONS LIMITED**

We have audited the accompanying Balance Sheet of **GENERATION NEXT FASHIONS LIMITED** as of December 31, 2008 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.

**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 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.

**Opinion**

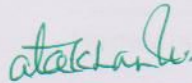
In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BASs), give a true and fair view of the state of the company's affairs as of December 31, 2008 and of the results of its operations and its cash flow for the year then ended and comply with the applicable sections of the companies Act 1994 and other applicable laws and regulations.

**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 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.

Place: Dhaka  
Dated: June 03, 2009



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



**Generation Next Fashions Limited**  
**Balance Sheet**  
**As at December 31, 2008**

Particulars	Notes	31.12.2008 Amount in Tk.	31.12.2007 Amount in Tk.
<b>A NON-CURRENT ASSETS</b>		<b>1,313,598,258</b>	<b>663,365,083</b>
Property, Plant & Equipment	15	1,134,603,222	534,288,300
Capital Works-in-Progress	16	178,853,446	128,935,194
Preliminary Expenses		141,590	141,590
<b>B CURRENT ASSETS</b>		<b>461,236,227</b>	<b>206,859,103</b>
Inventories	17	225,590,251	86,398,829
Accounts Receivables	18	214,145,294	91,412,590
Advances, Deposits & Prepayments	19	4,980,629	2,434,976
Cash & Cash Equivalents	20	16,520,054	26,612,708
<b>C CURRENT LIABILITIES &amp; PROVISIONS</b>		<b>299,476,916</b>	<b>193,738,350</b>
Accounts Payable	21	14,748,321	3,878,426
Accrued Expenses	22	10,489,675	4,782,534
Bank Overdraft	23	31,199,495	30,901,074
Short Term Bank Credits	24	69,618,714	117,852,935
Deferred L/C Liabilities	25	173,420,711	36,323,381
<b>D NET CURRENT ASSETS (B-C)</b>		<b>161,759,312</b>	<b>13,120,753</b>
<b>E NET ASSETS (A+D)</b>		<b>1,475,357,570</b>	<b>676,485,837</b>
<b>F SHAREHOLDERS' EQUITY</b>		<b>617,704,457</b>	<b>59,737,292</b>
Share capital	26	47,200,000	47,200,000
Revaluation Surplus		506,889,888	-
Retained Earnings		63,614,569	12,537,292
<b>G LONG TERM LOANS</b>		<b>857,653,112</b>	<b>616,748,545</b>
Long Term Bank Credits	27	607,024,213	471,354,793
Other Loans		250,628,899	145,393,752
<b>H LIABILITIES &amp; SHAREHOLDERS' EQUITY (F+G)</b>		<b>1,475,357,570</b>	<b>676,485,837</b>

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

Director

*Shakeen*

Managing Director

Place : Dhaka  
Dated: June 03, 2009

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





**Generation Next Fashions Limited**  
**Income Statement**  
**For the year ended December 31, 2008**

Particulars	Notes	2008 Amount in Tk.	2007 Amount in Tk.
A Sales Revenue	28	601,118,585	343,193,871
B Cost of Goods Sold	29	443,409,375	279,642,969
C Gross Profit (A-B)		157,709,210	63,550,902
D Administrative Expenses	30	49,791,947	51,398,322
E Operating Profit (C-D)		107,917,263	12,152,580
F Financial Expenses	31	123,378,056	53,788,597
G Other Income	32	71,356,802	69,849,761
H Net Profit Before Tax (E-F+G)		55,896,009	28,213,744
I Provision for Income Tax		4,818,731	4,424,603
J Net Profit/ (Loss) After Tax Transferred to Statement of Changes in Equity		<u>51,077,277</u>	<u>23,789,141</u>

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

*Gajni Sultana*  
Director

*Shabeen*  
Managing Director

Place : Dhaka  
Dated: June 03, 2009

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





**Generation Next Fashions Limited**  
**Statement of Changes in Equity**  
**For the year ended December 31, 2008**

(Amount in Taka)

Particulars	Share Capital	Retained Earnings	Revaluation Surplus	Total
<b>For 2007</b>				
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>-</u>	<u>59,737,292</u>
<b>For 2008</b>				
Balance at January 01, 2008	47,200,000	12,537,292	-	59,737,292
Net Profit for the year	-	51,077,277	-	51,077,277
Revaluation Surplus on Fixed Assets	-	-	506,889,888	506,889,888
Balance at December 31, 2008	<u>47,200,000</u>	<u>63,614,569</u>	<u>506,889,888</u>	<u>617,704,457</u>

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

*Signature*  
Director

*Signature*  
Managing Director

Place : Dhaka  
Dated: June 03, 2009

*Signature*  
**Ata Khan & Co.**  
Chartered Accountants

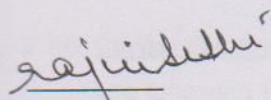


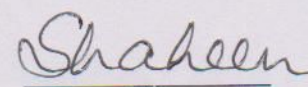


**Generation Next Fashions Limited**  
**Cash Flow Statement**  
**For the year ended December 31, 2008**

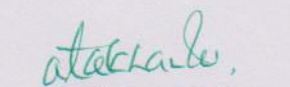
Particulars	(Figures in BDT)	
	2008	2007
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>	<b>(169,673,705)</b>	<b>(30,854,528)</b>
Cash Received from Customers	549,742,683	367,217,596
Cash payments for Creditors	(571,730,901)	(335,763,273)
Cash Payments for operating expenses	(147,685,487)	(62,308,851)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>	<b>(170,485,047)</b>	<b>(328,855,297)</b>
Acquisition of Fixed Assets	(120,566,795)	(333,344,828)
Expenditure against Capital Works-in-Progress	(49,918,253)	4,489,531
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>	<b>330,066,099</b>	<b>368,748,220</b>
Bank Overdraft received	298,421	20,367,958
Short Term Loan repaid	(48,234,221)	82,454,863
Deferred L/C Liabilities received	137,097,331	(1,503,569)
Long Term Bank Loan received	135,669,420	226,373,803
Other Loans received	105,235,147	41,055,165
<b>D. Net Increase/(Decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>(10,092,654)</b>	<b>9,038,395</b>
<b>E. Cash &amp; Cash equivalents at the beginning of the year</b>	<b>26,612,708</b>	<b>17,574,313</b>
<b>F. Cash &amp; Cash equivalents at the end of the year (D+E)</b>	<b>16,520,055</b>	<b>26,612,708</b>

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

  
Director

  
Managing Director

Place : Dhaka  
Dated: June 03, 2009

  
**Ata Khan & Co.**  
Chartered Accountants





**Generation Next Fashions Limited**  
**Accounting Policies and Explanatory Notes**  
**For the year ended December 31, 2008**

**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 Reporting**

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 2008 to 31st December 2008 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 companys' 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.

#### **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 direct 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.

##### **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.





**Note-15.00** PROPERTY, PLANT & EQUIPMENT : TK. 1,134,603,222

The break-up of the amount is given below:

Particulars	Cost		Rate of Dep. (%)	Depreciation		Written down value as on 31.12.2008	Revaluation Surplus	Written down value as on 31.12.2008 or valuation as on 31.12.2008
	Balance as on 01.01.08	Addition during the year		Balance as on 01.01.08	Charged during the year			
Land & Land Development	25,984,096	55,150,670	0%	-	-	81,134,766	136,740,234	217,875,000
Building	40,772,491	49,967,414	2%	897,472	1,796,849	88,045,584	230,639,221	318,684,805
Plant & Machinery	471,326,486	13,889,554	5%	24,358,489	23,042,878	437,814,673	139,510,433	577,325,106
Vehicle	9,853,175	861,675	10%	1,078,299	963,655	8,672,896	-	8,672,896
Other Assets	14,130,632	697,482	10%	1,444,319	1,338,379	12,045,415	-	12,045,415
	<b>562,066,880</b>	<b>120,566,795</b>		<b>27,778,580</b>	<b>27,141,761</b>	<b>627,713,334</b>	<b>506,889,888</b>	<b>1,134,603,222</b>

S.F ahmed & Co. Chartered Accountants, have revalued Land, Building and Plant & Machinery of the Company as of December 31, 2008, following "Current Cost Method" showing total depreciated current cost at Tk. 1,134,603,222 resulting in a Revaluation Surplus at Tk.506,889,888.





**16.00 Capital Works-in-Progress : Tk. 178,853,446.**

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
<b>Total</b>

Amount in Taka	
31.12.2008	31.12.2007
169,225,984	119,575,232
43,916	43,916
1,488,634	1,538,737
632,545	502,280
4,867,041	632,545
1,652,487	5,699,645
108,120	108,120
834,719	834,719
<b>178,853,446</b>	<b>128,935,194</b>

**17.00 Inventories : Tk. 225,590,251**

The break-up of the amount is given below:

Raw Materials (Note : 17.01)
Work-In-Process
Finished Goods
<b>Total</b>

31.12.2008	31.12.2007
115,474,642	33,039,189
63,064,746	33,340,121
47,050,863	20,019,520
<b>225,590,251</b>	<b>86,398,829</b>

**17.01 Raw Materials : Tk. 115,474,642**

The break-up of the amount is given below:

Yarn
Accessories
Chemical
<b>Total</b>

31.12.2008	31.12.2007
67,149,683	15,379,375
7,834,778	6,956,896
40,490,181	10,702,918
<b>115,474,642</b>	<b>33,039,189</b>

**18.00 Accounts Receivables : Tk. 214,145,294**

The break-up of the amount is given below:

Pioneer
TU clothing
Panache
Taxes
Pacific Logistics
ASDA Store Ltd.
Norwest
Green Knit Wear
Couture
Asmara
Pelican Resources
AAJ. Ltd
Signet Apparels
Earthee
Euha Apparels
Body Line Far East Ltd.
Palma International
Other Accounts Receivable
Cash Subsidy from Govt.
<b>Total</b>

31.12.2008	31.12.2007
-	5,236,000
6,702,578	-
-	5,025,640
-	4,263,157
20,279,099	-
25,720,969	-
21,998,733	6,926,612
13,505,000	3,052,400
8,902,925	3,190,500
11,524,869	3,045,000
12,698,500	7,158,900
7,205,630	5,586,550
14,980,480	6,569,430
8,844,556	5,400,000
-	6,018,387
11,818,083	7,062,518
7,206,221	4,867,726
30,251,938	8,412,759
12,505,711	9,597,011
<b>214,145,294</b>	<b>91,412,590</b>



**19.00 Advances, Deposits & Prepayments: Tk.4,980,629**

The break-up of the amount is given below:

Advances  
Deposit  
**Total**

31.12.2008	31.12.2007
4,354,925	1,809,272
625,704	625,704
<b>4,980,629</b>	<b>2,434,976</b>

**20.00 Cash & Cash Equivalents : Tk.16,520,054**

The break-up of the amount is given below:

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

31.12.2008	31.12.2007
185,112	145,000
16,334,942	26,467,708
<b>16,520,054</b>	<b>26,612,708</b>

**20.01 Cash in Hand : Tk. 185,112**

The break-up of the amount is given below:

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

31.12.2008	31.12.2007
123,408	87,950
61,704	57,050
<b>185,112</b>	<b>145,000</b>

**20.02 Cash at Bank : Tk. 16,334,942**

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	10155000000256	Gulshan Br.
Southeast Bank	10152000000041	Gulshan Br.
EXIM Bank Ltd.	72410024593	Gulshan Br.
EXIM Bank Ltd.	72410024604	Gulshan Br.
<b>Total</b>		

31.12.2008	31.12.2007
3,866,878	9,046,178
113,695	345,650
87,075	4,076,154
442,415	928,029
980,203	1,812,948
5,422,338	5,129,375
5,422,338	5,129,375
<b>16,334,942</b>	<b>26,467,708</b>

**21.00 Accounts Payable :Tk. 14,748,321**

The break-up of the amount is given below:

Advance Development Tech.  
M/S. Ridoy Furniture  
Mr. Salam - Titas Gas Line  
World Fiber (Trolley)  
M/S. Mam Enterprise  
Intimacy  
Brother's Bulders  
M/S. Happy Enterprise  
Standard Union Chemicals  
Horizon Fashion Ware Ltd.  
KM Servicing Centre - Garments  
Chemicon Engineering (Eng. Akmol)  
Nahian Enterprise  
GDS Chemical  
Hi Tech Colour Chemical

31.12.2008	31.12.2007
-	285,358
315,000	360,800
-	167,000
-	229,106
500,000	112,431
-	260,970
517,050	718,520
817,800	256,550
-	200,704
-	228,810
432,530	-
620,000	-
928,112	-
2,460,208	-
348,307	-





**Ata Khan & Co.**  
Chartered Accountants

Atex Chemico  
Auxicam Co.  
K B Traders  
Others Payable  
**Total**

286,232	-
1,056,896	-
894,382	-
5,571,805	1,058,177
<b>14,748,321</b>	<b>3,878,426</b>

**22.00 Accrued Expenses :Tk.10,489,675**

The break-up of the amount is given below:

Audit fee  
Salaries Payable  
Provision for Tax  
**Total**

<b>31.12.2008</b>	
300,000	200,000
788,409	-
9,401,266	4,582,534
<b>10,489,675</b>	<b>4,782,534</b>

**23.00 Bank Overdraft :Tk. 31,199,495**

The break-up of the amount is given below:

Southeast Bank CC A/c 101110011987 Gulshan Br  
**Total**

<b>31.12.2008</b>	<b>31.12.2007</b>
31,199,495	30,901,074
<b>31,199,495</b>	<b>30,901,074</b>

**24.00 Short Term Bank Credits : Tk. 69,618,714**

The break-up of the amount is given below:

**Particulars**

Time Loan (Note : 24.01)  
Demand Loan  
Packing Credit  
Bill Purchase  
Loan against FDR  
**Total**

**Bank Name**

Southeast Bank Ltd  
Southeast Bank Ltd  
Southeast Bank Ltd  
Southeast Bank Ltd  
Southeast Bank Ltd

**31.12.2008**

30,339,276  
-  
18,866,711  
16,522,727  
3,890,000

**31.12.2007**

20,106,109  
55,898,187  
21,837,922  
20,010,717  
-

**69,618,714**

**117,852,935**

**24.01 Time Loan : Tk. 30,339,276**

The break-up of the amount is given below:

**A/C No.**

712000014662  
712000014950  
712000014719  
712000014702  
712000015276  
712000015368  
712000015322  
712000015282  
712000015301

**Bank Name**

Southeast Bank Ltd  
Southeast Bank Ltd  
Southeast Bank Ltd  
Southeast Bank Ltd  
Southeast Bank Ltd  
Southeast Bank Ltd  
Southeast Bank Ltd  
Southeast Bank Ltd  
Southeast Bank Ltd

**31.12.2008**

1,992,088  
2,271,498  
1,464,073  
212,110  
2,679,282  
564,000  
759,917  
2,419,669  
1,446,000





712000015339	Southeast Bank Ltd	1,359,955
712000015316	Southeast Bank Ltd	972,673
712000015374	Southeast Bank Ltd	397,672
712000014831	Southeast Bank Ltd	1,418,002
712000014971	Southeast Bank Ltd	2,244,146
712000015161	Southeast Bank Ltd	414,608
714000107251	Southeast Bank Ltd	540,661
712000014529	Southeast Bank Ltd	2,255,667
712000014535	Southeast Bank Ltd	2,581,162
712000014558	Southeast Bank Ltd	2,644,685
712000014656	Southeast Bank Ltd	1,701,408
		<b>30,339,276</b>

**25.00 Deferred L/C Liabilities :Tk. 173,420,711**

The break-up of the amount is given below:

Al-Haj Karim Textile
Metro Spinning
MSA Spinning Ltd.
Delta Pacific
Noor International
Auxi Colour
GDS Chemical
Hi. Tech Colour
Ha-meem Accessories
Hanif Spinning
Dyestar Singa
AL-HAJ Karim Textile
Thermex Melan
M/S Malek Spinning Industries
Square Textile
Noor Int
Mainetti BD LTD.
Hi. Tech
Other Deferred L/C Liabilities
<b>Total</b>

31.12.2008	31.12.2007
-	9,699,342
-	4,335,705
-	2,880,613
1,481,300	2,849,581
-	3,108,259
-	1,498,210
-	3,295,151
-	2,545,629
5,619,741	-
9,465,220	-
3,465,369	-
19,892,484	-
19,706,062	-
41,076,835	-
4,517,087	-
11,603,863	-
9,477,730	-
3,318,329	-
43,796,691	6,110,892
<b>173,420,711</b>	<b>36,323,381</b>

**26.00 Share Capital : Tk. 500,000,000**

**26.01 Authorised Capital :Tk. 500,000,000**

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

31.12.2008	31.12.2007
<b>500,000,000</b>	<b>500,000,000</b>

**26.02 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 Opgenhaffen	23,600	5	2,360,000
<b>Total</b>	<b>472,000</b>	<b>100</b>	<b>47,200,000</b>





**27.00 Long Term Bank Credits : Tk. 607,024,213**

The break-up of the amount is given below:

Particulars	Bank Name	31.12.2008	31.12.2007
71300015019	Southeast Bank	14,287,937	-
71300001929	Southeast Bank	34,030,138	-
71300002267	Southeast Bank	71,139,898	-
71300002152	Southeast Bank	501,303	-
71300001739	Southeast Bank	123,008,189	115,368,845
71300001745	Southeast Bank	158,965,604	148,639,202
71300001751	Southeast Bank	10,229,584	10,188,093
71300001653	Southeast Bank	191,717,097	160,299,084
71300001553	Southeast Bank	-	12,172,802
71300001929	Southeast Bank	-	20,275,556
Car Loan	BRAC Bank	1,687,004	2,257,101
Car Loan	HSBC	1,155,248	1,598,898
Car Loan	Prime Bank	302,211	555,211
<b>Total</b>		<b>607,024,213</b>	<b>471,354,793</b>

**Nature of Security of Loans :**

<b>Bank Overdraft</b>	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..
<b>Long Term Bank Credits</b>	Fully secured by first charge on the fixed assets of the Company.
<b>Packing Credit, Bill Purchase &amp; Forced Loan</b>	Lien on Master/export L/C
<b>Time Loan</b>	1 ( One) undate cheque covering the loan along with personal guarantee of all director of the company.

**Interest on Bank Loan:**

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

<b>Bank Overdraft</b>	15.00% p.a. with Quarterly rests subject to revision from time to time.
<b>Long Term Bank Credits</b>	15.00% p.a. with Quarterly rests subject to revision from time to time.
<b>Time Loan , Forced Loan, Packing Credit &amp; Bill Purchase</b>	Time Loan : 15.00% 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 : 15.00% p.a. with Quarterly rests subject to revision from time to time





**28.00 Sales Revenue : Tk. 601,118,585**

Export Sales is recognized USD 8,711,863 @ Tk.69 equivalent to Tk. 601,118,585 when delivery challan is issued.

**29.00 Cost of Goods Sold : Tk. 443,409,375**

The break-up of the amount is given below:

Opening Stock of Raw Materials:

Add: Purchase (Note : 29.01)

Less: Closing Stock of Raw Materials (Note : 29.02)

**Material Consumed**

Add: Direct Labour

**Prime Cost**

Add: Factory Overhead (Note : 29.03)

**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**

2,008	2,007
33,039,189	-
462,712,527	262,120,888
115,474,642	33,039,189
<b>380,277,073</b>	<b>229,081,700</b>
70,867,971	34,607,237
<b>451,145,044</b>	<b>263,688,937</b>
49,020,299	42,537,423
<b>500,165,343</b>	<b>306,226,360</b>
33,340,121	16,500,250
63,064,746	33,340,121
<b>470,440,718</b>	<b>289,386,489</b>
<b>20,019,520</b>	<b>10,276,000</b>
<b>47,050,863</b>	20,019,520
<b>443,409,375</b>	<b>279,642,969</b>

**29.01 Purchase : Tk. 462,712,527**

The break-up of the amount is given below:

Yarn

Accessories

Chemical

**Total**

2,008	2,007
246,180,658	137,797,175
130,221,087	40,297,480
86,310,782	84,026,234
<b>462,712,527</b>	<b>262,120,888</b>

**29.02 Closing stock of Raw Material : Tk. 115,474,642**

The break-up of the amount is given below:

Yarn

Accessories

Chemical

2,008	2,007
67,149,683	15,379,375
7,834,778	7,456,896
40,490,181	10,202,918
<b>115,474,642</b>	<b>33,039,189</b>

**29.03 Factory Overhead : Tk. 49,020,299**

The break-up of the amount is given below:

Factory Rent

Security Service

Depreciation

Utility Charge

Fooding Allowance

Repair and Maintainence

Machine Oil

Carriage Inward

Other Expenses

Misc. Expenses

**Total**

2,008	2,007
120,000	321,500
1,339,753	1,209,139
26,016,703	25,325,942
18,363,238	13,121,379
249,640	-
542,951	301,708
516,100	812,680
1,674,341	703,463
98,105	498,010
99,468	243,602
<b>49,020,299</b>	<b>42,537,423</b>



**30.00 Administrative Expenses : Tk. 49,791,947.**

The break-up of the amount is given below:

	<b>2,008</b>	<b>2,007</b>
Salaries and allowance	21,234,554	25,135,209
Director Remuneration	1,548,000	1,347,000
Overtime Allowance	168,419	1,794,458
Air Frigate Charge	4,534,295	-
Utility Charge	2,923,728	333,656
Entertainment	290,659	295,088
C & F Charge	1,711,699	3,190,933
Courier & Postage	576,707	641,396
Telephone and Others	1,077,683	921,358
Labour Bill	88,966	250,520
Office Rent	2,326,611	1,266,000
Service Charge	271,710	257,524
Depreciation	1,066,836	1,397,042
Insurance Premium	2,193,436	1,653,132
Repair & Maintenance	648,087	655,321
Audit Fee	100,000	100,000
Traveling & Conveyance	515,157	538,082
Printing & Stationery	549,572	671,668
Fuel & Lubricant	491,032	1,115,411
Carriage Outward	1,290,876	1,215,227
License & Renewals	1,482,420	501,615
Professional & Consultancy Fee	268,848	1,171,260
Logistic Expenses	-	914,165
Fooding Expenses	317,245	335,893
Exchange Loss/Gain	(255,618)	(364,600)
Others Expenses	1,752,470	3,833,354
Misc. Expenses	2,618,556	2,227,611
<b>Total</b>	<b>49,791,947</b>	<b>51,398,322</b>

**31.00 Financial Expenses : Tk. 123,378,056**

The break-up of the amount is given below:

	<b>2,008</b>	<b>2,007</b>
Bank Charge & Front End Fee	18,907,580	8,777,117
Interest on Time Loan	37,886,504	4,984,172
Interest on PC Loan	2,508,744	569,198
Interest on Term Loan	54,707,868	34,497,649
Interest on C/D A/C	4,619,426	1,556,765
Interest on Demand Loan	4,727,808	3,294,819
Interest on Car Loan	20,125	108,877
<b>Total</b>	<b>123,378,056</b>	<b>53,788,597</b>

**32.00 Other Income: Tk. 71,356,802.**

The break-up of the amount is given below:

	<b>2,008</b>	<b>2,007</b>
Sub-Contract Revenue	67,156,831	58,232,876
Interest Income	585,926	135,520
Income from Cash Incentive	2,908,700	9,597,011
Others	705,345	1,884,354
<b>Total</b>	<b>71,356,802</b>	<b>69,849,761</b>





33.00 Calculation of Basic Earnings Per Share : Tk. 108.21

		Net Profit After Tax
Basic Earnings Per Share	=	Number of Ordinary Shares Outstanding during the year
	=	51,077,277
	=	472,000
	=	108.21

34.00 Capital Expenditure Commitment

There was no Capital expenditure contracted but not incurred or provided for as on 31.12.2008

There was no Material Capital expenditure authorised by the Board but not contracted for as on 31.12.2008

35.00 Contingent Liabilities

There was no sum for which the company is contingently liable as on 31.12.2008.

36.00 Claims not Acknowledge

There was no claims against the company not acknowledged as debt as on 31.12.2008.

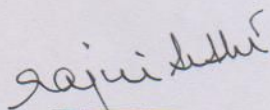
37.00 Credit Facilities Availed

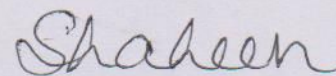
There was credit facilities available to the company from Southeast Bank Ltd. availed of as on 31.12.2008 and Trade Credit available in the ordinary course of business.

38.00 Post Balance Sheet Events

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



  
Director

  
Managing Director