

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

**For the year ended December 31, 2012**

**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 Statement of Financial Position of **GENERATION NEXT FASHIONS LIMITED** as of December 31, 2012 and the related Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity together with related notes for the period 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, 2012 and of the results of its operations and its cash flow for the period then ended and comply with the applicable sections of the Companies Act, 1994, the Securities & 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 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 Statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of accounts, read in conjunction with the annexed notes and related schedules attached thereto.
- d) The expenditure incurred was for the Company's business.

Place: Dhaka  
Dated: February 24, 2013



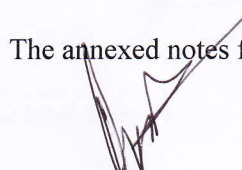
*Ata Khan*  
**ATA KHAN & CO.**  
Chartered Accountants.



**GENERATION NEXT FASHIONS LIMITED**  
**Statement of Financial Position**  
**As at December 31, 2012**

Particulars	Notes	Amount in Taka	
		31.12.2012	31.12.2011
<b>A. NON-CURRENT ASSETS</b>		<b>2,697,669,438</b>	<b>2,267,152,562</b>
Property, Plant & Equipment	15	1,746,304,786	1,432,890,110
Capital Works-in-Progress	16	951,364,652	579,537,452
Investments	17	-	254,725,000
<b>B. CURRENT ASSETS</b>		<b>1,293,849,778</b>	<b>1,014,789,671</b>
Inventories	18	554,719,980	520,641,340
Accounts Receivable	19	504,355,503	398,571,089
Advances, Deposits and Pre-Payments	20	191,550,025	81,423,358
Cash & Cash Equivalents	21	43,224,270	14,153,884
<b>C. CURRENT LIABILITIES &amp; PROVISIONS</b>		<b>1,215,099,553</b>	<b>953,478,661</b>
Accounts & Other Payables	22	18,843,850	21,843,850
Accrued Expenses	23	120,360,599	77,786,796
Bank Overdraft	24	46,438,284	31,207,424
Short Term Bank Credits	25	866,864,309	566,176,664
Deferred L/C Liabilities	26	70,068,920	137,891,927
Share Money Refundable	27	32,523,591	-
Current Maturity of Long Term Loans	28	60,000,000	118,572,000
<b>D. NET CURRENT ASSETS (B-C)</b>		<b>78,750,225</b>	<b>61,311,010</b>
<b>E. NET ASSETS (A+D)</b>		<b>2,776,419,663</b>	<b>2,328,463,572</b>
<b>F. SHAREHOLDERS' EQUITY</b>		<b>2,555,469,491</b>	<b>1,973,443,879</b>
Share Capital	29	1,405,980,000	871,650,000
Share Premium		250,000,000	250,000,000
Revaluation Surplus	30	506,889,888	506,889,888
Retained Earnings	31	392,599,603	344,903,991
<b>G. LONG TERM LOAN</b>	32	<b>220,950,172</b>	<b>355,019,693</b>
<b>H. LIABILITIES &amp; SHAREHOLDERS' EQUITY (F+G)</b>		<b>2,776,419,663</b>	<b>2,328,463,572</b>
Net Assets Value Per Share (NAVPS)		<b>18.18</b>	<b>14.04</b>

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

  
**Managing Director**

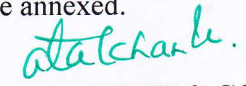
  
**Director**

  
**Company Secretary**

Signed in terms of our separate report of even date annexed.

Dated, Dhaka; February 24, 2013

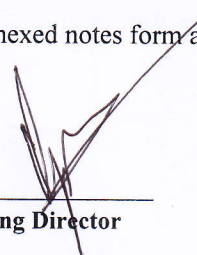


  
**ATA KHAN & CO.**  
Chartered Accountants


**GENERATION NEXT FASHIONS LIMITED**  
**Statement of Comprehensive Income**  
**For the year ended December 31, 2012**

Particulars	Notes	Amount in Taka	
		31.12.2012	31.12.2011
Sales Revenue	33	1,674,087,945	1,393,627,887
Sub-Contract Revenue		5,454,225	59,268,000
<b>Total Revenue</b>		<b>1,679,542,170</b>	<b>1,452,895,887</b>
Less: Cost of Goods Sold	34	1,128,014,588	1,082,489,912
<b>Gross Profit</b>		<b>551,527,582</b>	<b>370,405,975</b>
Less: Administrative & Selling Expenses	35	84,380,206	95,186,547
<b>Operating Profit</b>		<b>467,147,376</b>	<b>275,219,428</b>
Add: Other Income	36	72,294,857	97,274,529
		<b>539,442,233</b>	<b>372,493,957</b>
Less: Financial Expenses	37	214,177,648	153,988,754
<b>Net Profit Before Tax and WPWFs</b>		<b>325,264,585</b>	<b>218,505,203</b>
Less: Workers' Participation/Welfare Funds		15,488,790	-
<b>Net Profit Before Tax</b>		<b>309,775,795</b>	<b>218,505,203</b>
Less: Provision for Income Tax	38	27,644,980	36,093,138
<b>Net Profit After Tax</b>		<b>282,130,815</b>	<b>182,412,065</b>
<b>Earning Per Share (EPS) (Weighted Average)</b>	39	<b>2.42</b>	<b>1.56</b>
<b>Fully Diluted EPS</b>	40	<b>2.01</b>	<b>1.30</b>
<b>EPS From Recurring Income (Weighted Average)</b>	41	<b>1.97</b>	<b>1.26</b>
<b>EPS From Recurring Income (Fully Diluted)</b>	42	<b>1.63</b>	<b>1.05</b>
<b>EPS From Non-Recurring Income (Weighted Average)</b>	43	<b>0.45</b>	<b>0.30</b>
<b>EPS From Non-Recurring Income (Fully Diluted)</b>	44	<b>0.38</b>	<b>0.25</b>

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

  
Managing Director

  
Director

  
Company Secretary

Signed in terms of our separate report of even date annexed.

Dated, Dhaka; February 24 , 2013



  
**ATA KHAN & CO.**  
Chartered Accountants



**GENERATION NEXT FASHIONS LIMITED**  
Statement of Changes in Equity  
For the year ended December 31, 2012


Particulars	Share Capital	Share Premium	Retained Earnings	Revaluation Surplus	Total
<b>For 2011</b>					
Balance at January 01, 2011	350,000,000	-	162,491,926	506,889,888	1,019,381,814
Net Profit for the year	-	-	182,412,065	-	182,412,065
Issue of Share	521,650,000	-	-	-	521,650,000
Share Premium	-	250,000,000	-	-	250,000,000
Balance at December 31, 2011	<u>871,650,000</u>	<u>250,000,000</u>	<u>344,903,991</u>	<u>506,889,888</u>	<u>1,973,443,879</u>
<b>For 2012</b>					
Balance at January 01, 2012	871,650,000	250,000,000	344,903,991	506,889,888	1,973,443,879
Prior Year Adjustments for Income Tax	-	-	(105,203)	-	(105,203)
Net Profit for the year	-	-	282,130,815	-	282,130,815
Issue of Bonus Shares	234,330,000	-	(234,330,000)	-	-
Issue of Shares	300,000,000	-	-	-	300,000,000
Balance at December 31, 2012	<u>1,405,980,000</u>	<u>250,000,000</u>	<u>392,599,603</u>	<u>506,889,888</u>	<u>2,555,469,491</u>

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

  
Managing Director

  
Director



Company Secretary  
  
**ATA KHAN & CO.**  
Chartered Accountants



Dated, Dhaka; February 24, 2013


# GENERATION NEXT FASHIONS LIMITED

## Statement of Cash Flow

For the year ended December 31, 2012

Particulars	Amount in Taka	
	31.12.2012	31.12.2011
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>	<b>52,878,878</b>	<b>87,398,904</b>
Cash Received from Customers	1,646,052,614	1,518,741,099
Cash Paid for Materials, Expenses and Services	(1,593,173,736)	(1,431,342,195)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>	<b>(479,609,067)</b>	<b>(593,167,163)</b>
Acquisition of Fixed Assets	(362,506,867)	(186,861,750)
Expenditures for Capital Work-in-Progress	(371,827,200)	(151,580,413)
Investments disposed/(made)	254,725,000	(254,725,000)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>	<b>455,800,575</b>	<b>442,938,688</b>
Bank Overdraft Received	15,230,860	294,414
Issue of Shares at par / a Premium	300,000,000	771,650,000
Short Term Bank Credit Received	300,687,645	137,776,723
Long Term Loan (Repaid)	(192,641,521)	(253,832,449)
Share Money Deposit (Adjusted)/ Received	32,523,591	(212,950,000)
<b>D. Net Increase/(Decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>29,070,386</b>	<b>(62,829,571)</b>
<b>E. Cash &amp; Cash equivalents at the beginning of the period</b>	<b>14,153,884</b>	<b>76,983,455</b>
<b>F. Cash &amp; Cash equivalents at the end of the period (D+E)</b>	<b>43,224,270</b>	<b>14,153,884</b>
<b>Operating Cash Flow Per Share</b>	<b>0.38</b>	<b>0.62</b>

  
 Managing Director

  
 Director

  
 Company Secretary

Signed in terms of our separate report of even date annexed.

Dated, Dhaka; February 24, 2013



*ata khan & co.*  
**ATA KHAN & CO.**  
 Chartered Accountants



**GENERATION NEXT FASHIONS LIMITED**  
**Accounting Policies and Explanatory Notes**  
**For the year ended December 31, 2012**

**1. Corporate Business**

Generation Next Fashions Limited was incorporated in Bangladesh under the Companies Act, 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. The Company was converted from private company to public company on September 19, 2010.

**2. Corporate Financial Statements and Reporting**

This comprises Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flow, 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)/ International Financial Reporting Standards (IFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as well as those standards, disclosures recommended by IASs / IFRSs 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. Fundamental Accounting Concepts/ Assumption**

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

**4. Going Concern**

The Company has adequate resources to continue its operation for the foreseeable future. For this reason, 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. 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	<i>Property, Plant And Equipment</i>
IAS 18	Revenue
IAS 19	Employee Benefits
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 33	Earnings Per Share
IAS 34	Interim Financial Reporting
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets

## 6. Reporting Period

The period of the financial statements covers from 1st January 2012 to 31st December 2012.

## 7. 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. 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. Events after the Reporting Period.

In compliance with the requirements of BAS 10: Events After the Reporting Period that provide additional information about the Company's position at the Statement of Financial Position date are reflected in the financial statements and events after the reporting period date that are not adjusting events are disclosed in the notes when material.





## **10. 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. 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 indicate deductions.

## **12. 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. Historical Cost Profit and Losses**

There was no revaluation of Fixed Assets during the year under review. However, S.F. Ahmed & Co, Chartered Accountants revalued the fixed assets of the Company as of 31 December 2008 following "depreciated current cost method", resulting in a revaluation surplus at Tk 506,889,888. This required additional depreciation on revaluation surplus amounting to Tk 10,322,154 (2011: 10,725,526 chargeable to revenue).

## **14. 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.



#### 14.1 Recognition of Tangible Fixed Assets

These are capitalized at cost of acquisition or valuation 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.

The Company has adopted "Revaluation Model" for re-statement of fixed assets at a frequency of every 5 years.

#### 14.2 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 in respect of 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 are considered reasonable by the management.

Category of Assets	Rate of Depreciation
Building	2%
Plant & Machinery	5%
Vehicles	10%
Other Assets	10%

#### 14.3 Impairment of assets

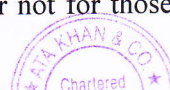
All fixed assets have been reviewed and it was confirmed that no such fixed assets have been impaired during the year and for this reason, no provision has been made for impairment of assets.

#### 14.4 Revenue Recognition

Revenue are recognised when goods are delivered from the factory godown and delivery challans are issued as per IAS-18.

#### 14.5 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.





#### **14.6 Inventories**

Inventories comprises of raw materials, Work-in-Process, Finished goods and Materials in Transit. Raw materials and nd Materials in Transit have been valued at 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. Cost is determined by weighted average method.

#### **14.7 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.

#### **14.8 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.

#### **14.9 Borrowing Costs**

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

#### **14.10 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 period.**

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.



%, Plant & Equipment: Tk.1,746,304,786

	Cost		Rate of Dep. (%)	Depreciation on cost			Written down value (Cost) as on 31.12.2012	Revaluation Surplus	Depreciation on Revaluation			Written down value as on 31.12.2012
	Balance as on 01.01.12	Addition or valuation during the year		Balance as on 01.01.12	Charged during the year	Balance as on 31.12.12			Balance as on 01.01.12	Charged during the year	Balance as on 31.12.12	
Land Development	86,245,266	-	-	-	-	-	86,245,266	136,740,234	-	-	-	222,985,500
	358,273,583	351,546,852	2%	15,264,590	10,375,648	25,640,238	684,180,197	230,639,221	13,563,431	4,341,516	17,904,947	896,914,471
Machinery	621,251,435	2,671,600	5%	119,100,839	25,174,320	144,275,159	479,647,876	139,510,433	19,897,676	5,980,638	25,878,314	593,279,996
	19,620,415	-	10%	5,993,576	1,362,684	7,356,260	12,264,155	-	-	-	-	12,264,154
Buildings	21,702,634	8,288,415	10%	7,273,000	1,857,384	9,130,384	20,860,665	-	-	-	-	20,860,665
	1,107,093,333	362,506,867	-	147,632,005	38,770,036	186,402,041	1,283,198,159	506,889,888	33,461,107	10,322,154	43,783,260	1,746,304,786
31.12.2011	920,231,583	186,861,750	-	114,386,420	33,245,585	147,632,005	959,461,328	506,889,888	22,735,580	10,725,526	33,461,107	1,432,890,110

	Amount in Taka	
	31.12.2012	31.12.2011
Charge during the year	38,770,036	33,245,585
Charge on Revaluation of Assets	10,322,154	10,725,526
<b>Total</b>	<b>49,092,190</b>	<b>43,971,111</b>

Accounts	46,637,581	41,772,556
Head	2,454,609	2,198,556
Sub-Head	49,092,190	43,971,112





# 16. Capital Works-in-Progress

Buildings  
Security Building  
Engineered Steel Building  
Drain Line  
Gas Line and other Installation  
Electrical Installation  
Water Tanks  
Deep Tubewell  
Total

Amount in Taka	
31.12.2012	31.12.2011
918,925,737	548,194,243
643,916	643,916
2,527,497	2,527,497
632,545	632,545
13,565,207	13,017,301
13,525,912	12,978,112
628,119	628,119
915,719	915,719
<b>951,364,652</b>	<b>579,537,452</b>

# 17 Investment

A.J Corporation Limited

-	254,725,000
-	254,725,000

# 18 Inventories

Raw Materials (Note-18.01)  
Work-in-Process (316,758 Kgs; 2011: 410,114 Kgs)  
Finished Goods (100,570 Dozens; 2011: 174,050 Dozens)  
Materials in Transit  
Total

209,261,748	189,261,748
155,962,500	141,962,500
181,032,222	162,845,300
8,463,510	26,571,792
<b>554,719,980</b>	<b>520,641,340</b>

# 18.1 Raw Materials

Yarn (458,080 Kgs; 2011: 582,360 Kgs)  
Chemicals (252,837 Kgs; 2011: 261,697 Kgs)  
Accessories

146,585,320	131,031,156
17,698,625	15,701,862
44,977,803	42,528,730
<b>209,261,748</b>	<b>189,261,748</b>

# 19 Accounts Receivables

PQS  
ASDA Stores Limited  
TESCO Stores Limited  
Carrefour Import SAS  
TU Clothing  
Miles Fashions GMBH  
Primark Stores Limited  
Gymboree Manufacturing Inc  
Impetus Vandillen Asiatex GMBH  
Other Receivables (Note: 19.01)  
Cash Subsidy from the Government.  
Total

32,290,051	-
29,890,936	38,597,563
60,799,883	32,386,148
-	20,254,670
25,214,542	6,798,535
76,338,281	48,086,594
144,407,662	126,901,160
-	43,357,467
41,859,927	16,172,850
78,953,621	38,079,413
14,600,600	27,936,689
<b>504,355,503</b>	<b>398,571,089</b>

These are unsecured, considered good. No amount is due from any directors or related parties.

Dues upto 6 months  
Dues above 6 months  
Total

386,808,098	314,644,139
117,547,405	83,926,950
<b>504,355,503</b>	<b>398,571,089</b>



**19.01 Other Receivables**

KHQ
Pelican Limited
Basspro
Alok Industries Limited
Hanebrands Europe GMBH
Elegant Team Development Limited
GEBR. Huber GMBH
Poeticgem Limited
Fashions FX Limited
Visage
Alpine
KGB
<b>Total</b>

Amount in Taka	
31.12.2012	31.12.2011
7,290,949	-
9,385,876	-
4,256,321	1,906,166
4,286,300	8,903,317
4,569,852	1,467,562
6,481,130	4,261,680
6,501,236	9,385,782
8,568,455	9,435,106
3,036,269	2,719,800
7,934,534	-
8,971,620	-
7,671,079	-
<b>78,953,621</b>	<b>38,079,413</b>

**20 Advances, Deposit and Prepayments**

Advances (Note: 20.1)
Deposits
<b>Total</b>

190,924,321	80,797,654
625,704	625,704
<b>191,550,025</b>	<b>81,423,358</b>

These are unsecured, considered good. No amount is due from any directors or related parties.

**20.1 Advances**

Advance against Salary
Advance Income Tax
Advance against Purchase / Expenses Note: 20.01(a)
Advance against House Rent
Advance against IPO
Advance for Construction & Others Note: 20.01(b)
<b>Total</b>

1,750,000	1,950,000
31,346,351	16,805,156
19,578,625	15,496,440
680,000	680,000
26,556,943	-
111,012,402	45,866,058
<b>190,924,321</b>	<b>80,797,654</b>

Dues upto 6 months
Dues above 6 months
<b>Total</b>

142,319,268	50,045,613
48,605,053	30,752,041
<b>190,924,321</b>	<b>80,797,654</b>

**20.01(a) Advance against Purchase / Expenses**

Mr. Mosaraf (Procurement)
Nokta Accessories
Mehedi Hasan Enterprise
Mr. Munir (Procurement)
Dhaka Traders
Mr. Noman (C & F)
Dayamoy Enterprise

5,585,650	4,944,420
1,680,000	1,150,000
2,869,100	2,721,100
2,693,520	2,556,520
1,952,000	960,400
3,111,835	2,564,000
1,686,520	600,000
<b>19,578,625</b>	<b>15,496,440</b>



**20.01(b) Advance for Construction & Others**

Brothers Builders  
Hasib Thai  
Taslima Enterprise  
Biplop Enterprise  
Royal Marble  
Millenium Enterprise  
Faruk Eng. Works  
Mehedi Hasan Enterprise  
M/S. Happy Enterprise  
Maliha Enterprise  
Hott Media  
Maa Electronics  
M/S. Saleem Sanitary Ent.  
M/S. Mohana Enterprise

Amount in Taka	
31.12.2012	31.12.2011

7,896,520	5,845,250
9,646,300	4,642,300
5,546,000	5,546,000
3,564,360	3,564,360
9,228,600	3,228,600
5,564,200	2,564,200
9,556,821	2,463,100
6,326,500	1,836,500
8,568,950	2,654,748
9,538,300	-
10,000,000	10,000,000
3,758,621	-
9,198,562	-
12,618,668	3,521,000
<b>111,012,402</b>	<b>45,866,058</b>

**21 Cash & Cash Equivalents**

Cash in Hand (Note-21.1)  
Cash at Banks (Note-21.2)  
**Total**

3,804,490	3,168,739
39,419,780	10,985,145
<b>43,224,270</b>	<b>14,153,884</b>

**21.1 Cash in Hand**

Balance in Central Cash  
Balance in Factory Cash  
**Total**

2,169,250	1,965,030
1,635,240	1,203,709
<b>3,804,490</b>	<b>3,168,739</b>

**21.2 Cash at Banks**

Bank Name	A/c Number	Branch Name
EXIM Bank Ltd	711100009514/711100038467	Gulshan Br.
EXIM Bank Ltd	0211100004728/4288	Ahsulia Br.
National Bank Ltd	00036000534	Gulshan Br.
Prime Bank Ltd	11831020024366	Gulshan Br.
Southeast Bank Ltd	101110011987	Gulshan Br.
Southeast Bank Ltd	1015600000040	Gulshan Br.
Southeast Bank Ltd	1015500000256	Gulshan Br.
Southeast Bank Ltd	1015200000041	Gulshan Br.
Southeast Bank Ltd	1013100001554	Gulshan Br.
Standard Bank Ltd	933010404	Gulshan Br.
IFIC Bank Ltd.	1002390905001	Gulshan Br.
Jamuna Bank Ltd	00060210017279	Dilkusha Br.
BRAC Bank Ltd	1501201918541001	Gulshan Br.
BRAC Bank Ltd	1501201918541002	Gulshan Br.
BRAC Bank Ltd	1501201918541003	Gulshan Br.
BRAC Bank Ltd	1501201918541004	Gulshan Br.
BRAC Bank Ltd	1501201918541005	Gulshan Br.
Janata Bank Ltd	1020903	Corporate Br.
<b>Total</b>		

83,813	86,923
4,881	6,606
24,067	29,608
13,524	631,336
261,464	23,497
66,265	550,103
3,755,846	1,163,338
1,643,202	1,605,551
409,294	6,721,273
2,375	3,400
2,468	153,510
4,782	-
13,641,235	-
18,179,603	-
320,664	-
382,089	-
614,208	-
10,000	10,000
<b>39,419,780</b>	<b>10,985,145</b>

The above balances are reconciled with Bank Statements and ledger balances.

**22 Accounts & Other Payables**

Shimanta Paribahan

KM Servicing

Trade Media

Nahian Enterprise

Salaries and Wages Payable

Other Payables

**Total**

These are unsecured, payable within one year.

Amount in Taka	
31.12.2012	31.12.2011

1,232,111	1,432,111
756,020	1,000,000
468,205	585,538
224,600	328,000
14,685,260	15,124,560
1,477,654	3,373,641
<b>18,843,850</b>	<b>21,843,850</b>

**23 Accrued Expenses**

Audit fee

Gas Bill

Workers' Participation/Welfare Funds

Provision for tax (Note: 23.01)

**Total**

These are unsecured, falling due within one year.

500,000	500,000
3,366,387	4,031,557
15,488,790	-
101,005,422	73,255,239
<b>120,360,599</b>	<b>77,786,796</b>

**23.01 Provision for tax**Accounting YearAssessment YearAmountStatus

2012

2013-2014

27,644,980

Return not yet due

2011

2012-2013

36,093,137

Return filed

2010

2011-2012

19,269,787

Return filed

2009

2010-2011

8,582,033

Assessment Completed

2008

2009-2010

4,605,931

Assessment Completed

2007

2008-2009

4,605,623

Assessment Completed

2006

2007-2008

203,931

Assessment Completed

**Total****101,005,422****24 Bank Overdraft**

Bank Name	Br Name
-----------	---------

Southeast Bank Ltd. CC A/c 0173300000167

Gulshan Br.

46,438,284	31,207,424
<b>46,438,284</b>	<b>31,207,424</b>

**Total**

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.

**25 Short Term Bank Credits :****Southeast Bank Ltd.:**

Time Loan

Packing Credit

Bill Purchase

Other Loans

**Total**

519,676,150	205,865,128
60,319,186	60,801,071
123,064,400	89,388,746
163,804,573	210,121,719
<b>866,864,309</b>	<b>566,176,664</b>

These are secured, falling due within one year. The security and other term are specified as follows:

Time Loans are fully secured by first charge on the fixed assets of the Company.

Packing Credit, Bill Purchase and other Loans are against Lien on Master/Export L/C.





**26 Deferred L/C Liabilities**

NRG Knit Composite Mills Ltd  
Pakiza Cotton Mills Ltd  
Esha Trading  
Al-Haj Karim Textiles Ltd.  
Gulshan Spinning Mills Limited  
Tamijuddin Textiles Mills Ltd.  
Iraq Rotor Spinning Mills Limited  
Square Yarn Ltd.  
Syed Spinning Mills Limited  
YKK BD Pte Limited  
Jamuna Spinning Mills Limited  
Shameem Spinning Mills Limited  
Other Deferred L/C Liabilities  
**Total**

Amount in Taka	
31.12.2012	31.12.2011
1,660,623	15,294,000
11,063,850	29,511,000
3,641,128	-
-	35,167,000
5,381,168	-
5,998,300	12,957,000
4,014,720	-
-	4,035,000
-	25,188,000
2,888,804	-
12,114,270	-
15,926,040	-
7,380,017	15,739,927
<b>70,068,920</b>	<b>137,891,927</b>

These are unsecured except by letters of credit, falling due within one year.

**27 Share Money Refundable**

These have been deposited against public issue of capital approved by SEC vide SEC letter no.SEC/CI/IPO-138/2010-1488 dated August 08, 2012.

Bank Name	A/C No.	Branch
BRAC Bank Ltd	1501201918541001	Gulshan Br.
BRAC Bank Ltd	1501201918541002	Gulshan Br.
BRAC Bank Ltd	1501201918541003	Gulshan Br.
BRAC Bank Ltd	1501201918541004	Gulshan Br.

13,641,235	-
18,179,603	-
320,664	-
382,089	-
<b>32,523,591</b>	<b>-</b>

**28 Long Term Bank Loans (Current Portion)**

Current portion of Long Term Bank Loans Tk.60,000,000 (2011; Tk.118,572,000) has been shown under the head Current Liabilities which is payable within December-2013.

**29 Share Capital****29.1 Authorised Capital**

200,000,000 Ordinary shares of Tk.10/- each

Amount in Taka	
31.12.2012	31.12.2011
<b>2,000,000,000</b>	<b>2,000,000,000</b>

**29.2 Issued, Subscribed, Called-up & Paid-up Capital**

111,885,000 Ordinary Shares of Tk. 10/- each issued for cash  
28,713,000 Bonus Shares of Tk.10/- each

1,118,850,000	818,850,000
287,130,000	52,800,000
<b>1,405,980,000</b>	<b>871,650,000</b>

The Shareholding position of the Company are as under :

Name of Shareholders	No. of Shares	Percentages (%)	Amount (Tk.)
Mr. Tauhidul Islam Chaudhury	7,217,459	5.13	72,174,590
Shaheen Akhter Chaudhury	130,164	0.09	1,301,640
Mr. Wahid Salam	2,049,600	1.46	20,496,000
Mr. Rajiv Sethi	2,811,960	2.00	28,119,600
Mr. Javed Opgenhaffen	11,172,109	7.95	111,721,090
Mehmood Equities Ltd.	2,820,000	2.01	28,200,000



Assign Holding Ltd.	180,000	0.13	1,800,000
Mrs. Mehtab Hussain khan	120,000	0.09	1,200,000
Mrs. Irin Pervin	120,000	0.09	1,200,000
Mr. Syed Golam Wadud	150,000	0.11	1,500,000
Mrs. Tanipa Wadud	30,000	0.02	300,000
Mr. Waheedur Gorky Rahman	120,000	0.09	1,200,000
Meghna Life Insurance Co. Ltd.	60,000	0.04	600,000
Karnaphuli Insurance Co. Ltd.	60,000	0.04	600,000
Mr. Md. Akhter	14,174,748	10.08	141,747,480
Mrs Farzana Ahmed	60,000	0.04	600,000
Olympic Industries Limited	120,000	0.09	1,200,000
Captain M. Moazzam Hossain	1,380,000	0.98	13,800,000
Mr. Yousuf Ismail	1,440,000	1.02	14,400,000
Mr. Matiur Rahman	1,680,000	1.19	16,800,000
Mr. Tariq Ismail	120,000	0.09	1,200,000
BRAC Bank Limited	1,200,000	0.85	12,000,000
Mr. Syed Tawqir Hussain	132,000	0.09	1,320,000
Cosmopolitan Traders (Pvt.) Ltd.	840,000	0.60	8,400,000
Mr. Saifur Rahman	120,000	0.09	1,200,000
Transcom Limited Staff Provident Fund	240,000	0.17	2,400,000
Marina Tea Company Limited	120,000	0.09	1,200,000
Monipur Tea Company Limited	120,000	0.09	1,200,000
Mr. Maiz Majibur Rahman	240,000	0.17	2,400,000
Mr. Rajeeb Bhattacharjee	120,000	0.09	1,200,000
BRAC EPL Stock Brokerage Ltd.	1,200,000	0.85	12,000,000
Mrs. Lafifa Yousuf	300,000	0.21	3,000,000
Beximco Holdings Limited	15,600,000	11.10	156,000,000
New England Equity Ltd.	15,600,000	11.10	156,000,000
Mr. Major Md. Rabiul Alam	120,000	0.09	1,200,000
Mr. Richard D. Rozario	568,656	0.40	5,686,560
Mr. Md. Wahid Miah	1,231,344	0.88	12,313,440
Mrs. Bilkis Fatima Jesmin	480,000	0.34	4,800,000
Mr. R.Y Shamser	600,000	0.43	6,000,000
Mr. Abdur Rahman	600,000	0.43	6,000,000
PLFS Investment Limited	120,000	0.09	1,200,000
PLFSIL I-A/C	2,424,000	1.72	24,240,000
Mrs. Poly Rani Shaha	360,000	0.26	3,600,000
Mr. Omar Mohammad Bhai	90,000	0.06	900,000
Mr. Raja Mohammad Bhai	120,000	0.09	1,200,000
Mrs. Sakina Miraly	240,000	0.17	2,400,000
Mrs. Nurjehan Hudda	1,140,000	0.81	11,400,000
Mr. Mohammad Bhai	360,000	0.26	3,600,000
Mr. Pankaj Roy	120,000	0.09	1,200,000
Mr. Tanveer Ali	132,000	0.09	1,320,000
Mr. Abdus Sattar	960,000	0.68	9,600,000
Mr. Ahad Mohammad Bhai	510,000	0.36	5,100,000
Mr. Md. Alauddin	60,000	0.04	600,000
Mr. Ganesh Chandra Pramanik	60,000	0.04	600,000
IFIC Securities Limited	2,400,000	1.71	24,000,000
Mr. Md. Khabir Uddin	600,000	0.43	6,000,000
Mrs. Shamim Ara Begum	120,000	0.09	1,200,000
Mr. M.A Hayee	103,200	0.07	1,032,000





Mr. Mahabub Hasan	16,800	0.01	168,000
Mrs. Farzana Moazzam	120,000	0.09	1,200,000
Dr. Monowar Hossain	240,000	0.17	2,400,000
Mr. Ehsan-E-Moazzam	240,000	0.17	2,400,000
Mr. Khursid Alam Mamun	60,000	0.04	600,000
Equity Growth Limited	3,357,600	2.39	33,576,000
Absolute Return Limited	1,494,000	1.06	14,940,000
Mr. S. Golam Moala	1,470,000	1.05	14,700,000
Agrovita Limited	1,200,000	0.85	12,000,000
Mrs Anjuman Ara Siddiqui	720,000	0.51	7,200,000
Mr. Mohammad Ahsan	312,360	0.22	3,123,600
Others	36,000,000	25.60	360,000,000
<b>Total</b>	<b>140,598,000</b>	<b>100.00</b>	<b>1,405,980,000</b>

### 30 Revaluation Surplus

Land & Land Development  
Building  
Plant & Machinery  
**Total**

Amount in Taka	
31.12.2012	31.12.2011
136,740,234	136,740,234
230,639,221	230,639,221
139,510,433	139,510,433
<b>506,889,888</b>	<b>506,889,888</b>

S.F. Ahmed & Co, Chartered Accountants revalued the fixed assets of the Company as of 31 December 2008, following "depreciated current cost method", resulting in a revaluation surplus at Tk.506,889,888.

### 31 Retained Earnings

Opening Balance  
Less: Prior Year Adjustments for Income Tax  
Add: Current Year Profit  
  
Less: Bonus Share Issue  
**Closing Balance**

344,903,991	162,491,926
(105,203)	-
282,130,815	182,412,065
<b>626,929,603</b>	<b>344,903,991</b>
234,330,000	-
<b>392,599,603</b>	<b>344,903,991</b>

### 32 Long Term Loans

Particulars	Bank Name
Term Loan	Southeast Bank
Car Loan	UCBL
Car Loan	Prime Bank
Car Loan	BRAC Bank
<b>Total</b>	

218,899,572	351,217,093
267,600	771,600
1,093,000	1,717,000
690,000	1,314,000
<b>220,950,172</b>	<b>355,019,693</b>

Fully secured by first charge on the fixed assets of the Company.



**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 Loan</b>	Fully secured by first charge on the fixed assets of the Company.
<b>Packing Credit &amp; Bill Purchase</b>	Lien on Master/Export L/C
<b>Time Loan</b>	Fully secured by first charge on the fixed assets 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>	16.00% p.a. with Quarterly rests subject to revision from time to time.
<b>Long Term Loan</b>	15.50% p.a. with Quarterly rests subject to revision from time to time.
<b>Time Loan , Packing Credit &amp; Bill Purchase</b>	Time Loan : 17.00% 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 :17.00% p.a. with Quarterly rests subject to revision from time to time





### 33 Sales Revenue

Export Sales Revenue is recognised for 861,156 Dozens at USD 20,667,752.41 @ Tk.81.00 equivalent to Tk.1,674,087,945 (2011: 1,489,518 Dozens at USD 18,581,705.16 @ Tk.75.00 equivalent to Tk.1,393,627,887) when delivery challan is issued.

### 34 Cost of Goods Sold

Cost of Goods Sold	Amount in Taka	
	31.12.2012	31.12.2011
Opening Stock of Raw Materials	189,261,748	123,210,750
Add: Purchases (Note : 34.01)	940,900,528	979,719,165
Less: Closing Stock of Raw Materials (Note : 18.01)	209,261,748	189,261,748
Material Consumed	920,900,528	913,668,167
Add: Direct Labour	150,358,298	140,492,500
Prime Cost	1,071,258,826	1,054,160,667
Add: Factory Overhead (Note : 34.02)	88,942,684	94,313,198
Cost of Manufacturing	1,160,201,510	1,148,473,865
Add: Opening Work-In-Process (Note: 18.00)	141,962,500	138,943,798
Less: Closing Work-In-Process (Note: 18.00)	155,962,500	141,962,500
Cost of Goods Manufactured	1,146,201,510	1,145,455,163
Add: Opening Stock of Finished Goods (Note: 18.00)	162,845,300	99,880,049
Less: Closing Stock of Finished Goods (Note: 18.00)	181,032,222	162,845,300
Cost of Goods Sold	1,128,014,588	1,082,489,912

#### 34.01 Purchases of Raw Materials

Yarn	(1,943,647 Kgs; 2011: 2,715,782 Kgs)	621,966,894	611,050,910
Chemicals	(1,069,650 Kgs; 2011: 1,893,590 Kgs)	74,875,560	113,615,620
Accessories		244,058,074	255,052,635
<b>Total</b>		<b>940,900,528</b>	<b>979,719,165</b>

#### 34.02 Factory Overhead

Rent	240,000	240,000
Security Service	3,449,665	3,605,152
Depreciation	46,637,581	41,772,556
Utility Charges	21,748,532	26,935,547
Transport	4,036,162	9,045,523
Repair and Maintenance	1,491,184	2,765,843
Fuel & Lubricant	4,245,376	3,791,632
Carriage Inward	771,289	940,530
Overtime and Similar Allowance	1,512,427	1,212,792
Labour Bill	342,023	175,210
Other Expenses	4,468,445	3,828,413
<b>Total</b>	<b>88,942,684</b>	<b>94,313,198</b>

**35 Administrative & Selling Expenses**

Staff Salaries
Directors' Remuneration
Bonus
Air Freight Charge
Buying House Expenses
Utility Charge
Entertainment
C & F Charges
Courier & Postage
Telephone and Other
Office Rent
Service Charges
Car Rent and Other Expenses
Depreciation
Insurance Premium
Audit Fee
Professional and Consultancy fee
Traveling & Conveyance
Stationery
Fuel & Lubricant
Carriage Outward
Advertisement
License & Renewals
Commercial Expenses
Business Development Expenses
Legal Fees
Inspection Charge
Exchange Loss/Gain
Donation
Other Expenses

Amount in Taka	
31.12.2012	31.12.2011
45,282,328	43,256,842
6,000,000	6,000,000
2,691,260	2,343,079
771,438	940,864
411,302	7,434,268
508,464	778,726
158,250	142,000
3,628,506	5,298,702
400,547	666,537
612,530	732,464
1,320,000	1,320,000
180,860	200,030
2,090,000	3,258,592
2,454,609	2,198,556
3,437,888	1,200,600
500,000	1,000,000
285,000	1,100,000
865,245	1,734,049
681,456	457,754
1,209,195	1,519,129
1,196,557	3,025,652
430,000	320,400
412,760	241,250
1,658,430	1,544,463
1,448,000	1,789,856
15,300	555,489
-	92,121
4,053,791	3,925,254
-	26,000
1,676,490	2,083,871
<b>84,380,206</b>	<b>95,186,547</b>

**36 Other Income**

Income from Cash Incentive
Other Revenues
Interest on Investment and Deposits
<b>Total</b>

18,414,596	25,630,900
1,485,914	36,511,600
52,394,347	35,132,029
<b>72,294,857</b>	<b>97,274,529</b>

**37 Financial Expenses**

Bank Charges
Interest on Time Loan
Interest on Packing Credit
Interest on Term Loan
Interest on Bill Purchase
Interest on Forced Loan
<b>Total</b>

18,913,797	27,575,858
80,043,391	35,386,164
5,784,540	7,714,564
75,673,399	65,769,672
4,834,922	2,001,485
28,927,599	15,541,011
<b>214,177,648</b>	<b>153,988,754</b>





**38 Provision for Income Tax**

Particulars	Amount	Rate	Tax Amount
Export from Jan 01 to Jun 30, 2012	851,847,070	0.60%	5,111,082
Export from July 01 to Dec 31, 2012	822,240,875	0.80%	6,577,927
Sub-Contract Revenue	5,454,225	4%	218,169
Income from Cash Incentive	18,414,596	5%	920,730
Other Revenues	1,485,914	27.50%	408,626
Interest on Investment and Deposits	52,394,347	27.50%	14,408,445
			<b>27,644,980</b>

31.12.2012	30.12.2011
------------	------------

**39 Earnings Per Share (Weighted Average)**

Earning Per Share (EPS)	Basic Earning	
	No. of Shares	
	282,130,815	
	116,844,575 ***	
= 2.42		=1.56

**40 Fully Diluted EPS**

Earning Per Share (EPS)	Basic Earning	
	No. of Shares	
	282,130,815	
	140,598,000	
= 2.01		=1.30

**41 EPS From Recurring Income (Weighted Average)**

Earning Per Share (EPS)	Earning from recurring income	
	No. of Shares	
	229,736,468	
	116,844,575	
= 1.97		=1.26

**42 EPS From Recurring Income (Fully Diluted)**

Earning Per Share (EPS)	Earning from recurring income	
	No. of Shares	
	229,736,468	
	140,598,000	
= 1.63		=1.05

**43 EPS From Non-Recurring Income (Weighted Average)**

Earning Per Share (EPS)	Earning from non-recurring income	
	No. of Shares	
	52,394,347	
	116,844,575	
= 0.45		=0.30

**44 EPS From Non-Recurring Income (Fully Diluted)**

Earning Per Share (EPS)	Earning from non-recurring income	
	No. of Shares	
	52,394,347	
	140,598,000	
= 0.38		=0.25



\*\*\*Calculation of weighted average number of shares

Particulars	Allot. Shares	Days	Days	Shares
Opening Jan. 01, 2012 to Dec 31, 2012	110,598,000	365	365	110,598,000
Allotment Oct 17, 2012 to Dec 31, 2012	30,000,000	76	365	6,246,575
<b>Total</b>	<b>140,598,000</b>			<b>116,844,575</b>

**45 Capital Expenditure Commitment**

There was no capital expenditure contracted but not incurred or provided for as on 31.12.2012

There was no material Capital expenditure authorised by the Board but not contracted for as on 31.12.2012

**46 Contingent Liabilities**

There was no sum for which the Company is contingently liable as on 31.12.2012

**47 Claims not Acknowledged**

There was no claim against the Company not acknowledged as debt as on 31.12.2012

**48 Credit Facilities Available**

Credit facilities available were to the Company from banks as on 31.12.2011 and Trade Credit available in the ordinary course of business. No other credit facilities were available to the Company as on 31.12.2012

**49 Commission, Brokerage or Discount Against Sales**

No other commission, brokerage or discount was incurred or paid by the Company against sales during the period.

**50 Events after the Reporting Period.**

There was no events after reporting period of such importance for which accounting or disclosure is required to be adjusted

**51 Employees**

Number of employees whose salary was below Tk. 4,000 is 1245 as on 31.12.2012

Number of employees whose salary was above Tk. 4,000 is 1584 as on 31.12.2012

**52 Related Parties Transactions**

During the year, the Company carried out a number of transactions with related party as investment which were later on adjusted. The name of the related party, nature of these transactions and their total value have been set out in accordance with the provisions of BAS 24: Related Party Disclosure, are as below:

Name of the party	Relationship	Nature of Transaction	Transaction Value
A. J. Corporation Limited	Common Directorship	Investment	254,725,000

**53 Capacity Utilisation**

Particulars	Capacity	Actual Production
Garments *	1,310,000	9,42,870 Dozens
Fabrics	5,000 MT	3500 MT
Dyeing	5000 MT	3500 MT

Reason: Actual production as per market demand

\* Based on present product mix

Managing Director

Director

Company Secretary