Prospectus

Paramount Textile Limited

"If you have any query about this document, you may consult Issuer, Issue Manager and Underwriter"

Prospectus

Paramount Textile Limited

Chaklader House (Level 6), House No. 22, Road No. 113/A, Gulshan 2, Dhaka 1212
Telephone: 9890534, 9890467, Fax: 9890783, E-mail: nzaman@paramountgroupbd.com
Website: www.paramountgroupbd.com

Public offer of 30,000,000 ordinary shares of BDT 10.00 each at an issue price of BDT 28.00 each including a premium of BDT 18.00 per share totaling to BDT 840,000,000

General Subscription Period	Non Resident Bangladeshi Subscription Period
Opening date for subscription : September 01, 2013	Opening date for subscription : September 01, 2013
Closing date for subscription : September 05, 2013	Closing date for subscription : September 14, 2013

Issue Manager

IDLC Investments Limited

Eunoos Trade Center (Level 21), 52-53 Dilkusha C/A, Dhaka 1000
Telephone: 9571170, Fax: 9571171, Website: www.idlc.com

Underwriters

BMSL Investment Limited
Sadharan Bima Tower (7th Floor), 37/A Dilkusha C/A, Dhaka 1000

Mutual Trust Bank Limited
MTB Centre, 26 Gulshan Avenue, Gulshan 1, Dhaka 1212

Green Delta Insurance Co. Limited
Green Delta AIMS Tower (6th Floor), 51/52, Mohakhali, Dhaka-1212

LankaBangla Investments Limited
Eunoos Trade Center (Level 21), 52-53 Dilkusha C/A, Dhaka 1000

IDLC Investments Limited
Eunoos Trade Center (Level 21), 52-53 Dilkusha C/A, Dhaka 1000

Prime Finance Capital Management Limited
63 Dilkusha C/A (3rd Floor), Dhjaka 1000

IIDFC Capital Limited
Eunoos Trade Center (Level 7), 52-53 Dilkusha C/A, Dhaka 1000

Sonali Investment Limited
11/A Toyeenbee Circular Road, Sara Tower, Motijheel C/A, Dhaka 1000

Credit Rating Status

Particulars	Long Term	Short Term
Entity Rating	A+	ST-3
Date of Rating	November 29, 2012	November 29, 2012
Validity of Rating	November 28, 2013	May 28, 2013
Rating By	**Credit Rating & Information Services Limited**	

Date of BSEC Consent for Prospectus: July 25, 2013
Date of Publication of Prospectus: **July 31, 2013**

The issue shall be placed in "N" Category

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

Availability of the Prospectus

Prospectus of Paramount Textile Limited may be obtained from following addresses

Company	Contact person	Contact Number
Paramount Textile Limited Chaklader House (Level 6), House No. 22 Road No. 113/A, Gulshan 2, Dhaka 1212	**Mr. Md. Nuruzzaman Chowdhury** Sr. DGM (Accounts & Finance) & Company Secretary (In charge)	Tel: 9890534, 9890467 Fax: 9890783 nzaman@paramountgroupbd.com

Issue Manager	Contact person	Contact Number
IDLC Investments Limited Eunoos Trade Center (Level 21) 52-53 Dilkusha C/A, Dhaka 1000	**Mr. Md. Moniruzzaman, CFA** Managing Director	Tel: 9571170 Fax: 9571171 mzaman@idlc.com

Underwriters	Contact person	Contact Number
BMSL Investment Limited Sadharan Bima Tower (7th Floor) 37/A Dilkusha C/A, Dhaka 1000	**Mr. Md. Golam Sarwar Bhuiyan** Managing Director	Tel: 9570624, 9567002 Fax: 7123820 gsbhuiyan@gmail.com
Green Delta Insurance Co. Limited Green Delta AIMS Tower (6th Floor) 51/52, Mohakhali, Dhaka 1212	**Mr. Syed Moinuddin Ahmed** Company Secretary	Tel: 9851902 Ext. 207 Fax: 9851124 ahmed.moin@yahoo.com
IDLC Investments Limited Eunoos Trade Center (Level 21) 52-53 Dilkusha C/A, Dhaka 1000	**Mr. Md. Moniruzzaman, CFA** Managing Director	Tel: 9571170 Fax: 9571171 mzaman@idlc.com
IIDFC Capital Limited Eunoos Trade Center (Level 7) 52-53 Dilkusha C/A, Dhaka 1000	**Ms. Zufa Mehrubeen Huq** Manager	Tel: 9514637-38 Fax: 9514641 icl@iidfc.com
LankaBangla Investments Limited Eunoos Trade Center (Level 21) 52-53 Dilkusha C/A, Dhaka 1000	**Mr. M Shakil Islam Bhuiyan** Chief Executive Officer	Tel: 7113585, 7125890 Fax: 7115756, 9561107 shakil.bhuiyan@lankabangla-investments.com
Mutual Trust Bank Limited Corporate Head Office, MTB Centre 26 Gulshan Avenue Gulshan 1, Dhaka 1212	**Mr. Meer Sajeed-Ul-Basher** Group Chief Financial Officer	Tel: 8826966 ext 2450, 8817563 Fax: 8824337 sajed@mutualtrustbank.com
Prime Finance Capital Management Limited 63 Dilkusha C/A (3rd Floor), Dhaka 1000	**M. Mosharraf Hossain, PhD, FCA** Managing Director & CEO	Tel: 9563883 Fax: 9563692
Sonali Investment Limited 11/A Toyeenbee Circular Road, Sara Tower Motijheel C/A, Dhaka 1000	**Dr. Md. Waliar Rahman** Chief Executive Officer	Tel: 9568777 Fax: 9556940 sblmbu@yahoo.com

Stock Exchanges	Available at	Contact Number
Dhaka Stock Exchange Limited 9/F Motijheel C/A, Dhaka 1000	DSE Library	9564601 7175703-11
Chittagong Stock Exchange Limited CSE Building, 1080, Sheikh Mujib Road Agrabad, Chittagong	CSE Library	031-714632-3 031-720871

Prospectus would also be available on the web site of BSEC (www.sec.gov.bd), DSE (www. dsebd.org), CSE (www.cse.com.bd), Paramount Textile Limited (www.paramountgroupbd.com) and Issue Manager (www. idlc.com) and Public Reference Room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

Name and Address of the Auditor

Howladar Yunus & Co.

Chartered Accountants

67, Dilkusha C/A (2nd Floor), Dhaka 1000

Tel: 9554119, 9551872, Fax: 9552989, Website: www.howladaryunus.com

Content

Forward Looking Statements

This prospectus may include forward-looking statements. The use of the words “may,” “will,” “would,” “could,” “should,” “believes,” “estimates,” “projects,” “potential,” “expects,” “plans,” “seeks,” “intends,” “evaluates,” “pursues,” “anticipates,” “continues,” “designs,” “impacts,” “forecasts,” “target,” “outlook,” “initiative,” “objective,” “designed,” “priorities,” “goal,” or the negative of those words or other similar expressions is intended to identify forward-looking statements that represent our current judgment about possible future events. All statements in this prospectus, and in related comments by our management, other than statements of historical facts, including statements about future events or financial performance, are forward-looking statements that involve certain risks and uncertainties.

These statements are based on certain assumptions and analyses made in light of our experience and perception of historical trends, current conditions, and expected future developments as well as other factors that we believe are appropriate in the circumstances. While these statements represent our current judgment on what the future may hold, and we believe these judgments are reasonable, these statements are not guarantees of any events or financial results. Whether actual future results and developments will conform to our expectations and predictions is subject to a number of risks and uncertainties, including the risks and uncertainties discussed in this prospectus under the caption “Risk Factors” and elsewhere.

Glossary

A

AGM	Annual General Meeting
Allotment	Allotment of shares

B

BAS	Bangladesh Accounting Standards
BB	Bangladesh Bank
BDT	Bangladeshi Taka
BO A/C	Beneficiary Owner's Account
BSEC	Bangladesh Securities & Exchange Commission

C

CAGR	Cumulative Average Growth Rate
Certificate	Share Certificate
CDBL	Central Depository Bangladesh Limited
CIB	Credit Information Bureau
CSE	Chittagong Stock Exchange
C&F	Clearing & Forwarding Agent

D

DSE	Dhaka Stock Exchange

E

EPB	Export Promotion Bureau
EU	European Union
ETP	Effluent Treatment Plant
Exchanges	Stock Exchanges
EPS	Earnings per Share

F

FC Account	Foreign Currency Account
FY	Fiscal Year

G

GOB	Government of Bangladesh
GSP	Generalized System of Preference

I

IDLCIL	IDLC Investments Limited
IPO	Initial Public Offering

I

Issuer	Paramount Textile Limited
Issue Manager	IDLC Investments Limited

L

L/C	Letter of Credit

M

MW	Mega Watt

N

NAV	Net Asset Value
NBFI	Non Banking Financial Institution
NBR	National Board of Revenue
NRB	Non Resident Bangladeshi

P

PSI	Per Square Inch
PE	Price to Earning
P/NAV	Price to NAV

R

RJSC	Registrar of Joint Stock Companies & Firms
RMG	Ready Made Garments

S

Sponsors	The sponsor shareholders of Paramount Textile Limited

U

USD	United States Dollar

V

VAT	Value Added Tax

Certain Defined Terms and Conventions

In this Prospectus, all references to:

- “Articles” or Articles of Association” refer to our articles of association;
- “Bangladesh” or “Bangladeshi” refer to the People’s Republic of Bangladesh and the “Bangladeshi Government” or “Government” refer to the Government of the People’s Republic of Bangladesh;
- “Bangladesh Securities and Exchange Commission” or the “BSEC” refer to the Securities and Exchange Commission of Bangladesh;
- “Banker to the Issue” refers to a bank so named in the prospectus to collect money as subscription against security;
- “Board” or “Board of Directors” refer to our board of Directors;
- “Commission” means the Bangladesh Securities and Exchange Commission (BSEC) established under the Securities & Exchange Commission (Amendment) Act 2012 (Act No. XLV of 2012)
- “Companies Act” refers to the Companies Act, 1994 (Act No. XVIII of 1994)
- “Depository Act” refer to the Depository Act, 1999 as amended;
- “Initial Public Offering“ means first offering of security by an issuer to the general public;
- “Issue of Capital” means the issuing of any securities whether for cash or otherwise;
- “Issuer” means any person who has issued or proposes to issue any security;
- “Merchant Banker” means person who, on behalf of client, undertakes fund management or is in underwriting business, or is involved with securities as underwriter, manager or adviser or provides service as corporate adviser in respect of performing all activities relating to issue management;
- “Memorandum” or “Memorandum of Association” refer to our memorandum of association;
- “Non-Resident Bangladeshi (NRB)” refers to an expatriate Bangladeshi or who has dual citizenship or possesses a foreign passport bearing an endorsement from the concerned Bangladesh Embassy to the effect that no visa is required for him to travel Bangladesh;
- “Paramount”, “PTL”, the “Company”, the “Issuer”, “we”, “our”, “ourselves”, or “us” refer to Paramount Textile Limited, a public limited company incorporated in Bangladesh;
- “Prospectus” refers to any document prepared for the purpose of communicating to the general public an issuer’s plan to offer for sale of its security under the Security and Exchange Commission (Public Issue) Rules, 2006;
- “Public Issue” means to public issue of security through initial public offering or repeat public offering;
- “Public Offering” refer the offering of 30,000,000 ordinary shares of Paramount Textile Limited to the public of Bangladesh;
- “Securities” refer to shares of Paramount Textile Limited;
- “Securities Market” refer to the capital market of Bangladesh;
- “Stock Exchange” means any person who maintains or provides a market place or facilities for bringing together buyers and sellers of securities or for otherwise performing with respect to securities the functions commonly performed by a Stock Exchange, as that term is generally understood, and includes such market place and facilities;
- “Taka”, “Tk.” or BDT refer to the legal currency of Bangladesh, “U.S dollar”, “US$” or “USD” refer to the legal currency of the United States of America; and
- “Underwriters” refer to BMSL Investment Limited, Green Delta Insurance Co. Limited, IDLC Investments Limited, IIDFC Capital Limited, LankaBangla Investments Limited, Mutual Trust Bank Limited, Prime Finance Capital Management Limited, Sonali Investment Limited

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Section I

Statutory Condition

DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMAT FORM

As per provision of the Depository Act, 1999 and regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (right/bonus) will be issued in dematerialized form only.

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

The Commission hereby accords its consent under section 2A, Sub-sections (2) (a) and (2) (b), read with section 2B of the Securities and Exchange Ordinance, 1969 and the Securities and Exchange Commission (Public Issue) Rules, 2006, based on all the above documents and information provided to BSEC, to the issue of 30,000,000 Ordinary Shares of Tk. 10.00 each at an issue price of Tk. 28.00 per share including a premium of Tk. 18.00 per share worth Tk. 840,000,000.00 (Tk. Eighty Four Crore) only through public offer and approves the prospectus of Paramount Textile Limited (hereinafter referred to as 'issuer' or 'company'), subject to the following conditions imposed under section-2CC of the said Ordinance, as mentioned under Part-A, B, C and D namely:

PART-A

1. The company shall go for Initial Public Offer (IPO) for 30,000,000 Ordinary Shares of BDT 10.00 each at an issue price of BDT 28.00 per share including a premium of 18.00 per share worth Tk. 840,000,000 (Tk. Eighty Four Crore) only following the Securities and Exchange Commission (Public Issue) Rules, 2006, the Depository Act, 1999 and regulations made there under.

2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within 5 (Five) working days of issuance of the consent letter. The issuer shall post the full prospectus, vetted by the Bangladesh Securities and Exchange Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges and the issue manager, within 5 (Five) working days from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to BSEC, the stock exchanges and the Issue manager a diskette containing the text of the vetted prospectus in "MS -Word" format.

3. Sufficient copies of the prospectus shall be made available by the issuer so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire, and that copies of the prospectus may be obtained from the issuer and the Issue manager. The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus has been published.

4. The company shall submit 40 (Forty) copies of the printed prospectus to the Bangladesh Securities and Exchange Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.

5. The issuer company and the issue manager shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through e-mail, simultaneously with publication of the abridged version of the prospectus, to the Bangladesh Embassies and Missions abroad and shall also ensure sending of the printed copies of abridged version of the prospectus and application forms to the said Embassies and Missions within 5 (Five) working days of the publication date by Express Mail Service (EMS) of the postal department. A compliance report shall be submitted in this respect to the BSEC jointly by the issuer and the issue manager within 2 (Two) working days from the date of said dispatch of the prospectus and the forms.

6. The paper clipping of the published abridged version of prospectus, as mentioned at **condition no. 2 above**, shall be submitted to the Commission within 24 hours of the publication thereof.

7. The company shall maintain separate bank account(s) for collecting proceeds of the Initial Public Offering and shall also open Foreign Currency (FC) account(s) to deposit the application money of the Non Resident Bangladeshis (NRBs) for IPO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. The company shall open the above-mentioned accounts for IPO purpose; and close these accounts after refund of over-subscription money. Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy to the effect that no visa is required for travelling to Bangladesh.

8. The issuer company shall apply to all the stock exchanges in Bangladesh for listing within 7 (Seven) working days from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to BSEC, to the Stock Exchanges.

9. The following declaration shall be made by the company in the prospectus, namely:

   “Declaration about Listing of Shares with the Stock Exchange(s)

   “None of the Stock Exchange(s), if for any reason, grants listing within 75 (Seventy Five) days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within 15 (Fifteen) days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (Seventy Five) days, as the case may be.

   In case of non-refund of the subscription money within the aforesaid 15 (Fifteen) days, the Directors of the Company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (Two Percent) per month above the bank rate, to the subscribers concerned.

   The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within 7 (Seven) days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.”

10. The subscription list shall be opened and the sale of securities commenced after **25 (Twenty Five) days** of the publication of the abridged version of the prospectus and shall remain open for **5 (Five) consecutive banking days**.

11. A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only". The NRB applicants shall send applications to the issuer company within the closing date of the subscription so as to reach the same to the company by the closing date plus 9 (Nine) days. Applications received by the company after the above time period will not be considered for allotment purpose.

12. The company shall apply the spot buying rate (TT clean) in US Dollar, UK Pound Sterling and Euro of Sonali Bank Limited, which shall be mentioned in the Prospectus, as prevailed on the date of opening of the subscription for the purpose of application of the NRBs and other non-Bangladeshi persons, where applicable.

13. The company and the issue manager shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshis, if applicable, for allotment of shares.

14. Upon completion of the period of subscription for securities, the issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the preliminary status of the subscription within 5 (Five) working days, in respect of the following matters, namely:-

    (a) Total number of securities for which subscription has been received;
    (b) Amount received from the subscription; and
    (c) Amount of commission paid to the banker to the issue.

15. The issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the list of valid and invalid applicants (i.e. final status of subscription) in electronic form in 2 (Two) CDs and final status of subscription to the Commission within **3 (Three) weeks** after the closure of the subscription along with bank statement (original), branch-wise subscription statement. The list of valid and invalid applicants shall be finalized after examination with the CDBL in respect of BO accounts and particulars thereof.

16. The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than 5 (Five) weeks from the date of the subscription closure), if any of the following events occur:
    (a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the stock exchange(s) concerned; or
    (b) At least 50% of the IPO is not subscribed.

17. **20% of total public offering shall be reserved for ¶wZM¯— ¶` wewb‡qvMKvix, 10% of total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the Commission, and the remaining 60% shall be open for subscription by the general public. In case of under-subscription under any of the 20% and**

10% categories mentioned above, the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the managers to the issue shall jointly conduct an open lottery of all the applicants added together.

18. All the applicants shall first be treated as applied for one minimum market lot of **250 shares worth BDT 7,000** (Taka Seven Thousands only). If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned hereinabove, the issuer and the issue manager shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the issuer, the stock exchanges and the applicants, if there be any.

19. **An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**

20. **The applicant shall provide the same bank account number in the application form as it is in the BO account of the application.**

21. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.**

22. Lottery (if applicable) shall be held within **4 (Four) weeks** from closure of the subscription date.

23. The company shall issue share allotment letters to all successful applicants within **5 (Five) weeks** from the date of the subscription closing. Within the same time, refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest, through direct deposit to the applicant's bank account as far as possible/ Account Payee Cheque/ refund warrants with bank account number, bank's name and branch as indicated in the securities application forms payable at Dhaka/ Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet/ Bogra, as the case may be subject to condition no. 19 and 21 above.

    Refund money of the unsuccessful applicants shall be credited directly to their respective bank accounts, who have chosen the option in the IPO application forms, as maintained in with the bankers to the issue or any other banks mentioned in the application.

    A compliance report in this regard shall be submitted to the Commission within 7 (Seven) weeks from the date of closure of subscription.

24. The company shall furnish the List of Allotees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty Four) hours** of allotment.

25. In the event of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s) (subject to Para 16 above). The issuer must notify the underwriters to

take up the underwritten shares within 10 (Ten) days of the closing of subscription on full payment of the share money within 15 (Fifteen) days of the issuer's notice. The underwriter shall not share any underwriting fee with the Issue manager, other underwriters, issuer or the sponsor group.

26. All issued shares of the issuer at the time of according this consent shall be subject to a **lock-in period of 3 (Three) years** from the date of issuance of prospectus or commercial operation, whichever comes later.
    Provided that the persons (other than Directors and those who hold 5% or more shares in the company), who have subscribed to the shares of the company within immediately preceding two years of according consent shall be subject to a **lock-in period of 1 (One) year** from the date of issuance of prospectus or commercial operation, whichever comes later.

27. In respect of shares of Sponsors/Directors/Promoters (if in paper format) shall be handed over to security custodian bank registered with BSEC and shall remain till completion of lock-in and name and branch of the bank shall be furnished to the Commission jointly by the issuer and Issue manager, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/Directors/Promoters) can be demated and will remain in lock-in under CDBL system and issuer will submit a dematerialization confirmation report generated by CDBL and attested by the Managing Director of the company along with lock-in confirmation with BSEC within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to BSEC**.**

28. The company shall apply to the stock exchanges for listing within 7 (Seven) working days of issuance of this letter and shall simultaneously submit to the Commission attested copies of the application filed with the stock exchanges.

29. **The Company shall not declare any benefit/dividend based on the financial statements for the period ended June 30, 2013 before listing of its capital with stock exchange(s).**

30. **If applicable, the company shall deposit 3% tax to the Government Treasury on the share premium of the IPO and submit authenticated copy of 'Treasury Chalan' to the commission, among others, to obtain consent for holding of lottery in line with the NBR's Order No.** Rvivtev/AvqKi ev‡RU/2010/97 **dated 30.06.2010 and** Rvivtev/Ki-4/Awa‡¶Î/11(4)/2003(Ask)-1)/225 **dated 06.07.2010.**

31. **The company shall submit updated environmental certificate from the Directorate of Environment to the Commission at least before three working days of opening subscription of Initial Public Offering (IPO).**

PART–B

1. The issuer and Issue Manager shall ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity with the conditions of this letter without any error/omission, as vetted by the Bangladesh Securities and Exchange Commission.

2. The issue manager shall carefully examine and compare the published abridged version of the prospectus on the date of publication with the copy vetted by BSEC. If any discrepancy/ inconsistency is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to BSEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under ‘Due Diligence Certificates’ provided with BSEC.

3. Both the issuer company and the issue manager shall, immediately after publication of the prospectus and its abridged version, jointly inform the Commission in writing that the published prospectus and its abridged version are verbatim copies of the same as vetted by the Commission.

4. The fund collected through Public Offering shall not be utilized prior to listing with stock exchanges and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.

5. The company shall furnish report to the Commission and to the stock exchanges on utilization of Public Offering proceeds within **15 (Fifteen) days** of the closing of **each month** until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer’s cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.

6. All transactions, excluding petty cash expenses, shall be effected through the company’s bank account(s).

7. Proceeds of the Public Offering shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the shareholders Meeting under intimation to BSEC and stock exchange(s).

8. Directors on the company’s Board will be in accordance with the applicable laws, rules and regulations.

9. The financial statements should be prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as required by the Securities and Exchange Rules, 1987.

PART-C

1. All the above conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the prospectus immediately after the page of the table of contents, with a reference in the table of contents, prior to its publication.

2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary, which shall also be binding upon the issuer company.

PART-D

1. As per provision of the Depository Act, 1999 and regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (including rights/bonus) will be made in dematerialized form only.

   An applicant (including NRB) shall not be able to apply for allotment of shares without Beneficial Owners (BO) account.

2. The company and the issue manager shall ensure due compliance of all above conditions and the Securities & Exchange Commission (Public Issue) Rules, 2006.

GENERAL INFORMATION

1. IDLC Investments Limited, the Issue Manager has prepared this prospectus based on the information provided by Paramount Textile Limited, Issuer and also upon several discussions with the Managing Director & Director and concerned executives of the issuer company. The Directors, including Managing Director & Director, of Paramount Textile Limited, IDLC Investments Limited collectively and individually, having made all reasonable inquires, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material aspects and that there are no other material facts, the omission of which would make any statement herein misleading.

2. No person is authorized to give any information or to make any representation not contained in this Prospectus, and if given or made, any such information or representation must not be relied upon as having been authorized by the Issuer Company or Issue Manager.

3. The Issue as contemplated in this document is made in Bangladesh and is subject to the exclusive jurisdiction of the Courts of Bangladesh. Forwarding this Prospectus to any person resident outside Bangladesh in no way implies that the Issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.

4. A copy of this Prospectus may be obtained from the Head Office of Paramount Textile Limited, IDLC Investments Limited, the Underwriters and the Stock Exchanges where the securities will be listed.

Section II Declaration & Due Diligence Certificates

DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTOR(S), INCLUDING THE CEO OF THE ISSUER COMPANY "PARAMOUNT TEXTILE LIMITED" IN RESPECT OF THE PROSPECTUS

This Prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity and accuracy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative action against any or all of us as, it may deem fit.

We also confirm that full and fair disclosure has been made in this prospectus to enable the investors to make a well-informed decision for investment.

Sd/-
Anita Haque
Chairman

Sd/-
Shakhawat Hossain
Managing Director & Director

Sd/-
Alock Das
Director

Sd/-
Anita Rani Das
Director

Sd/-
Samsun Nahar
Director

Sd/-
Aparna Ghosh
Director

Sd/-
Iqbal Enamul Kabir
Director
(Representative: Paramount Spinning Limited)

Sd/-
Md. Nuruzzaman Chowdhury
Director
(Representative: Paramount Holdings Limited)

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

We hereby confirm that we have been serving as Director(s) of Paramount Textile Limited and continue to act as Director(s) of the Company.

Sd/-
Anita Haque
Chairman

Sd/-
Shakhawat Hossain
Managing Director & Director

Sd/-
Alock Das
Director

Sd/-
Anita Rani Das
Director

Sd/-
Samsun Nahar
Director

Sd/-
Aparna Ghosh
Director

Sd/-
Iqbal Enamul Kabir
Director
(Representative: Paramount Spinning Limited)

Sd/-
Md. Nuruzzaman Chowdhury
Director
(Representative: Paramount Holdings Limited)

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

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

DECLARATION BY THE ISSUER ABOUT THE APPROVAL FROM BANGLADESH SECURITIES AND EXCHANGE COMMISSION FOR ANY MATERIAL CHANGES

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statements made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication, shall be incorporated in the Prospectus and the said Prospectus should be published with the approval of the Commission.

For Issuer

Sd/-
Shakhawat Hossain
Managing Director & Director
Paramount Textile Limited

DECLARATION BY THE ISSUE MANAGER ABOUT THE APPROVAL FROM BANGLADESH SECURITIES AND EXCHANGE COMMISSION FOR ANY MATERIAL CHANGES

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication, shall be incorporated in the Prospectus, and the said Prospectus should be published with the approval of the Commission.

For Manager to the Issue

Sd/-
Md. Moniruzzaman
Managing Director
IDLC Investments Limited

DUE DILIGENCE CERTIFICATE OF THE MANAGER TO THE ISSUE

Subject: Public Offer of 30,000,000 Ordinary Shares of Tk. 10.00 each at an issue price of Tk. 28.00 each including a premium of Tk. 18.00 per share, totaling to Tk. 840,000,000 of Paramount Textile Limited

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

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

WE CONFIRM THAT:

(a) The draft prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the issue;

(b) All the legal requirements connected with the said issue have been duly complied with; and

(c) The disclosures made in the draft prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue.

For Manager to the Issue

Sd/-
Md. Moniruzzaman
Managing Director
IDLC Investments Limited

Place : Dhaka
Date : March 19, 2013

DUE DILIGENCE CERTIFICATE OF THE UNDERWRITER(S)

Subject: Public Offer of 30,000,000 Ordinary Shares of Tk. 10.00 each at an issue price of Tk. 28.00 each including a premium of Tk. 18.00 per share, totaling to Tk. 840,000,000 of Paramount Textile Limited

We, the under-noted Underwriter(s) to the above mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and

2. On the basis of such examination; and the discussions with the issuer company, it's Directors and officers, and other agencies, independent verification of the statements concerning objects of the issue, and the contents of the documents, and other materials furnished by the issuer company.

WE CONFIRM THAT:

(a) All information as are relevant to our underwriting decision have been received by us and that the draft prospectus forwarded to the Commission has been approved by us;

(b) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within fifteen (15) days of calling up thereof by the issuer; and

(c) This underwriting commitment is unequivocal and irrevocable.

For Underwriter(s)

Sd/-
Md. Golam Sarwar Bhuiyan
Managing Director
BMSL Investment Limited

Sd/-
Nasir A. Choudhury
Managing Director & CEO
Green Delta Insurance Co. Limited

Sd/-
Md. Moniruzzaman
Managing Director
IDLC Investments Limited

Sd/-
Mohammed Saleh Ahmed
Chief Executive Officer
IIDFC Capital Limited

Sd/-
M. Mosharraf Hossain, PhD, FCA
Managing Director & CEO
Prime Finance Capital Management Limited

Sd/-
M Shakil Islam Bhuiyan
Chief Executive Officer
LankaBangla Investments Limited

Sd/-
Anis A. Khan
Managing Director & CEO
Mutual Trust Bank Limited

Sd/-
Dr. Md. Waliar Rahman
Chief Executive Officer
Sonali Investment Limited

Section III Risk Factors & Management Perception

Investment in capital market involves exposure to several types of risk. Paramount Textile Limited (PTL) operates in an industry that is shaped up by many external and internal risk factors over which PTL has little or no control. The following includes some of the significant risks that may affect the value of the company's shares. In addition, there might be some risk factors, currently unknown to the company or considered immaterial, may become material in future. If, at any point in time, the company's management fails to mitigate or avoid the following risk factors as well as those currently unknown or considered immaterial, the company's operational and financial performance may face adverse impacts. This would, in turn, affect the value of the company's shares. Hence, a rational investor should carefully consider all the information contained in this Prospectus including the risk factors elaborated below.

INTEREST RATE RISKS

As on June 30, 2012, the company had outstanding short and long term loans from different banks to the tune of BDT 1,982.5 million. Hence, the company is exposed to volatility of interest rates on its outstanding bank liabilities. Due to several macroeconomic and market driven factors, interest rates on short term and long term bank loans may fluctuate over time. Inflationary pressure, increased demand for bank loan, increased volatility in money market, restrictive monetary policy, etc. may compel the loan giving institutions to increase their interest rates on the company's outstanding liabilities. If the interest rates on the existing bank loans are increased from current levels, then the company's cash flow and profitability will be affected adversely. This may also affect the value of the shares. In addition, if the company has investment in tradable fixed income securities, then volatility in interest rates would affect the value of such investments. Eventually, this would affect the NAV per share of the company.

Management perception

As on June 30, 2012, the company's total short term and long term bank loan comprised of only 53.02% of its total assets. With the proceeds of the IPO, PTL will repay its outstanding long term loans to the tune of BDT 630 million. As a result, the company's financial leverage and interest burden will reduce significantly. Overall, the company intends to operate its business based mostly on equity financing in order to mitigate its exposure to interest rate related risks.

As on June 30, 2012, the company did not have any tradable fixed income securities. Hence, market-wide volatility would not have any impact on the company's balance sheet.

EXCHANGE RATE RISKS

The company imports a significant portion of the raw materials and capital machinery from foreign sources and makes payments in foreign currency. On the other hand, it sells its entire merchandize to local export oriented RMG manufacturers. It receives its entire revenue in foreign currency as well. Most of its foreign currency transactions are settled in US Dollar (USD) and Pound Sterling (GBP). Hence, any significant volatility in the exchange rate of Taka against USD or GBP will increase the volatility of the company's cash flow and profitability. For a given depreciation of Taka against these currencies, the company’s import payment will increase. On the other hand, for a given appreciation of Taka against USD or GBP, its export receipts will be lower in terms of Taka. Once the company finalizes a contract for purchase of raw materials at prevailing exchange rates, it would incur foreign currency losses if Taka depreciates against dollars.

Management Perception

During the year ended on June 30, 2012, the company imported raw material and capital machinery worth BDT 1,512.65 million. On the other hand it received its entire sales proceeds in foreign currency amounting to BDT 2,849.71 million. Hence, the company’s foreign currency payments are more than offset by its foreign currency receipts.

For a given depreciation of Taka against a particular foreign currency like US Dollar, the import payment and export proceeds will both be higher in terms of Taka. In case of an appreciation of Taka against the same currency, the opposite will occur. Hence, the company has a natural hedge against exchange rate risk and is largely immune to fluctuation of exchange rates of BDT against US Dollars.

INDUSTRY RISKS

(i) Change in Rules-of-Origin regarding GSP (Generalized System of Preference) Facilities

Very recently the European Union changed the Rules-of-Origin policy regarding GSP facilities. Under the GSP facilities, Bangladeshi products can get preferential treatment while exporting to EU countries. Under the previous rules, Bangladeshi garment manufacturers had to procure fabric from local sources in order to avail the GSP facility. Now, under the new Rules-of-Origin, Bangladeshi manufacturers would still get the GSP facility if they procure fabric from foreign sources. Hence, PTL will have to face stiffer competition from manufacturers of other countries since the local garment manufacturers do not necessarily need to procure fabric from PTL to avail the GSP facility.

Management Perception

The major competitive advantage of PTL is the quality of its products. The company has installed very sophisticated and high-end textile machineries. These machineries are capable of manufacturing very high quality fabric of different specification as per buyer’s requirements. The production process is mostly automated and monitored closely at each stage for quality control. The company also has a well equipped testing laboratory and a design studio in order to achieve and maintain the optimum quality of the products. Apart from selling to local garment manufacturers, PTL exported fabric to foreign garment manufacturing companies in India and Turkey as well during the year ended on June 30, 2011 and in Thailand and India For the year ended June 30, 2012. For all these reasons, the company is placed at par with the foreign manufacturers in terms of quality. Moreover, PTL can deliver the products to local garment manufacturers within a shorter lead time compared to foreign manufacturers.

(ii) Unavailability of Power

At present the country’s industrial sector is badly affected by shortage of power. The company’s machineries run on electricity. Hence, power outage not only disrupts its operation and results in loss of revenue, but also causes inefficiency and increase of wastage. For such reasons, the financial performance of the company can be affected.

Management Perception

The company's requirement for power in the factory premises is met by its own captive power plant. The company has 5 gas fired generator of GE (General Electric) brand with combined capacity to generate 6.3 megawatts of electricity. The power generated from the plants is sufficient to support the production facilities. In addition, the company has a diesel run generator of 275 KVA capacity to support emergency operation in case of absolute shutdown of gas supply.

(iii) Unavailability of Gas

The company requires 24,000 cubic meters of natural gas everyday to run its captive power plants and boilers. In case of unavailability of gas, the company will not be able to run its production facilities. It will result in loss of revenue and profit.

Management Perception

The company has its gas connection from Titas Gas Transmission & Distribution Company Limited. The sanctioned pressure of gas pipeline is 15 PSI. Since inception, the company did not face any shortage of gas at the production facilities. Existing pressure in the gas pipeline has remained sufficient to operate the company's captive power plant and boilers at optimum utilization level.

(iv) Labor Unrest

At present, textile and garments sector of Bangladesh is heavily affected by labor unrest. Any incident of labor unrest would adversely affect the operation of the company. More importantly, the company's reputation in the industry and among its buyers will be affected. This may affect its financial performance in the long run as well.

Management Perception

The company values its employees and workers the most. The company adheres to all relevant local and international labor laws.

At the company's factory, all employees receive more than BDT 3,000 per month, which is higher than the minimum wage rate stipulated by the country's labor laws. Additionally, the workers get their salary by 28th-31st day of each month. Apart from the monthly fixed salary, they receive several other cash and non-cash benefits from the company. The workers are entitled to a provident fund. Every month, 10% of the workers' basic salary is allocated to the provident fund. On completion of three years service length, the workers get the company's contribution of 10% in the provident fund. In addition, the workers are entitled to a workers' profit participation fund. As on June 30, 2012, the size of the fund stood at BDT 19,560,920. Besides, the workers get performance bonus and overtime for working outside regular business hours. They also receive festival bonuses during each Eid equivalent to one months' basic salary.

The company's factory has a well-equipped medical center. The center is stuffed with one qualified MBBS physicians and four paramedics. The workers receive primary treatment for any illness in the medical center. In case of any accident within the factory premises, the workers get full medical coverage from the factory. They are also entitled to paid sick leaves as per the country labor laws. The female workers are entitled to maternity leaves of sixteen weeks for a maximum of two times during their service length with *the company. Such leaves are fully paid. The company also provides accommodation to the workers at near factory premises.*

Since inception, there has not been any instance of labor unrest or strike at the company's factory premises. The relationship between the workers and the management of the company is quite favorable and accommodative.

MARKET RISKS

(i) Demand Risk

The company operates as a backward linkage to the country's export oriented woven RMG manufacturers. Hence, the demand of the company's products is derived from the demand of Bangladeshi woven RMG products in the international market. Therefore, the prospects of future growth of the company depend largely on the demand of Bangladeshi woven products in the international markets. In case the demand of such products in the international market decreases, the future prospects of the company will be affected as well.

Management Perception

Over the last few years, export of RMG products from Bangladesh has been growing at a very rapid pace. During fiscal year 2011-2012, RMG export from Bangladesh stood at USD 19,089.73 Million (Source: BGMEA), which is 6.56% higher than that of the previous fiscal year. During the last five fiscal years i.e. from 2007-2008 to 2011-2012, the sector attained a CAGR of 15.57% (Source: EPB). Although the recent growth is partly driven by growth in value rather than in volume, the prospect of RMG export from Bangladesh for the coming years is very promising. Rising labor costs in competing countries i.e. China and India has increased the demand of the low-cost local RMG products. Moreover, Bangladeshi exporters have been able to develop new markets i.e. China, India, Japan, Australia etc apart from the current markets in North America and European Union.

During fiscal years 2007-2008 to 2011-2012, export of knit garments attained CAGR of 14.43% compared to 16.76% in the woven sector. During fiscal year 2011-2012, country's knit and woven export stood at USD 9,486.39 Million and USD 9,603.34 Million respectively (Source: EPB).

It is expected that the knit garment sector will continue its growth due to several reasons. Firstly, this sector enjoys strong backward linkage capabilities. Secondly, the local exporters can deliver the end products within shorter lead time due to stronger backward linkage capabilities. Hence, the knit garment manufacturers of Bangladesh can deliver highest quality products at a very competitive price compared to other garment exporting nations. Due to global financial crisis, demand for cheap apparel products became even stronger. Many global apparel buyers are now shifting their orders from other countries like China and India to Bangladesh due to growing production costs in those countries.

Similar opportunities exist in the country's woven sector as well. Because the woven garment exporters are still dependent on import for their raw materials, there is substantial opportunity for investment in the backward linkage of woven sector. In line with the growth in the woven sector, it is expected that the growth opportunities in the backward linkage for woven sector would remain over the foreseeable future.

(ii) Competition from Manufacturers within Bangladesh and from Other Countries

The company manufactures and supplies raw materials to the country's export oriented woven garment manufacturers. In doing so, it faces stiff competition from other manufacturers within Bangladesh and from other countries. It has to ensure optimum product quality, acceptable delivery lead time and competitive pricing. Its edge over competitors in Bangladesh depends on its product quality. In case of competitors of other countries, the company's competitive advantage depends on its ability to deliver in lower lead time. In case its competitive advantages erode over time, it would not be able to achieve the desired growth in its operation.

Management Perception

The major competitive advantage of the company lies in its technology. The company has invested in installing very sophisticated textile machinery. The machineries are capable of producing high quality woven fabric and dyed yarn. The technology is highly capital intensive and fully automated. The process requires negligible human involvement, mostly for quality control and monitoring purposes. The production process is closely monitored by a team of quality control officials at each stage. The company also has a well-equipped quality control lab that ensures absolute compliance with customer specifications. The laboratory is equipped with machineries of USA and UK origin. In addition, the company also has a water treatment plant and an effluent treatment plant. These plants ensure that all the waste materials are properly treated and made harmless to the environment when discharged. This has made the company compliant with all relevant national and international environment laws.

For all these reasons, the company has been able to maintain the highest quality of its operations. The management and sponsors of the company are committed to maintain the quality of its products and operations.

TECHNOLOGY RELATED RISKS

The operation of the company is capital intensive and the quality of the products is directly related to the sophistication of the machinery. In case, the technology of the machineries becomes obsolete, the company's cost advantage and quality of production may be affected adversely.

Management Perception

Technology of textile machinery develops over time but the technology itself does not become obsolete so frequently. The machineries are very sophisticated and state-of-the-art. It is expected that there is very low probability that the technology of the existing machineries of the company will become obsolete in near future.

POTENTIAL OR EXISTING GOVERNMENT REGULATIONS

The company's sales are treated as "deemed export". At present, the company does not have to pay VAT, import duty or tax on the raw materials that is imported through bonded warehouse. It also does not have to pay any import duty on capital machinery either. Currently, the primary textile sector including the spinning mills and textile mills fall under the tax bracket of 15%. Besides, the company is currently enjoying tax holiday status. The tax holiday period will expire on August 31, 2013. At any point in time in future, if the Government of Bangladesh decides to impose higher tax, withdraw tax holiday provisions and exemptions from VAT and duty, then the company's cash flow and profitability will be affected.

Management perception

During the fiscal year 2011-2012, RMG export from Bangladesh contributed 78.59% of total export (Source: EPB compiled by BGMEA). Hence, RMG export is a vital sector to the economy of Bangladesh. The government incentives and subsidies are also vital to the sustainability of this sector. The Government of Bangladesh is aware of this fact. Hence, it is expected that any undue tax or duty will not be imposed that may adversely affect the sector's sustainability. Rather, the Government is keen to support the industry.

POTENTIAL CHANGES IN GLOBAL OR NATIONAL POLICIES

Because the company operates as a backward linkage to the country's RMG export sector, the company is subject to various local as well as international rules and regulations. In addition, the company has to comply with several buyer specific regulations. Such policies cover labor practices, operational procedures, material procurement, conservation of the environment and several other areas. These regulations and guidelines change and update over time. In order to comply with such policies the company needs to incur additional costs. Besides, failure to comply with these policies may result in rejection of buyer orders and loss of revenue. In that case, the financial performance of the company will be affected.

Management perception

The company supplies raw materials to some of the globally renowned apparel brands. The company's production facilities are designed to comply with all relevant local and international requirements. The machineries of the company are of superior technology. In addition, the company has sufficient financial strength to undertake any additional investment to comply with any updated local or international regulation.

HISTORY OF NON OPERATION

For any instance of non-operation, production of the company will be hampered. This would also increase the costing and affect its profitability. Above all, the management will not be able deliver the products within the deadlines set by the buyers.

Management perception

Since inception, the operation of the company has not been disrupted for even a day. The factory operation is run by experienced and qualified professionals. The workers and managers are trained adequately and periodically so that they adhere to the operational policies properly.

OPERATIONAL RISKS

The operation can be hampered by fire, human error, sudden breakdown of machinery, or incidents of natural calamity.

Management perception

The company trains its workers adequately and periodically. The entire production process is monitored strictly by well-trained quality control officials. Besides, regular maintenance and repairing work of the machineries are conducted. The factory buildings are well constructed, spacious and contain adequate fire control systems.

Section IV

Issue Size & Purpose of Public Offering

FINANCIAL STRUCTURE

Particulars	No. of Shares	Amount (BDT)
Authorized Capital	200,000,000	2,000,000,000
Pre IPO Paid up Capital as on June 30, 2012 (as per audited accounts)	55,125,000	551,250,000
Capital to be issued as IPO	30,000,000	300,000,000
Paid-up Capital (Post-IPO)	85,125,000	851,250,000

The company now intends to issue 30,000,000 ordinary shares of BDT 10.00 each through Initial public offering (IPO) at an issue price of BDT 28.00 each including a premium of BDT 18.00 each totaling to BDT 840,000,000 subject to regulatory approvals from the Bangladesh Securities & Exchange Commission.

USE OF IPO PROCEEDS

Paramount Textile Limited plans to utilize the proceeds of the IPO in following manner:

Particulars	Amount (BDT)	Implementation Schedule
Repayment of long term loan (including current maturity)	630,000,000	Within 3 months of receiving the IPO proceeds
Repayment of loan against trust receipt	100,000,000	Within 3 months of receiving IPO proceeds
Working Capital	87,041,781	Within 6 months of getting IPO proceeds
IPO expenses	22,958,219	Currently estimated, to be paid at actual
Total	**840,000,000**	

IMPLEMENTATION SCHEDULE

The IPO proceeds will utilized as per the above mentioned schedule.

TERMS OF CONTRACT

There is no such contract covering any of the activities of the company for which the proceeds of the IPO will be used.

Sd/-

Shakhawat Hossain
Managing Director & Director
Paramount Textile Limited

Sd/-

Pijush Chakroborty, ACA
Chief Financial Officer
Paramount Textile Limited

Section V

Information about the Company

PARAMOUNT TEXTILE LIMITED – COMPANY PROFILE

Paramount Textile Limited (PTL) was incorporated in Bangladesh on June 12, 2006 under the Companies Act, 1994 as a private limited company. Later, it converted to a public limited company on September 19, 2010. It commenced its manufacturing operation on September 1, 2008. The registered office of the company is located at Navana Tower (Level 7), Gulshan C/A, Dhaka-1212, Bangladesh. The industrial units are located at Gilarchala, Sreepur, Gazipur, Bangladesh. Presently, authorized capital of the Company stands at BDT 2,000 Million and paid up capital stands at BDT 551.25 Million divided into 55,125,000 ordinary shares of BDT 10.00 each.

PTL is engaged in manufacturing high quality woven fabric that are consumed by the export oriented garments industries in Bangladesh. The company's production facility is equipped with machineries of EU and Asian origin. The company aims to provide high quality fabric for the fashion retailers and fabric sourcing companies.

Since the company sells its products to 100% export oriented readymade garments industries it is considered as deemed export. As per Export Policy 2009-2012 of Ministry of Commerce, deemed exporters, like direct exporters, will enjoy all export facilities including duty-draw-back. Local raw materials used for producing exports and local raw materials used in industries/ projects funded by foreign investments will be considered as "deemed export"

Paramount Textile Limited is an Oeko-Tex® Standard 100 Certified company for producing white and reactive yarn dyed and finished woven fabrics, made of 100% cotton, produced by using of Oeko-Tex® Standard 100 Certified material. Oeko-Tex® Standard 100, product class I certifies that the above mentioned goods meet the human-ecological requirements of the standard.

The company is an ISO 9001:2008 certified company for manufacturing of woven fabrics (finished) and dyed yarn. The quality management system of Paramount Textile Limited has been assessed and registered by Nimbus Certifications Private Limited, India against the scope of supply and provision of ISO 9001:2008.

The company has a sound financial strength as well as steady sales growth. The company paid off its term loan of Tk. 107 crore out of Tk. 183 crore (including interest) from sale proceeds.

IMPORTANT DATES

Particulars	Important Dates
Date of Incorporation	June 12, 2006
Start of Manufacturing Operation of Weaving Unit	September 1, 2008
Start of Manufacturing Operation of Dyeing Unit	July 1, 2009
Change of Face value to BDT 10 from BDT 100	May 2, 2010
Conversion from Private Limited to Public Limited Company	September 19, 2010
Expiration of Tax Holiday Period	August 31, 2013

NATURE OF BUSINESS

Paramount Textile Limited is engaged in manufacturing high quality woven fabric that are consumed by the export oriented garments industries in Bangladesh. PTL produces high quality woven fabrics which include 100% cotton yarn dyed fabrics, cotton solid white fabrics, striped and check shirting, stretch fabric etc. The finished products are sold to different garments units to produce readymade garment for final export. Normally the products are designed based on specification and guidelines of ultimate buyers. The company produces the fabrics against the back to back L/C of RMG units. The company also has yarn dyeing and fabrics processing facilities to support the core activity. The company is committed to:

- On-time order delivery
- Efficient & reliable workforce
- Eco friendly environment

Following are some of the strengths on which the company runs its operation:

High quality products

PTL is an Oeko-Tex® Standard 100 Certified, 100% export oriented woven fabric manufacturer. The Oeko-Tex label is a recognized benchmark for the manufacturers and serves as an additional credential of quality assurance. The concept has been established as a safety standard throughout the textile manufacturing sector and ensures that no harmful substance is used at any stage of the production process.

Special Finishing

PTL’s special finishing facility gives it distinct advantage to produce different types of finishes, such as-

- Soft, Silky soft, Extra/ultra soft, Teflon, Easy care, Wrinkle free, Oil repellent
- Water repellent, Soil release, Easy care plus Teflon, Aloe Vera, Aloe Vera plus easy care
- Lux finish, bio-polish, Flame retardant, PFD finish, White soft, White easy care, White wrinkle free.
- Different types of carbon finish & Peach finish.

Weaving Plant
In the weaving plant, the company has brand new Tsudakoma wrapping machine and sizing winder; Tsudakoma air-jet loom with world-renowned French CAM motion and Dobby motion machines from Staubli; sectional machines from Korean manufacturer UKIL and knotting machine from Staubli. Paramount also has high level of experimental equipment and handloom machine to produce high quality yarn dyed fabric.

Dyeing Plant
The dyeing plant has introduced sets of world's top equipment, such as RF Dryer machine from Stalam, Italy; Stenter machine from EU and China; Singeing & De-sizing machine, Scouring and Bleaching machine, Hot flue and pad dry machine, Sanforizing machine from Red Flag etc.

Quality Control & Lab
To ensure safe and consumer friendly fabric PTL has its own high-tech laboratory and computer data processing system. The Laboratory is fully equipped with modern testing equipments and machinery enabling the company to check the fabrics in all stages of required testing criteria and performances. The Testing lab equipments are sourced from renowned manufacturers of USA and UK.

Design Studio
PTL has its own design studio that can design fabric for the buyers. Hence, the buyers can pick up the designs immediately and put into bulk production which reduces the lead-time of sampling and handloom making. The design section is equipped with Tex Tronic dobby and Koppermann software. To support the design studio PTL has fully automatic/powered sampling unit.

Captive Power Plant
The company has its own captive power plant and generates its own power resulting uninterrupted production through GE Jenbacher gas generators. The factory generates own power through 4 GE Jenbacher gas fired generators with combined capacity to produce around 5 MW power.

Other Utilities
World's leading compressors from Atlas Copco have been installed; Siemens substation and Bus bar are used to support the production flow. The company also uses boiler of Germany and South Korea and chillers from other renowned manufacturers.

PRINCIPAL PRODUCTS AND SERVICES

The dictionary defines 'Paramount' as 'of chief concern and importance'. That is precisely what people in Paramount thrive for by putting utmost importance to quality of the products. The product range of Paramount Textile Limited comprises of yarn dyed fabrics and finished woven fabric.

Yarn dyed fabrics
It includes 100% Cotton Solid White fabric, 100% Cotton Yarn dyed woven fabric, PFD/RFD woven fabric for garments dyeing/printing, Dyed Yarn for circular knitting, Sweater Yarn or Flat Knitting dyed yarn of 20/2, and 32/2 count.

Finished woven fabric

This consists of striped and check shirting, basic weaves such as Plain, Twill and Satin, Canvas, Oxford, Matt, Bedford cord, decorative twill like - Herringbone, Zigzag, Diamond, Stretch and different types of structure Dobby fabric, Plain, Fill-a-Fill and Chambray. Its yarn counts comprise 16s, 20s, 30s, 40s, 50s, 60s, 80s/2s and 100/2s counts. PTL's special finishing facility gives it a distinct advantage to produce Soft, Silky Soft, Easy Care, Wrinkle free, Post mercerize, Teflon, Water repellent, Oil repellent, Soil release, Peach and Carbon Peach finish.

PRODUCTS/SERVICE THAT ACCOUNTS FOR MORE THAN 10% OF THE COMPANY'S TOTAL REVENUE

Particulars	As of June 30, 2012		As of June 30, 2011	
	Revenue (BDT)	Value Contribution (% of Total Sales)	Revenue (BDT)	Value Contribution (% of Total Sales)
Yarn Dyed Fabric	2,448,368,449	85.92%	1,923,284,111	87.38%
Knit Yarn Dyeing	358,535,681	12.58%	123,572,835	5.61%

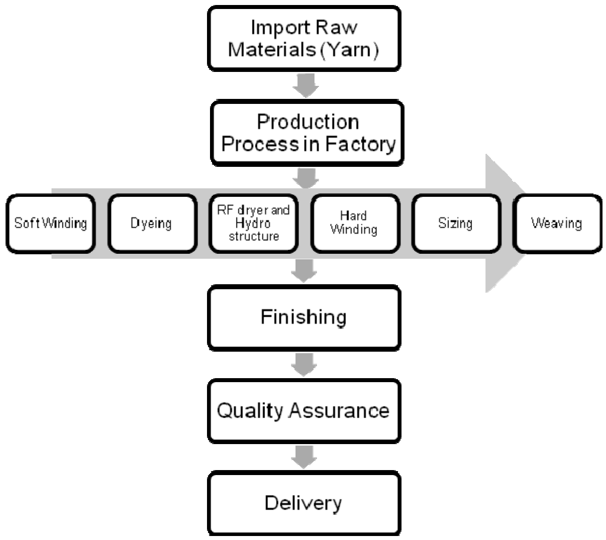
ASSOCIATES, SUBSIDIARY/RELATED HOLDING COMPANY AND THEIR CORE AREAS OF BUSINESS

Paramount Textile Limited does not have any subsidiary or associate company. However there are two companies which are shareholder of the company.

Name of the Company	Relation	Nature of the business of the Company
Paramount Holdings Limited	Shareholder of PTL	Real Estate business on buying, developing and selling land including construction of terracing, building, apartments and flats as developers for selling to potential buyers. As a developer of land, and constructor of building both residential and commercial and industrial either alone or through joint venture.
Paramount Spinning Limited	Shareholder of PTL	Promote and establish spinning mills and to enter into joint venture or collaboration with foreign countries to set up industries, commerce and trade as are allowed by the government.

DISTRIBUTION OF PRODUCTS/SERVICES

The Company produces product for 100% export oriented textile industries in Bangladesh. The company delivered the finished products and carries them to customer's sites by company's own covered van. The flow chart of manufacturing as well as distribution process as follows:



COMPETITIVE CONDITION OF BUSINESS

The textiles and clothing sector is segmented into the Textiles Sector (locally known as Primary Textiles Sector or PTS) and the export-oriented clothing (or RMG) sector. The textiles sector spans everything from the conversion of raw cotton to yarn through spinning yarn to weaving gray fabrics as well as finishing, dyeing and printing of gray fabrics.

The textiles sector (PTS) is the backbone of the clothing industry because it provides the backward linkage for both the knit and woven sectors. Textile mills set-up in the 1990s and later have the latest equipment and machinery and are thus able to provide top-quality yarn and fabrics. The textile mills produce the inputs needed by the RMG industry, so there are substantial cost savings. The domestically produced inputs hence play a significant role in reducing lead time.

The company faces completion both from home and abroad. Major local competitors of the company are Evince Textile, Bextex Limited, Sinha Textile etc. Among the new entrants Akij Textiles Limited and Thermex Textile Limited are noteworthy. The company also faces competition from manufacturers from China and India. As the company is run by experienced and professional individuals, PTL can ensure appropriate quality, acceptable lead time and competitive price.

SOURCES AND AVAILABILITY OF RAW MATERIALS AND PRINCIPAL SUPPLIERS

The production of the company runs under a standard flow system staring from procurement of gray yarn, dyes and chemicals. The purchase process is executed through local currency and back to back L/C. Most of the cases the company gets order against back to back L/C of RMG export. After receiving the order, the company applies back to back L/C for yarn and other required chemical supply.

Major raw materials for the company are yarn, dyeing, finishing and sizing chemicals. The list of suppliers of raw materials is as follows:

Name of the Supplier	Material Purchased	Exporting Country	During the year ended June 30, 2012	
			Purchase in BDT million	% of total purchase
Sri Shanmugavel Mills Ltd.	Yarn	India	277.49	18.04%
Vardhaman Textile Ltd.	Yarn	India	247.48	16.09%
Nahar Spinning Mills Ltd.	Yarn	India	96.47	6.27%
Oswal Industries Ltd.	Yarn	India	66.04	4.29%
United Raw Materials Pte. Ltd.	Yarn	India	57.54	3.74%
Trident Limited	Yarn	India	51.29	3.33%
Winsome Yarn Ltd.	Yarn	India	46.20	3.00%
DyStar Singapore Pte. Ltd.	Chemical	Singapore	16.52	1.07%
OH Young Industrial Co., Ltd	Chemical	Korea	12.30	0.80%

SOURCES OF AND REQUIREMENT FOR POWER, GAS AND WATER OR ANY OTHER UTILITIES

Particulars	Source and Requirements
Power	PTL's requirement for power is met by its own captive power plant providing uninterrupted production through 5 GE Jenbacher gas generators. The generators have a combined capacity of 6.3 MW per day, which is sufficient to meet the total requirement of the production facilities. Additionally, the company has a diesel run generator of 200 kilowatt capacity to support emergency operations in case absolute shutdown of gas supply.
Gas	The company requires 24,000 cubic meters of natural gas everyday to run its captive power plants and boilers. The company has its gas connection from Titas Gas Transmission & Distribution Company Limited. The sanctioned pressure of gas pipeline is 15 PSI.
Water	Own deep tube well, able to pump 230 cubic meter water per hour. These deep tube wells are sufficient to meet the requirement of the factory.

CUSTOMERS PROVIDING 10% OR MORE REVENUES

Customer	As of June 30, 2012		As of June 30, 2011	
	Sales (BDT in million)	% of Total Revenue	Sales (BDT in million)	% of Total Revenue
Panorama Apparels Limited	120.22	4.22%	8.91	.40%

100% Export oriented readymade garments industries are the consumers of the products of the PTL. All buyers of the company are located within the country and business transactions have been making by L/C and currency in US Dollars. Generally, L/C's are received in terms of payment either 120 days or 90 days deferred. There is no customer who has provided 10% or more revenue in last two years. The top customer for PTL's product was Panorama Apparels Limited, which has purchased product amounting to BDT 120.22 million for the year ended June 30, 2012 which is 4.22% of the total revenue of the company.

DESCRIPTION OF CONTRACT WITH PRINCIPAL SUPPLIERS/CUSTOMERS

PTL does not have any material or long term contract with any of its suppliers or customers other than those related to day-to-day operations and normal course of business.

DESCRIPTION OF ANY MATERIAL PATENTS, TRADEMARKS, LICENSES OR ROYALTY AGREEMENTS

Paramount Textile Limited has several regulatory licenses and certificates in order to continue its operations. In addition, it has several buyer certifications. The table below lists the licenses and certifications that the company has:

Particulars	License Issuer/ Issuing authority	Certificate/License No.	Issue Date	Current Status
Certificate of Incorporation	Register of Joint Stock Companies and Firms, Government of Bangladesh	No. C-62154(4163)/06	12/06/2006	-
TIN Certificate	National Board of Revenue, Government of Bangladesh	140-201-8259/ Co- 13	-	-
VAT Certificate	Customs, Excise and VAT Commissionarate, Government of Bangladesh	5141035998 Area 50401	30/03/2008	-
Export Registration Certificate	Office of the Chief Controller of Imports & Exports, Government of Bangladesh	RA - 0088152	05/05/2008	Valid for the year 2012-2013
Import Registration Certificate	Office of the Chief Controller of Imports & Exports, Government of Bangladesh	BA - 0186218	20/03/2008	Valid for the year 2012-2013
BTMA Membership Certificate	Bangladesh Textile Mills Association	003-0005-0064	14/01/2013	Valid till 31/12/2013
Trade License	Dhaka City Corporation	0906716	17/07/2008	Valid for the year2012-2013
Municipality Trade License	Sreepur Municipality, Gazipur	156/12-13	11/07/2012	Valid till 30/06/2013
Fire License	Fire Service & Civil Defense, Government of Bangladesh	Dhaka/21031/08-09	23/07/2008	Valid till 30/06/2013
Boiler License	Office of the Chief Boiler Inspector, Government of Bangladesh	BA: BA: 5861 BA: BA: 5462 BA: BA: 6918	21/11/2012	Valid till 04/08/2013 04/08/2013 10/08/2013
BOI License	Board of Investment, Government of Bangladesh	L – 62090704002 - H	02/04/2007	-
Bonded Ware House License	Customs Bond Commissionarate, Government of Bangladesh	484/CAS – PBW/ 2008	02/11/2008	Valid till 01/11/2013
EPB Enrolment Certificate	Export Promotion Bureau, Bangladesh	5069	05/10/2010	Valid till 30/06/2013
No Objection Certificate for Electric Sub Station	Fire Service and Civil Defense, Dhaka, Government of Bangladesh	AD/FS&CD/Dhaka/2986	19/08/2008	-
Captive Power Producer License	Bangladesh Energy Regulatory Commission	CPP – 0091 BERC/Power/CPP-0091/L/0221/1297	13/05/2009	Valid till 13/05/2013

ISO 9001:2008	Nimbus Certifications Private Limited, India	INTL / Q- 11051887	18/05/2011	Valid till 17/05/2014
Oeko-Tex Certificate, Confidence in Textile	Oeko-Tex Standard 100	Test report 12.0.13822		Valid till 30/09/2012
Global Organic Textile Standard (GOTS)	Control Union Certifications, The Netherlands	Certificate No. C817562GOTS-01.2012	30/07/2012	Valid till 13/05/2013
Organic Exchange 100 Standard	Control Union Certifications, The Netherlands	Certificate No. C817562OE100-01.2011	08/06/2011	Valid till 13/05/2012

NUMBER OF EMPLOYEES

As on June 30, 2012 the employee position of the company is as follows:

(As per audited accounts)

Particulars	No. of Employees
Factory	
Officers & Staff	290
Workers	2,135
Subtotal	**2,425**
Head Office	
Officers & Staff	93
Workers	28
Subtotal	**121**
Grand Total	**2,546**

All employees are permanent and received more than BDT 3,000 per month as remuneration.

PRODUCTION/SERVICE RENDERING CAPACITY AND CURRENT UTILIZATION

(As per audited accounts)

Particulars	For the year ended June 30, 2012	For the year ended June 30, 2011
Yarn Dyed Fabric:		
Installed Capacity	51,000 yards per day	45,000 yards per day
Actual Production	48,900 yards per day	40,950 yards per day
Utilization	95.88%	92.00%
Dyed Yarn:		
Installed Capacity	18 tons per day	18 tons per day
Actual Production	16.82 tons per day	16.38 tons per day
Utilization	93.44%	91.00%

Section VI

Description of Property

LOCATION OF PRINCIPAL PLANTS AND OTHER PROPERTY OF THE COMPANY AND THEIR CONDITION

1. The factory of Paramount Textile Limited is located in Sreepur, Gazipur. The company has 643 decimals of land at its name. At Paramount, conservation of the environment is of utmost importance. To that end Paramount has set up an Effluent Treatment Plant (ETP) covering an area of 70,000 square feet along with a 1,500 feet long drain. The ETP has capacity to purify 3,360 cubic meters per day through which all waste water is purified and released through a biological treatment. There is also a sophisticated Water Treatment Plant capable to reduce iron level in the water so that it can help to produce high quality fabric consistent in-terms of color levels and the strength of the yarn. The water treatment plant also helps in conserving the environment by minimizing the use of pre-treatment chemicals.

   To ensure safe and consumer friendly fabric, Paramount has its own high-tech laboratory and computer data processing system. The laboratory is fully equipped with modern testing equipments and machinery to enable checking of fabrics in all stages to comply with all testing criteria and performance indicators. The testing lab equipments are sourced from renowned brands of USA and UK. The company has its own design studio equipped with Tex Tronic dobby and Koppermann software for creating fabric designs. This enables buyers to choose ready designs straight which can be put into bulk production thereby reducing the lead-time of sampling and handloom making. To support the design studio Paramount has complete automatic/powered sampling unit.

   In the weaving plant, the company has brand new Tsudakoma wrapping machine and sizing winder; Tsudakoma air-jet loom with world-renowned French CAM-motion and DOBBY-motion machines from Staubli; sectional machines from Korean manufacturer UK IL and knotting machine from Staubli. Paramount also has high level of experimental equipment and handloom machine to produce high quality yarn dyed fabric.

   The dyeing plant has introduced sets of renowned equipment, such as RF Dryer machine from STALAM, Italy; Stenter machine from EU and China; Singeing & De-sizing machine, Scouring and Bleaching machine, Hot flue and pad dry machine, Sanforizing machine from Red Flag etc.

   All the plant & machineries are purchased in brand new condition. As per audited accounts for the year ended June 30, 2012 Paramount Textile Limited has the following fixed assets located at its corporate office and factory premises.

(As per audited accounts)

Particulars (Figures in BDT)	30 June 2012	30 June 2011
Land & Land Development	13,121,900	13,121,900
Building Construction	301,623,288	329,609,995
Effluent Treatment Plant(ETP) & WTP	45,173,905	44,534,140
Electrical Installation	60,506,614	59,779,521
Gas Line Installation	10,050,723	9,393,400
Transformer	2,079,585	1,690,650
Plant & Machinery	993,419,164	1,036,305,101
Loose Tools	77,361	85,957
Reed	6,691,348	5,403,270
Fire Equipment	603,530	440,835
Factory Equipment	4,267,030	3,222,004
Generator & Boiler	131,940,512	108,768,217
Industrial Rack	21,657,330	10,532,700
Air Conditioner	3,767,114	1,334,682
Sub Total (Manufacturing)	**1,594,979,404**	**1,624,222,373**
Furniture & Fixture	5,885,517	5,899,553
Office Decoration	1,332,383	1,356,629
Office Equipment	10,670,673	6,406,877
Telephone Equipment	847,835	622,609
Motor Vehicles	17,463,587	16,803,397
Sub Total (Administrative)	**36,189,996**	**31,089,065**
Total	**1,631,169,400**	**1,655,311,438**

2. All the plant, property and equipment are owned by the company. The company has 643 decimals of land which have been mutated in the name of Paramount Textile Limited.

3. Company's fixed assets, movable and immovable assets including machinery, plant and equipment are mortgaged with Pubali Bank Limited and Standard Bank Limited against the loan facilities enjoyed by the company.

4. No property is taken on lease except Rent of Head Office which has been disclosed in "Operating Lease during Last Five year" part of the prospectus.

INTERNAL AND EXTERNAL SOURCES OF CASH

The company's internal sources of cash consist of cash received from customers, cash received as other income and cash received from exchange gain. On the other hand, cash received from external sources comprise of loans from banks and various liabilities. Cash generated from such internal and external sources is then utilized for operational, financial and investment purposes. The table below illustrates the various sources and uses of cash of the company for the last three accounting years:

Sl.	Particulars (Figures in BDT)	June 30, 2012	June 30, 2011	June 30, 2010
A	**Internal Sources of Cash**	**2,144,480,875**	**2,053,789,681**	**1,267,969,915**
	Cash received from customers	2,142,976,369	2,048,277,743	899,813,780
	Cash received from other income	28,868	-	-
	Cash received from existing shareholders as equity	-	-	65,000,000
	Cash received from share Money Deposit	-	-	303,156,135
	Cash received as Advance, Deposits & Pre-payments	-	5,511,938	-
	Cash received from exchange gain	1,475,637	-	-
B	**External Sources of Cash**	**555,100,784**	**198,885,793**	**831,458,389**
	Cash received as Loan against trust receipts (LTR)	259,043,307	99,184,268	-
	Cash received as Cash Credit Hypothecation (CC Hypo)	-	99,701,525	2,945,137
	Cash received as Term Loan		-	828,513,252
	Cash received as Inter Company Loan	-	-	-
	Proceeds from Inland bills purchases (IBP)	296,057,477	-	-
C	**Total Cash Generated from Internal and External Sources (A+ B)**	**2,699,581,659**	**2,607,675,474**	**2,099,428,304**
D	**Cash paid for operational purposes**	**(2,414,704,504)**	**(1,782,950,967)**	**(657,409,329)**
	Cash paid to suppliers	(1,586,715,311)	(1,103,484,685)	(408,479,019)
	Cash paid for Wages & Salaries	(225,415,752)	(176,448,167)	(89,884,944)
	Cash paid for Factory Overhead	(176,629,226)	(138,987,844)	(64,043,229
	Cash paid for Administrative Overhead	(74,348,072)	(75,037,749)	(36,187,327)
	Cash paid for Selling Overhead	(17,747,042)	(14,914,789)	(1,127,745)
	Cash paid for financial charges	(296,413,182)	(266,828,500)	(42,493,312)
	Cash paid as Advance, Deposits & Pre-payments	(20,751,664)	-	(15,193,753)
	Exchange Loss	-	(7,249,233)	-
	Cash paid for Provision for contribution to WPP & WF	(400,000)	-	-
	Cash paid for Income Tax	(11,000,000)	-	-
	Cash paid as Advance Tax	(5,284,255)	-	-
E	**Cash paid for financial purposes**	**(188,260,744)**	**(145,017,174)**	**(89,187,048)**
	Cash paid for repayment of Inter Company Loan	-	(27,625,883)	(89,187,048)
	Cash paid for repayment of Term Loan	(178,119,447)	(47,391,291)	-
	Conversion of Share Money Deposit to equity	-	(70,000,000)	-
	Cash paid for repayment of Bank Overdraft	(10,141,297)	-	-

F	**Cash paid for investment purposes**	**(98,538,785)**	**(319,824,819)**	**(1,352,236,345)**
	Cash paid for purchase of Fixed Asset	(88,475,085)	(310,953,919)	(1,348,736,345)
	Cash paid for Investment in Shares	(10,063,700)	(8,870,900)	(3,500,000)
G	**Total Cash Payments (D+ E+ F)**	**(2,701,504,033)**	**(2,602,792,960)**	**(2,098,832,722)**
H	**Net Cash Increase/(Decrease) during the year (C+ G)**	**(1,922,374)**	**4,882,514**	**595,582**
I	**Beginning Cash Balance**	**7,754,308**	**2,871,794**	**2,276,212**
J	**Ending Cash Balance (H+ I)**	**5,831,934**	**7,754,308**	**2,871,794**

The company has been able to generate enough cash from both internal and external sources in order to meet its cash payments and obligations.

During the year ended on June 30, 2010, the company commissioned the dyeing unit. Besides, the plants ran during the whole year. The company also invested in expansion of its plant and machinery to the tune of BDT 1,348.77 million. The investment was invested by equity injection of BDT 368.16 million and bank financing of BDT 828.51 million.

During the year ended on June 30, 2012, the company achieved optimum capacity utilization of all its plant and machinery. This has resulted in significant increase in generation of cash from customers. Cash generated from internal sources and external sources was more than sufficient to meet the cash obligations for operational, financial and investment purposes. As a result, yearend cash balance grew compared to previous year.

During the year ended on June 30, 2012 increase in both installed capacity and higher utilization as well as exchange gain resulted in higher generation of cash from internal sources. Significant increase in Loan against Trust Receipts (LTR) and Inland Bills Purchases (IBP) caused higher generation of cash from external sources. On the other hand, cash payments surpassed cash generation mainly due to increase in cash paid to suppliers and repayment of term loan,

MATERIAL COMMITMENT FOR CAPITAL EXPENDITURE

As on the date of this Prospectus, the company does not have any material commitment for capital expenditure other than those mentioned in Section IV: Issue Size and Purpose of Public Offering.

CAUSES FOR MATERIAL CHANGES

Particulars (BDT actual)	For the year ended June 30, 2012	For the year ended June 30, 2011	For the year ended June 30, 2010
Revenue	**2,849,711,651**	**2,201,136,560**	**1,036,721,702**
Less: Cost of sales	(2,241,020,681)	(1,612,733,002)	(767,545,882)
Gross profit	**608,690,970**	**588,403,558**	**269,175,820**
Less: Distribution costs	(17,747,042)	(14,914,789)	(1,127,745)
Administrative expenses	(79,892,266)	(92,925,679)	(45,626,422)
Profit from operations	**511,051,662**	**480,563,089**	**222,421,653**

Less: Finance costs	(296,413,182)	(266,828,501)	(42,493,312)
Provision for loss of investment in shares	**-**	**(3,200,147)**	**(283,842)**
Add: Other income	**(2,132,010)**	**1,912,006**	**-**
Exchange gain/ (loss)	**1,475,637**	**(7,249,233)**	-
Profit/(loss) before WPP & WF	**213,982,108**	**205,197,213**	**179,644,499**
Less: Provision for contribution to WPP & WF	(10,189,624)	(9,771,296)	-
Profit before tax	**203,792,484**	**195,425,917**	**179,644,499**
Less: Provision for tax:			
Income Tax	**(15,897,854)**	**(12,731,890)**	**-**
Deferred Tax: Income/ (Expenses)	3,587,308	(3,184,410)	-
Net profit/ (loss) after tax	**191,481,938**	**179,509,617**	**179,644,499**

The company started its commercial operation from September 1, 2008. The revenue of the company increased has increased 29.47% during 2012 compared to 2011. However, the net profit did not grow in line with the revenue due to higher increase in cost of sales. .

Paramount Textile Limited initiated manufacturing operation of weaving unit in September 1, 2008 and that of dyeing unit in July 1, 2009. As is the case for any manufacturing entity, scale of operation (with an asset base of BDT 938,385,762) and production capacity utilization by Paramount Textile Limited was low during the initial year of full-fledged operation with revenue amounting to BDT 180,280,955. The asset base increased to BDT 2,526,746,825 as of June 30, 2010 and stood at BDT 3,223,940,852 as of June 30, 2011. Installation of additional machinery in the following years led to increase in installed capacity from 42,000 yards per day for the year ended June 30, 2010 to 45,000 yards per day for the year ended June 30, 2011 and subsequently to 51,000 yards per day for the year ended June 30, 2012. Actual production was 37,800 yards per day, 40,950 yards per day and 48,900 per day in the corresponding period while capacity utilization was 90%, 92% and 96% respectively. The combination of business expansion, increase in production capacity and capacity utilization has contributed to achieving revenue growth of 475%, 112.32% and 29.47% in 2009-2010, 2010-2011 and 2011-2012 respectively.

Tax holiday period commenced from September 1, 2008. As per condition imposed, PTL enjoyed 100% tax holiday for two years up to August 31, 2010. The company has enjoyed tax holiday on 50% of its net profit before tax for two years upto June 30, 2012. Thus, the company incurred income tax expense amounting to BDT 15.89 million for the year ended June 30, 2012. The company introduced WPP &WF from the year 2011 as per provisions of Bangladesh Labour Law 2006 which is payable to workers as defined in the said Law.

During the year 2011-12 the company bought raw yarn amounting to BDT 1,226.51 million and dyeing & finishing chemicals amounting to BDT 239.75 million resulting in the figures of trade & other liabilities and short term loan to be BDT 1,598.40 million. But at that time inventories and trade & other receivable were BDT 1,943.97 million. It indicates the current assets is higher than current liabilities and is not a threat for going concern.

Paramount Textile Limited is enjoying term loan facilities to import and install capital machineries. The outstanding balance of term loan as on June 30, 2012 was BDT 1,082.99 million. As per BAS, current maturity of long term loan need to be shown separately in current liabilities and value of current maturity of long term loan was BDT 435.26 million as on June 30, 2012. As a result, total current liabilities were very high. After charging the value of current maturity of long term loan, current liabilities exceed the current assets.

SEASONAL ASPECT OF THE COMPANY'S BUSINESS

There is no significant seasonal aspect on the company's business. In general, the company's peak order season starts from September and stays till December. The period of March to June resembles relatively low order than the other months.

KNOWN TRENDS, EVENTS OR UNCERTAINTIES

Political instability, labor unrest, unavailability of power and gas, increased global competition, world economic slowdown, quality maintenance, exchange rate fluctuation etc. might have a material effect on company's future business.

CHANGE IN THE ASSETS OF THE COMPANY USED TO PAY OFF ANY LIABILITIES

None of the operating assets of the company has been disposed off to pay off any liability of the company.

LOAN TAKEN FROM OR GIVEN TO HOLDING/PARENT COMPANY OR SUBSIDIARY COMPANY

As on June 30, 2012 the company does not have any subsidiary or holding company; however there are two companies which are shareholders of Paramount Textile Limited. These are Paramount Holdings Limited and Paramount Spinning Limited which holds 17.78% and 26.67% ordinary shares of the company respectively as on June 30, 2012. For the year ended June 30, 2009 PTL has received loan amounting to BDT 53,467,000 from Paramount Holdings Limited and BDT 69,961,413 from Paramount Spinning Limited. Both of the loans have been repaid by the company within June 30, 2010. The company did not give any loan to any of the above mentioned companies.

FUTURE CONTRACTUAL LIABILITIES

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

ESTIMATED FUTURE CAPITAL EXPENDITURE

The company does not have any plan for future capital expenditure other than those mentioned in the Section III: Issue Size and Purpose of Public Issue.

VAT, INCOME TAX, CUSTOMS DUTY OR OTHER TAX LIABILITY

a) VAT, Customs Duty and Other Tax Liabilities

The company is exempted from VAT, customs duty and import duty for being a 100% deemed export oriented company. The company imports its entire raw material through bonded warehouse. The company is exempted from the above-mentioned liabilities as per the SRO No. 153-Law/93/1520/Duty dated August 3, 1993, issued by the National Board of Revenue, Ministry of Finance, Government of Bangladesh. On June 30, 2012 the company does not have any VAT or customs duty obligations.

b) Income Tax

The company has been allowed Tax holiday for (five) years with effect from 1st September, 2008 to 31st August 2013. As per NBR letter # 11(18 Anu-1/2009/1378 (2) from 1st September 2008 on first two years 100%, next two years 50% and last one year 25% tax holiday facility availed by the company. Provision for income tax and reserve for re-investments has been made as per requirements of the income tax ordinance, 1984.

The company is a public limited company, as per the Income Tax Ordinance, 1984 the rate of income tax is 15.00% on export and 37.50% on other income since the company is 100% deemed export oriented textile industry.

The company commenced its commercial operation from September 1, 2008. However, the company filed tax return and assessment has been completed till the assessment year 2012-2013. .

OPERATING LEASE AGREEMENT DURING LAST FIVE YEARS

Particulars	**Lease Agreement for Corporate Office**		
Lessor:	Mr. Khairul Alam Chaklader	Mr. Khairul Alam Chaklader	Mr. Khairul Alam Chaklader
Leasee:	Paramount Textile Limited	Paramount Textile Limited	Paramount Textile Limited
Date of Lease Agreement/Date of Renewal	December 08, 2010	December 24, 2012	December 22, 2008
Effective Date of Tenancy	January 01, 2011	January 01, 2013	January 01, 2009
Period of Lease	3 years	4 years	4 years
Date of Lease Expiration	December 31, 2013	December 31, 2016	December 31, 2012
Description of Leased Asset	Apartment on full 3rd floor (Level 4) situated at House No. 22, Road No. 113/A, Gulshan 2, Dhaka 1212	Apartment on full 5th floor (Level 6) situated at House No. 22, Road No. 113/A, Gulshan 2, Dhaka 1212	Apartment on full 5th floor (Level 6) situated at House No. 22, Road No. 113/A, Gulshan 2, Dhaka 1212
Lease Rent	BDT 40,000 per month	BDT 82,500 per month and an amount of BDT 5,000 per month as service charge	BDT 75,000 per month and an amount of BDT 5,000 per month as service charge
Renewal Clause	Lease term may be extended on mutual agreement of the Lessor and Lessee subject to renegotiation of monthly rent upon request in writing by the Lessee at least three months before the expiry of the existing Deed of Lease.	Tenancy will be for a period of 4 years renewable upon mutual agreement subject to renegotiation of monthly rent upon request in writing by the Lessee at least three months before the expiry of the existing Deed of Lease.	Tenancy will be for a period of 4 years renewable with an enhancement of 10% after the first 2 years with the existing terms and conditions. Lease term may be extended on mutual agreement of the Lessor and Lessee subject to renegotiation of monthly rent upon request in writing by the Lessee at least three months before the expiry of the existing Deed of Lease.

FINANCIAL LEASE COMMITMENT DURING LAST FIVE YEARS

The company did not enter into any financial lease commitment in the last five years.

PERSONNEL RELATED SCHEME

The company has sound human resource policy to ensure the congenial working environment. The company is currently staffed with 2,546 full time employees of which 2,425 employees are stationed at the factory premises. The company has a well-designed compensation package for the employees to encourage professionalism, All employees receive more than BDT 3,000 per month. The workers get their salary by 28^{th}-31^{st} day of each month. Apart from the monthly fixed salary, they receive several other cash and non-cash benefits from the company which are disclosed as follows:

A. **Provident Fund:** The employees are entitled to a provident fund. Every month, 10% of the workers' basic salary is allocated to the provident fund. On completion of three years service length, the workers get the company's contribution of 10% in the provident fund.

B. **Workers Profit Participation & Welfare Fund:** Paramount Textile Limited has introduced Workers Profit Participation & Welfare Fund from 2011 as per requirement of Bangladesh Labour Law 2006. As on June 30, 2012, the size of the fund stood at BDT 19,560,920

C. **Compensation:** All permanent employees are paid compensation for fourteen days wages for every year of continues service for five years and above but below ten years, thirty days wages for every year of continues of service for ten years above in the events of worker tendering resignation on the services.

D. **Overtime & Bonus:** The employees get performance bonus and overtime for working outside regular business hours. They also receive festival bonuses during each Eid equivalent to one months' basic salary.

E. **Maternity Benefit:** The female employees are entitled to maternity leaves of sixteen weeks for a maximum of two times during their service length with the company. Such leaves are fully paid.

F. **Medical Facilities:** The Company's factory has a well-equipped medical center. The center is stuffed with one qualified MBBS physicians and four paramedics. The employees receive primary treatment for any illness in the medical center. In case of any accident within the factory premises, the employees get full medical coverage from the company. They are also entitled to paid sick leaves as per the country labor laws.

G. **Accommodation:** The Company also provides accommodation to the employees at near factory premises.

BREAKDOWN OF ESTIMATED EXPENSES FOR IPO

The amounts to be paid to the Issue Manager, Underwriters & other costs are estimated as follows:

Description	Basis of Fees	Amount in BDT (approx.)
Issue Management Fees		
Issue Management Fee	1% of the total amount raised or BDT 2,000,000 whichever is lower	2,000,000
VAT against Issue Management Fees	@ 15% on the Issue Management Fee	300,000
Listing Related Expenses		
Prospectus Submission Fee to DSE -	Fixed	5,000
DSE & CSE Listing- Initial Fees	@ 0.25% on BDT 100 million and 0.15% on the rest amount of paid up capital; maximum BDT 2 million for each exchanges	2,753,750
DSE and CSE Annual Fee	Fixed	200,000
BSEC Fees		
Application Fee	Fixed	10,000
BSEC Consent Fee	@ 0.15% on entire offer	1,260,000
IPO Related Fees		
Underwriting Commission	Commission @ 0.4 % on Underwritten Amount	1,680,000
Bankers to the issue fee	Commission @ 0.1% of Collected Amount	4,200,000
Credit Rating Fees	At actual	600,000
CDBL Fees and Expenses:		
Security Deposit	Fixed	500,000
Annual Fee	Fixed	100,000
Connection Fee	Fixed	6,000
IPO Fees	@0.0175% of issue size+0.0175% of Pre-IPO paid up capital	243,469
Printing and Post Public Offer Expenses:	Currently estimated (to be paid at actual)	
Publication of Prospectus & Application forms		1,000,000
Abridge Version in 4 daily news paper		700,000
Collection of forms, data processing, allotment & refund		6,000,000
Expense for conducting lottery		700,000
Administrative & Stationary Expense		700,000
Grand Total		**22,958,219**

REVALUATION OF COMPANY'S ASSETS AND SUMMARY THEREOF

The company has not made revaluation of any of its assets since inception.

TRANSACTION BETWEEN SUBSIDIARY/ASSOCIATE/HOLDING COMPANY AND ISSUER

As on June 30, 2012 the company does not have any subsidiary or holding company; however there are two companies which are shareholders of Paramount Textile Limited. These are Paramount Holdings Limited and Paramount Spinning Limited which holds 17.78% and 26.67% ordinary shares respectively of the company as on June 30, 2012. For the year ended June 30, 2009 PTL has received loan amounting to BDT 53,467,000 from Paramount Holdings Limited and BDT 69,961,413 from Paramount Spinning Limited. Both of the loans have been repaid by the company within June 30, 2010.

AUDITOR'S CERTIFICATE REGARDING ALLOTMENT OF SHARES TO PROMOTERS OR SPONSOR SHAREHOLDERS FOR CONSIDERATION IN CASH OR OTHER THAN IN CASH

After due verification, it is certified that the paid up share capital of Paramount Textile Limited as on 30 June 2011, was Taka 551,250,000 divided into 55,125,000 Ordinary Shares of Taka 10/- each, made up as follows:

Allotments	Date of Incorporation/ Allotment	Consideration (Cash or Bonus Share)	Number of Shares issued	Face value per share (Taka)	Share Capital Amount (Taka)
Subscribed Capital as per MOA	12-06-2006	Cash	100,000	100	10,000,000
1st Allotment	15-06-2010	Bonus	2,000,000	10	20,000,000
2nd Allotment	20-06-2010	Cash	6,500,000	10	65,000,000
3rd Allotment	25-08-2010	Cash	300,000	10	3,000,000
4th Allotment	30-09-2010	Cash	35,200,000	10	352,000,000
5th Allotment	06-04-2011	Bonus	10,125,000	10	101,250,000
Total			**55,125,000**		**551,250,000**

The company commenced its business as a private limited company on June 12, 2006. The legal status has been changed into public limited company on September 19, 2010 and the face value of the shares has been changed into Taka 10/- per share from Taka 100/- per share on May 02, 2010 by passing a special resolution in its extra ordinary general meeting held on May 02, 2010 and necessary amendments in the capital clause of the Memorandum and Article of association were made accordingly.

Sd/-
Howladar Yunus & Co.
Chartered Accountants

Dated: Dhaka
February 26, 2013

DECLARATION REGARDING NON-SUPPRESSION OF MATERIAL INFORMATION

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

For Issuer,

Sd/-
Shakhawat Hossain
Managing Director & Director
Paramount Textile Limited

Section VIII

Information about Directors & Officers

DIRECTORS OF THE COMPANY

Name	Designation	Age (Years)	Experience (Years)	Educational Qualification	Nominated by	Period of Nomination
Anita Haque	Chairman	41	11	M.A.	-	N/A
Shakhawat Hossain	Managing Director & Director	48	23	M.Com	-	N/A
Alock Das	Director	47	23	B.A.	-	N/A
Anita Rani Das	Director	40	10	B.A.	-	N/A
Samsun Nahar	Director	33	6	B.B.A.	-	N/A
Aparna Ghosh	Director	47	6	S.S.C.	-	N/A
Iqbal Enamul Kabir	Director	50	28	M.D.S	Paramount Spinning Limited	First appointed as director on 22.06.2013
Md Nuruzzaman Chowdhury	Director	38	14	M.Com, ACMA	Paramount Holdings Limited	First appointed as director on 22.06.2013

INFORMATION REGARDING DIRECTORS AND DIRECTORSHIP

Name	Designation	Date of becoming Director for the first time	Date of Expiration of Current Term
Anita Haque	Chairman	06.06.2006	Retired on 6th AGM and reappointed as director
Shakhawat Hossain	Managing Director & Director	06.06.2006	7th AGM
Alock Das	Director	06.06.2006	7th AGM
Anita Rani Das	Director	06.06.2006	Retired on 6th AGM and reappointed as director
Samsun Nahar	Director	25.08.2010	7th AGM
Aparna Ghosh	Director	25.08.2010	Retired on 6th AGM and reappointed as director
Iqbal Enamul Kabir	Director	22.06.2013	8th AGM
Md Nuruzzaman Chowdhury	Director	22.06.2013	8th AGM

The directors of the company are subject to be retired by rotation according to section 91 and regulation 79-82 of schedule I of the Companies Act 1994.

DIRECTORS' INVOLVEMENT IN OTHER ORGANIZATION

Name	Designation in the Company	Directorship/ Sponsorship/ Ownership with other Organization	Directorship/ Sponsorship/ Ownership with other Organization
Anita Haque	Chairman	Paramount Insurance Company Limited	Director
		Paramount Spinning Limited	Director
		Foodex International Limited	Director
		Triangle	Proprietorship
Shakhawat Hossain	Managing Director & Director	Paramount Insurance Company Limited	Sponsor Shareholder
		Paramount Holdings Limited	Managing Director
		Sunrise Chemical Industries Limited	Managing Director
		Paramount Spinning Limited	Managing Director
		Foodex International Limited	Managing Director
		Mount International	Partnership
		Foodex International	Partnership
Alock Das	Director	Paramount Insurance Company Limited	Sponsor Shareholder
		Paramount Holdings Limited	Director
		Sabir Traders Limited	Managing Director
		Sunrise Chemical Industries Limited	Director
		Paramount Spinning Limited	Director
		Foodex International Limited	Director
		Mount International	Partnership
		Foodex International	Partnership
Anita Rani Das	Director	Paramount Insurance Company Limited	Director
		Paramount Spinning Limited	Director
		Foodex International Limited	Director
		Fine Food Traders	Proprietorship
Samsun Nahar	Director	N/A	N/A
Aparna Ghosh	Director	N/A	N/A
Iqbal Enamul Kabir	Director	N/A	N/A
Md Nuruzzaman Chowdhury	Director	N/A	N/A

FAMILY RELATIONSHIP AMONG DIRECTORS AND TOP OFFICIALS

The relationships among the directors and officers are stated below:

Name	Designation	Relationship with other directors
Anita Haque	Director	Wife of Mr. Shakhawat Hossain
Shakhawat Hossain	Managing Director & Director	Husband of Mrs. Anita Haque & Brother of Mrs. Samsun Nahar
Alock Das	Director	Husband of Mrs. Anita Rani Das & Brother of Mrs. Aparna Ghosh
Anita Haque	Director	Wife of Mr. Shakhawat Hossain
Anita Rani Das	Director	Wife of Mr. Alock Das
Samsun Nahar	Director	Sister of Mr. Shakhawat Hossain
Aparna Ghosh	Director	Sister of Mr. Alock Das

SHORT BIO-DATA OF THE DIRECTORS

Anita Haque
Chairman
Mrs. Anita Haque aged 41, is Chairman of the company. She has completed her MA in English from University of Dhaka. She is related with Paramount Insurance Co. Ltd, Paramount Spinning Limited and Foodex International Ltd, as Director. She has traveled India, Singapore, Taiwan, Malaysia, Hong Kong, U.A.E, Saudi Arabia, U.S.A. and Canada. She is engaged in various social activities.

Shakhawat Hossain
Managing Director & Director
Mr. Shakhawat Hossain, age 50, a post graduate in Marketing from the University of Dhaka, attended workshops and seminars in Lloyds London (UK) on Re-insurance, is a successful Entrepreneur.

He has successfully implemented the following business enterprises: Founder Director of Paramount Insurance Company Limited, Paramount Textile Limited, Foodex International, Sunrise Chemical Industries Limited, Paramount Holding Limited. He is also a Sponsor Director of Meghna Bank Limited. Beside these companies mentioned against his name in this prospectus he or his relatives are not involved in any other company/business.

Mr. Hossain is a member of Dhaka Chamber of Commerce and Industries, Bangladesh Chamber of Commerce and Industries, Bangladesh Employers Federation and Bangladesh German Chamber of Commerce and Industries.

Alock Das
Director
Mr. Alock Das, aged 47, is Director of the company is an Arts Graduate. Mr. Das is a dynamic, hard working & an experienced business personality. He is a sponsor Director of Paramount Insurance, Foodex International Ltd., Sunrise Chemicals Limited, Paramount Holdings Limited and Paramount Spinning. He is also a Sponsor Director of Meghna Bank Limited. For the betterment and expansion of his business, he has visited India, Singapore, Taiwan, Malaysia, Hong Kong, U.S.A., and Canada.

He is a member of Dhaka Chamber of Commerce and Industries, Bangladesh Chamber of Commerce and Industries, Bangladesh Employers Federation, Malaysia-Bangladesh Chamber of Commerce and Industries,

Anita Rani Das
Director
Mrs. Anita Rani Das aged 40, is director of the company. She has completed her Bachelor of Arts (BA). She is also a sponsor director of Paramount Insurance Co. Ltd, Foodex International Ltd. and Paramount Spinning Limited. She has traveled India, Singapore, Taiwan, Malaysia, Hong Kong, U.S.A., and Canada. She is engaged in various social activities

Samsun Nahar
Director
Mrs. Samsun Nahar, aged 33, is director of the company. She has completed her BBA from AIUB. Currently, as a director, she is holding responsibilities in office. She has skills in dealing with operational, tactical and strategic subject matters that are of utmost importance to the company.

Aparna Ghosh
Director
Mrs. Aparna Ghosh, aged 47, is director of the company. She has been involved in the company's business affairs from time to time.

Iqbal Enamul Kabir
Director
Mr. Iqbal Enamul Kabir, aged 50 is the representative director of Paramount Spinning Limited. Mr. Enam is a dynamic & hard working person. Before joining he served in Bangladesh Army as commissioned officer (retired as Lt. Col) for 26 years. Mr. Kabir visited many Asian, Eastern and Western countries.

Md. Nuruzzaman Chowdhury
Director
Mr. Md. Nuruzzaman Chowdhury, aged 38, is the representative director of Paramount Holdings Limited. Mr. Md. Nuruzzaman Chowdhury is a dynamic & hard working person. He is a qualified Cost and Management Accountant & an Associate member of the Institute of Cost and Management Accountants of Bangladesh. He has completed M.Com from National University.

CREDIT INFORMATION BUREAU (CIB) REPORT

Neither the Company nor any of its directors or shareholders who hold 5% or more shares in the paid-up capital of the issuer is loan defaulter in terms of the CIB Report of Bangladesh Bank.

DESCRIPTION OF TOP EXECUTIVES AND DEPARTMENTAL HEADS

Name	Designation	Age	Date of Joining Paramount Textile Limited	Educational Qualification	Last Five Years Experience
Shakhawat Hossain	Managing Director	48	15.04.2013	M. Com. (Marketing)	Involved with PTL as Chairman since inception
Iqbal Enamul Kabir, psc	Executive Director (Operations)	50	15.03.2011	Masters in Defense Studies from National University	Prior to joining PTL served under Bangladesh Army as commissioned officer for 26 years in various appointments both in home and abroad.
Alamgir Hossain Bhuiyan	GM (Dyeing & Finishing)	44	01.03.2010	B.Sc. in Textile Technology	Worked From November 1995 to March 2008 at "Yarn Dyeing Department" in Beximco Textiles Ltd as Deputy General Manager and In-Charge of Yam Dyeing Department From April 01,2008 to December 2008 date at " Dyeing Department in Paramount Textile Ltd as a General Manager Worked at Rahman Knit Garments as General Manager (Operation) from March 2009 to February 2010
Saiful Azim Aber	GM (Head of Marketing)	41	15.12.2009	Bachelor's Degree	Worked at Paraminent Apparel Limited (Itochu Group, Japan) Manager Fabric sourcing and Sales, July 2002 to 2009 Beximco Textile Limited Assistant Manager Marketing and Sales, Jan 2001 to June 2002
ABM Delowar Hossain	Sr. DGM (Dyeing & Finishing)	40	21.12.2008	B.Sc in Textile Engineering & Post-Graduate in Ind. Mgt.	Worked as Senior Manager (Dyeing and Finishing) in Beximco Textiles Limited From November 1996 to 2008
Md. Nuruzzaman Chowdhury	Sr. DGM (Accounts & Finance) & Company Secretary	38	01.12.2010	M.Com, ACMA	Worked as Company Secretary from May 2005 to November to 2010 in Haque Steel Group Worked as Manager (Accounts& Finance) in BETELCO (Bengal Telecommunication & Electric Corporation (Pvt) Ltd from February 2003 to April 2005.

INVOLVEMENT OF DIRECTORS AND OFFICERS IN CERTAIN LEGAL PROCEEDINGS

No director or officer of Paramount Textile Limited was involved in any of the following types of legal proceedings in the last 10 (Ten) years:

(a) Any bankruptcy petition filed by or against any company of which any officer or director of the issuer company filing the prospectus was a director, officer or partner at the time of the bankruptcy.
(b) Any conviction of director, officer in a criminal proceeding or any criminal proceeding pending against him.
(c) Any order, judgment or decree of any court of competent jurisdiction against any director, officer permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.
(d) Any order of the Bangladesh Securities and Exchange Commission, or other regulatory authority or foreign financial regulatory authority, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

During the last two years, the company undertook the following transactions with its related parties (as per Note 34 of the audited accounts of June 30, 2012)

(Figures in BDT)

Name	Relationship with Issuer	Value of transactions (BDT)	
		2011-2012	2010-2011
Paramount Insurance Co. Limited	Common Directorship	13,400,508	-

During the last two years, the company paid compensation to the following Representative Director who also act as executives of the Company

(Figures in BDT)

Name	Designation	Representative Director	June 30, 2012	June 30, 2011
Biswajit Roy*	Executive Director	Paramount Spinning Ltd.	1,344,000	942,000
Md. Nazrul Islam*	DGM (Finance & Accounts)	Paramount Holding Ltd.	636,000	510,000

* Subsequently, Mr. Biswajit Roy and Mr. Md. Nazrul Islam resigned from the company

As on June 30, 2012 the company does not have any subsidiary or holding company; however there are two companies which are shareholders of Paramount Textile Limited. These are Paramount Holdings Limited and Paramount Spinning Limited which holds 17.78% and 26.67% ordinary shares respectively of the company as on June 30, 2012. For the year ended June 30, 2009, PTL has received loan amounting to BDT 53,467,000 from Paramount Holdings Limited and BDT 69,961,413 from Paramount Spinning Limited. Both of the loans have been repaid by the company within June 30, 2010.

Except from the above, the company did not have any transaction during the last two years or any proposed transaction with any of the following persons:

(a) Any director or executive officer of the issuer;
(b) Any director or officer;

(c) Any person owing 5% or more of the outstanding shares of the Issuer;
(d) Any member of the immediate family (including spouse, parents, brothers, sisters, children and in-laws) of any of the above persons;
(e) Any transaction or arrangement entered into by the issuer of its subsidiary for a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during last three years prior to issuance of the Prospectus;
(f) The company has not taken or given any loan from or to any director or any other persons connected with the director. The company also has not taken any loan from any person who did not have any stake in the issuer, its holding company or its associate concerns;
(g) Directors' positions in other companies are included in Director's involvement in other organization(s) part of the Prospectus;
(h) All interest and facilities enjoyed by a director, whether pecuniary or non-pecuniary.

EXECUTIVE COMPENSATION

a) Remuneration Paid To Top Five Salaried Officers During Last Accounting Year

Name	Designation	Amount (BDT)
Iqbal Enamul Kabir	Executive Director (Operation)	1,230,000
Biswajit Roy*	Executive Director (Finance & Accounts) & Company Secretary	1,344,000
Saiful Azim Aber	GM (Head of Marketing)	1,302,000
Alamgir Hossain Bhuiyan	GM (Dyeing & Finishing)	1,398,000
ABM Delowar Hossain	Sr. DGM (Dyeing & Finishing)	1,152,720

* Subsequently, Mr. Biswajit Roy resigned from the company

b) Aggregate Amount of Remuneration Paid to the Directors and Officers during Last Accounting Year

The company did not pay any remuneration or honorarium to its Directors except the Representative Directors who also act as officers of the Company. The transaction is disclosed under "Certain Relationships and Transactions" of this section of the Prospectus. The company paid the following amount to its officers during the year ended June 30, 2012

Name	Amount (BDT)
Salary & Allowance	33,623,154
Festival Bonus	2,117,750
Total	**35,740,904**

c) Remuneration paid to Director who was not an Officer of the Company

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

d) Future Compensation to Directors or Officers

There is no contract with any Director or officer providing for the payment of any future compensation.

e) Pay Increase Intention

Except for normal annual increment and allowances, there is no plan for substantial pay increase to its officers and directors in the current year.

OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

The Company did not grant any option to any Officer, Director and all other officers of the Company or to any other person involved with the Company.

TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

Benefit from the Company

Paramount Holdings Limited and Paramount Spinning Limited are two of the subscribers to the memorandum of the company which holds 17.78% and 26.67% ordinary shares respectively of the company as on June 30, 2012. For the year ended June 30, 2009 PTL has received loan amounting to BDT 53,467,000 from Paramount Holdings Limited and BDT 69,961,413 from Paramount Spinning Limited. Both of the loans have been repaid by the company within June 30, 2010.

The company paid compensation to two representative directors who also acted as officers of the Company. They are Mr. Biswajit Roy, representative director of Paramount Spinning Limited and Mr. Md. Nazrul Islam, representative director of Paramount Holding Limited which has also been disclosed in note 38 of the audited financial statements for the year ended June 30, 2012. However, currently Mr. Biswajit Roy and Mr. Md. Nazrul Islam no longer act as officers of the company.

During the year ended June 30, 2011 the company refunded BDT 70,000,000 which has been deposited in the company as share money deposit by the directors. The breakup of refund is to Paramount Spinning Limited amounting BDT 30,000,000, Mr. Sakhawat Hossain amounting BDT 20,000,000, Mr. Alock Das amounting BDT 20,000,000.

The issuer also has not received any assets, services or other considerations from its Directors and subscribers to the memorandum except fund against allotment of shares.

Directors and Subscribers’ assets to the Company

No assets were acquired from the director’s or subscribers to the memorandum.

AUDITOR'S CERTIFICATE REGARDING NET TANGIBLE ASSET AND NET ASSET VALUE PER SHARE OF PARAMOUNT TEXTILE LIMITED

Particulars	As at June 30, 2012 (Figures in Taka)
ASSETS	
Non-current assets	1,709,346,088
Current assets	2,029,477,579
Total assets [A]	**3,738,823,667**
LIABILITIES	
Non-current liabilities	647,728,591
Current liabilities	2,081,882,108
Total Liabilities [B]	**2,729,610,699**
Net Asset Value [C=A-B]	**1,009,212,967**
Outstanding no. of Ordinary Share as on June 30, 2012 [D]	**55,125,000**
Net Asset Value per Share [C/D]	**18.31**

The company does not have any intangible asset. Thus net asset value is equal to net tangible asset value which is also supported by Shareholder's Equity.

Particulars	As at June 30, 2012 (Figures in Taka)
EQUITY	
Ordinary share capital	551,250,000
Share Money Deposit	-
Retained earnings	289,566,637
Tax holiday reserve	174,727,395
Holding Gain Reserve	(6,331,065)
Total Shareholder's Equity [E]	**1,009,212,967**
Outstanding no. of Ordinary Share as on June 30, 2012 [F]	**55,125,000**
Net Asset Value per Share [E/F]	**18.31**

The Board has declared 15% Cash Dividend for financial year 2011-12 from the profit for the year ended June 30, 2012. This dividend has been approved in the 6th Annual General Meeting of the company held on December 31, 2012.

Sd/-
Howladar Yunus & Co.
Chartered Accountants

Dated: Dhaka
February 26, 2013

OWNERSHIP OF THE COMPANY'S SECURITIES

Name of the Shareholder	Designation	Address	No. of Shares	% of Shareholding (Pre IPO)	% of Shareholding (Post IPO)
Paramount Spinning Limited	Shareholder	Navana Tower, (7th Floor), 45 Gulshan C/A, Dhaka	14,700,000	26.67%	17.27%
Paramount Holdings Limited	Shareholder	Navana Tower, (7th Floor), 45 Gulshan C/A, Dhaka	9,800,000	17.78%	11.51%
Shakhawat Hossain	Managing Director & Director	House # 19 (B), Road # 117/120, Gulshan, Dhaka	7,485,000	13.58%	8.79%
Alock Das	Director	House # 19 (B), Road # 117/120, Gulshan, Dhaka	7,485,000	13.58%	8.79%
Samsun Nahar	Director	House # 19 (B), Road # 117/120, Gulshan, Dhaka	6,125,000	11.11%	7.20%
Aparna Ghosh	Director	House # 19 (B), Road # 117/120, Gulshan, Dhaka	6,125,000	11.11%	7.20%
Anita Hoque	Chairman	House # 19 (B), Road # 117/120, Gulshan, Dhaka	1,702,500	3.09%	2.00%
Anita Rani Das	Director	House # 19 (B), Road # 117/120, Gulshan, Dhaka	1,702,500	3.09%	2.00%
Total			**55,125,000**	**100%**	**64.76%**

In compliance with BSEC Notification No. SEC/CMRRCD/2009—193/193/Admin/34 and SEC/CMRRCD/2009-193/120/Admin/35 for holding 2% shares by each director, 1,335,000 shares each of Mr. Shakhawat Hossain and Mr. Alock Das was transferred to Mrs. Anita Hoque and Mrs. Anita Rani Das respectively.

SECURITIES OWNED BY THE OFFICERS

Name of the Shareholder	Designation	Address	No. of Shares	% of Shareholding (Pre IPO)	% of Shareholding (Post IPO)
Shakhawat Hossain	Managing Director & Director	House # 19 (B), Road # 117/120, Gulshan, Dhaka	7,485,000	13.58%	8.79%
Total			7,485,000	13.58%	8.79%

SHAREHOLDER SHAREHOLDING 5% OR MORE

Name of the Shareholder	Address	No. of Shares	% of Shareholding (Pre IPO)	% of Shareholding (Post IPO)
Paramount Spinning Limited	Navana Tower, (7th Floor), 45 Gulshan C/A, Dhaka	14,700,000	26.67%	17.27%
Paramount Holdings Limited	Navana Tower, (7th Floor), 45 Gulshan C/A, Dhaka	9,800,000	17.78%	11.51%
Shakhawat Hossain	House # 19 (B), Road # 117/120, Gulshan, Dhaka	7,485,000	13.58%	8.79%
Alock Das	House # 19 (B), Road # 117/120, Gulshan, Dhaka	7,485,000	13.58%	8.79%

Samsun Nahar	House # 19 (B), Road # 117/120, Gulshan, Dhaka	6,125,000	11.11%	7.20%
Aparna Ghosh	House # 19 (B), Road # 117/120, Gulshan, Dhaka	6,125,000	11.11%	7.20%
Total		**51,720,000**	**93.83%**	**60.76%**

Section IX

Features of IPO

DETERMINATION OF OFFERING PRICE

Over a short term, even a reasonably well functioning market may depict irrational and abrupt price movements due to investors' exuberance. However, considering a reasonable investment horizon, market provides a fair approximation of consensus value of a particular security according to its exposure to various risk factors and potentials for growth. In a well functioning market, where all the investors are assumed to be rational and risk averse, the investors would not pay more for a particular security with given risk profile than they would for an otherwise similar security. As a result, a rational investor expects the market to reveal the fundamental value of the securities being traded. Nevertheless, in a market with numerous investors and participants, there would be differences in risk aversion, rate of required return and investment horizon. Hence, while deriving at the valuation of the shares of Paramount Textile Limited, the perspective of a prudent investor has been taken into consideration for simplicity. The essential valuation methods delineated by Securities & Exchange Commission (Public Issue) Rules, 2006, have been followed.

Based on the various valuation methods an issue price of **BDT 28.00** for each share of Paramount Textile Limited has been determined. The detail calculation is provided below.

(i) Valuation based on Net Asset Value per Share

While deriving at the valuation of the common stock, the Net Asset Value per share of Paramount Textile Limited has been taken into consideration. The table in the following page illustrates the calculation of Net Asset Value per share at historical basis based on the audited accounts as at June 30, 2012:

Particulars	**As at June 30, 2012 (Figures in Taka)**
Ordinary share capital	551,250,000
Retained earnings	289,566,637
Tax holiday reserve	174,727,395
Holding Gain Reserve	(6,331,065)
Total Shareholder's Equity [A]	**1,009,212,967**
Outstanding no. of Ordinary Share as on June 30, 2012 [B]	**55,125,000**
Net Asset Value per Share [A/B]	**18.31**

The Company has declared 15% cash dividend for the year ended June 30, 2012, thus the Net Asset Value after disbursing cash divided stands at **BDT 16.81** per share. We have considered this while doing valuation for the ordinary shares of the company.

(ii) Valuation based on EPS Calculated on the basis of weighted average Net Profit after Tax

We have calculated the weighted average net profit after tax (NPAT) of the company from start of its commercial operation (September 1, 2009) to June 30, 2012 and multiplied by the average DSE Market P/E multiple[1] of December 2012, January 2013 and February 2013 (12.07, 12.05 and 11.54 respectively) to derive at the earning based value per share of the company.

Sl.	Year Ended on June 30	No. of Shares	Net Profit After Tax (BDT)	Weight of No. of Shares	Weighted Average Net Profit After Tax (BDT)
A	2009	1,000,000	34,900,662	0.83%	289,032
B	2010	9,500,000	179,644,499	7.87%	14,133,522
C	2011	55,125,000	179,509,618	45.65%	81,950,043
D	2012	55,125,000	191,481,938	45.65%	87,415,667
E	Weighted average Net Profit After Tax during the period 2009-2012				**183,788,264**
F	No. of shares outstanding as on June 30, 2012				**55,125,000**
G	EPS based on weighted average Net Profit After Tax **[E / F]**				**3.33**
H	Average DSE Market P/E for December 2012, January 2013 and February 2013				**11.89**
I	Earnings-based-value per share (BDT) **[G X H]**				**39.64**

Determination of Offering Price of PTL Share

The offer price of PTL is derived under the methodologies delineated under Securities & Exchange Commission (Public Issue) Rules, 2006. Finally, to justify the premium we have followed the method as per Rule 8.B.(16)(b) of Securities & Exchange Commission (Public Issue) Rules 2006. The price derived is as follows:

Particulars	Valuation (BDT)
Valuation based on Net Asset Value per Share	**16.81**
Valuation based on weighted average net profit after tax	**39.64**

Based on the above valuation methodologies as per Securities & Exchange Commission (Public Issue) Rules 2006, the issue price of the company in consultation with the Issue Manager is proposed at **BDT 28.00** per share including a premium of **BDT 18.00** per share.

[1] Calculation of relevant P/E multiple: (Source:DSE Monthly Review)

Month	Market P/E	Textile Sector P/E
December 2012	12.07	17.50
January 2013	12.05	17.45
February 2013	11.54	17.38
Average	**11.89**	**17.44**
Relevant P/E Multiple (Lower of three month average P/E of Market and Textile Sector)		**11.89**

MARKET FOR THE SECURITIES BEING OFFERED

The issuer shall apply to all the stock exchanges in Bangladesh with 7 (Seven) working days from the date of consent accorded by the Commission to issue prospectus.

The issuer will apply at:

Dhaka Stock Exchange Limited
9/F, Motijheel Commercial Area, Dhaka 1000.
&
Chittagong Stock Exchange Limited
CSE Building, 1080, Sheikh Mujib Road, Agrabad, Chittagong 4100

DECLARATION ABOUT LISTING OF SHARES WITH STOCK EXCHANGE(S)

None of the stock exchange(s), if for any reason, grants listing within seventy five (75) days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said seventy five (75) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen (15) days, the company's directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (Two Percent) per month above the bank rate, to the subscribers concerned.

The Issue Manager, in addition to the Issuer Company, shall ensure due compliance of the above mentioned conditions and submit compliance report, thereon, to the Commission within seven (7) days of expiry of the aforesaid fifteen (15) days time period allowed for refund of the subscription money.

DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

Dividend, Voting, Preemption Rights

The share capital of the company is divided into ordinary shares and is eligible to receive dividend in terms of the relevant provisions of the Companies Act, 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting right in person or by proxy or power of attorney in connection with, among others, selection of Directors and Auditors and other usual General Meeting whether ordinary or extraordinary. On a show of hands every shareholder present and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him/her. In case of any additional issue of shares for raising further capital, the existing shareholders shall be entitled in terms of the guidelines issued by BSEC time to time.

Conversion and Liquidation Rights

If the Company at any time issues convertible preferences shares or debentures with the consent of BSEC or/and other regulatory authority, such holders of securities shall be entitled to convert such securities into ordinary shares if it is so determined by the Company.

In terms of the provisions of the Companies Act, 1994, Articles of Association of the Company and other relevant rules in force, the shares, if any, of the company are freely transferable. The company shall not charge any fee for registering transfer of shares. No transfer shall be made to firms, minors or persons of unsound mind.

Dividend Policy

1. The profit of the company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association and subject to the provision of the Articles of Association, shall be divisible among the members in proportion to the capital paid up on the shares held by them respectively.

2. The Company in General Meeting may declare dividend to be paid to the members according to their rights and interests in the profits and may fix the time of payment. But no larger dividend shall be declared than is recommended by the Directors, but the Company at its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of net profit of the company shall be conclusive.

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

4. The Directors may, from time to time, pay the members, such interim dividend, as in their judgment, the financial position of the Company may justify.

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

6. There is no limitation on payment of dividends to common stockholders.

Other Rights of the Shareholders

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

The shareholders shall have the right to receive all periodical reports and statements, audited as well as un-audited, published by the company from time to time. The Directors shall present the financial statements as required under the law and Bangladesh Accounting Standards (BAS). Financial Statements will be prepared in accordance with the Bangladesh Accounting Standards, consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and Bangladesh Accounting Standard to the shareholders regarding the financial and operational position of the Company.

In case of any declaration of stock dividend by issue of bonus shares, all shareholders shall be entitled to it, in proportion to their shareholdings, on the date of book closure for the purpose.

The shareholder holding not less than 10% of the issued/fully paid up capital of the company shall have the right to requisition Extra-Ordinary General Meeting of the company as provided under Section 84 of the Companies Act, 1994.

DEBT SECURITIES

The Company has not issued any debt securities and has no future plan as such within six months.

Section X

Plan of Distribution

UNDERWRITING OF SHARES

Initial Public Offering (IPO) for 30,000,000 Ordinary Shares of BDT 10.00 each at an issue price of BDT 28.00 per share (including a premium of BDT 18.00 each) worth BDT 840,000,000 (Taka Eighty Hundred Forty Million Only). As per BSEC's guideline 50% of the said 30,000,000 ordinary shares i.e. 15,000,000 ordinary shares at an issue price of BDT 28.00 each amounting to BDT 420,000,000 (Taka Four Hundred Twenty Million Only) has been underwritten by the following institutions:

Name of Underwriter	Number of Shares Underwritten	Amount (Tk)
BMSL Investment Limited	750,000	21,000,000
Green Delta Insurance Co. Limited	750,000	21,000,000
IDLC Investments Limited	8,250,000	231,000,000
IIDFC Capital Limited	1,500,000	42,000,000
Mutual Trust Bank Limited	1,500,000	42,000,000
LankaBangla Investments Limited	750,000	21,000,000
Prime Finance Capital Management Limited	750,000	21,000,000
Sonali Investment Limited	750,000	21,000,000
	15,000,000	**420,000,000**

PRINCIPAL TERMS AND CONDITIONS OF UNDERWRITING AGREEMENT

1. If and to the extent that the shares offered to the public by a Prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within 10 (Ten) days of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Bangladesh Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares within 15 (Fifteen) days of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.

2. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under the Agreement, until such time as the Cheque/Bank Draft has been en-cashed and the Company's account has been credited.

3. In any case within 7 (Seven) days after the expiry of the aforesaid 15(Fifteen) days, the Company shall send proof of subscription and payment by the underwriter to the Commission.

4. In the case of failure by the underwriter to pay for the shares under the terms mentioned above, the said Underwriter will not be eligible to underwrite any issue, until such time as he fulfils his

underwriting commitment under the Agreement and also other penalties as may be determined by the Commission may be imposed on him.

5. In case of failure by any underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under the Agreement.

6. In case of failure by the Company to call upon the underwriter for the aforementioned purpose within the stipulated time, the Company and its Directors shall individually and collectively be held responsible for the consequence and/or penalties as determined by the Bangladesh Securities and Exchange Commission under the law may be imposed on them.

COMMISSION FOR THE UNDERWRITERS

The company shall pay to the underwriter an underwriting commission at the rate of **0.40%** of 50% of the IPO amount of the issue value of shares underwritten by them out of the Public Issue.

RELATIONSHIP OF OFFICERS OR DIRECTORS OF THE UNDERWRITER(S) WITH THE MEMBER OF BOARD OF THE COMPANY

No Officer or Director of the Underwriter(s) is presently engaged as the director of the company.

LOCK-IN PROVISION

All issued shares of the issuer at the time of according consent to public offering shall be subject to a lock-in period of 3 (Three) years from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons, other than directors and those who hold 5% or more, who have subscribed to the shares of the Company within immediately preceding 2 (Two) years of according consent, shall be subject to a lock-in period of 1 (One) year from the date of issuance of prospectus or commercial operation, whichever comes later.

The following table indicates the pre-IPO and post-IPO shareholders position.

Name of Shareholder	Number of Shares	% of Total Pre Offering Shareholding	% of Shareholding (Post IPO)	Lock in Period from date of Prospectus Issuance
Paramount Spinning Limited	14,700,000	26.67%	17.27%	3 years
Paramount Holdings Limited	9,800,000	17.78%	11.51%	3 years
Shakhawat Hossain	7,485,000	13.58%	8.79%	3 years
Alock Das	7,485,000	13.58%	8.79%	3 years
Samsun Nahar	6,125,000	11.11 %	7.20%	3 years
Aparna Ghosh	6,125,000	11.11%	7.20%	3 years
Anita Hoque	1,702,500	3.09%	2.00%	3 years
Anita Rani Das	1,702,500	3.09%	2.00%	3 years
Total	**55,125,000**	**100.00%**	**64.76%**	

REFUND OF SUBSCRIPTION MONEY

As per BSEC Notification dated February 9, 2010, the issuer shall refund application money to the unsuccessful applicant of the public offer by any of the following manner based on the option given by the applicant in the application form:-

(a) Through banking channel for onward deposit of the refund money into the applicant’s bank account as provided in the respective application form for subscription; or

(b) Through issuance of refund warrant in the name and address of the applicant as provided in the respective application form for subscription

Provided that, in case of deposit into the applicant’s bank account, the applicant will bear the applicable service charge, if any, of the applicant’s banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.

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

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

2. The value of securities applied for by such person may be paid in Taka or US dollar or UK pound sterling or EURO at the rate of exchange mentioned in the securities application form.

3. Refund against oversubscription shall be made in the currency in which the value of securities was paid for by the applicant through Account Payee bank cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form. If the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue and other banks as mentioned below, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms.

AVAILABILITY OF SECURITIES

1. Securities

	Securities	No. of Shares	Total Amount (BDT)
A.	20% of IPO of Ordinary Shares are reserved for affected small investors (¶wZM¯Í ¶`ª wewb‡qvMKvix)	6,000,000	168,000,000
B.	10 % of IPO of Ordinary Shares shall be reserved for Non Resident Bangladeshis	3,000,000	84,000,000
C.	10 % of IPO of Ordinary Shares shall be reserved for Mutual funds and Collective Investment schemes registered with the Commission	3,000,000	84,000,000
D.	60 % of IPO of Ordinary Shares shall be opened for Subscription by the General Public	18,000,000	504,000,000
	Total	**30,000,000**	**840,000,000**

2. All securities as stated in 1 (A), 1(B), 1(C) and 1(D) shall be offered for subscription and subsequent allotment by the Issuer, subject to any restriction, which may be imposed, from time to time, by the Bangladesh Securities and Exchange Commission.
3. In case of over-subscription, under any of the categories mentioned in the clause 1 (A), 1(B), 1(C) and 1(D), the Issue Manager shall conduct an open lottery of all the applications received under each category separately in accordance with the letter of consent issued by the Bangladesh Securities and Exchange Commission.
4. In case of under-subscription, under any of the 20% and 10% category as mentioned in clause 1(A), 1(B) and 1(C), the unsubscribed portion shall be added to the general public category, and, if after such addition there is over-subscription in the general public category the issuer and the issue manager shall jointly conduct an open lottery of all the applicants added together.
5. In case of under-subscription of the public offering, the unsubscribed portion of shares shall be taken up by the underwriter(s).
6. The lottery as stated in clause (3) and (4) should be conducted in the presence of the representatives of Issuer, Stock Exchange(s) and the applicants, if there be any.

ALLOTMENT

The company reserves the right of accepting any application, either in whole, or in part, successful applicants will be notified by the dispatch on an allotment letter by registered post/courier. Letter of allotment and refund warrants will be issued within 5(five) weeks from the closing of the subscription. After allotment the company will have to transfer the shares to the allotees' Beneficiary Owners (BO) account, which has been mentioned in the application form.

The company shall issue share allotment letter to all successful applicants, within 5(five) weeks, from the date of the subscription closing date. At the same time, the unsuccessful application shall be refunded with the application money within 5 (five) weeks from the closing of the subscription date, by Account Payee Cheque, without interest payable at Dhaka/Chittagong/Khulna/Rajshahi/Barisal/Sylhet/Bogra as the case may be.

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

APPLICATION FOR SUBSCRIPTION

1. Application for shares may be made for a minimum lot of 250 units of shares to the value of BDT 7,000 (Taka Seven Thousands Only) and should be made on the company's Printed Application Forms. Application Forms and Prospectus may be obtained from the Registered Office of the Company, members of Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, or from the Bankers to the issue. In case, adequate Forms are not available, applicants may use photocopied/ cyclostyled/ handwritten/typed copies of the Forms. Applications must not be for less than 200 units of share. Any application not meeting this criterion will not be considered for allotment purpose.

2. Joint application form for more than two (2) persons will not be accepted. In the case of joint application, each party must sign the application form.

3. Application must be in full name of individuals, or limited companies, or trusts or societies, and not in the name of firms, minors or persons of unsound mind. Applications from insurance, financial and market intermediary companies and limited companies must be accompanied by Memorandum and Articles of Association of that company.

4. **An applicant cannot submit more than two applications, one in his own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**

5. **The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.**

6. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission may forfeit whole or part of their application too.**

7. An IPO applicant shall ensure his/her BO account remains operational till the process of IPO (including securities allotment or refund of IPO application) is completed. If any BO account mentioned in the IPO application is found closed, the allotted security may be forfeited by BSEC.

8. Bangladeshi Nationals (including non-resident Bangladeshi Nationals working abroad) and foreign nationals shall be entitled to apply for shares.

9. Payment for subscription by investors other than Non-Resident Bangladeshi may be made to the said branches/offices of the banks mentioned in the application forms in Cash/Cheque/Pay Order/Bank Draft. The Cheque/ Pay Order/ Bank Draft shall be made payable to the bank to which it is sent, be marked "Paramount Textile Limited", shall bear the crossing "A/C Payee Only" and must be drawn on a bank in the same town of the bank to which application form is deposited.

10. A Non-Resident Bangladeshi (NRB) shall apply against the Public Offer either directly by enclosing a foreign demand draft, drawn on a bank payable at Dhaka, or through a nominee (including a Bank or a Company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of securities applied for. The value of securities applied for may be paid in Taka, US Dollars, Great Britain Pounds or Euro at the spot buying (TT Clean) rate of exchange prevailing the date of opening of subscription. Refund against over subscription of shares shall be made in the currency, in which the value of shares, applied for, was paid by the applicant. Share application form against the quota for NRB shall be sent by the applicant directly along with a bank draft or cheque to the company at its registered office. Copies of application form and prospectus shall be available with the Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain, Malaysia, and South Korea and on the website of the BSEC, Issuer Company, Issue Manager, DSE and CSE.

11. All completed application forms together with remittances for the full amount, payable on application, shall be lodged by investors other than Non-Resident Bangladeshis with any of the branches of the Bankers to the Issue.

12. The IPO subscription money collected from investors (other than non-resident Bangladeshis in USD/GBP/EURO) by the Bankers to the Issue will be remitted to the Account **"Paramount Textile Limited"** Account No. **1501202249220001** with **BRAC Bank Limited** for this purpose.

13. The subscription money collected from Non-Resident Bangladeshis in US Dollars or Great Britain Pounds or Euro shall be deposited to three FC accounts opened by the Company for IPO purpose as follows:

Name of FC Account	**Currency**	**Account No.**	**Bank**
Paramount Textile Limited	US Dollar	**1501202249220002**	BRAC Bank Limited
Paramount Textile Limited	GB Pound	**1501202249220003**	BRAC Bank Limited
Paramount Textile Limited	Euro	**1501202249220004**	BRAC Bank Limited

14. In the case of over-subscription of securities to the NRB applicants, refund shall be made by the Company out of the “FC Account for IPO”. The Company has already opened the aforesaid FC Accounts and shall close these FC Accounts after refund of over-subscription, if any.

15. ক্ষতিগ্রস্থ ক্ষুদ্র বিনিয়োগকারীগণ সকল পাবলিক ইসুতে একক অথবা যৌথ হিসাবের যে কোনটি অথবা উভয়টি হতে সংরক্ষিত ২০% কোটায় আবেদন করতে পারবেন । তবে তারা ইচ্ছা করলে ক্ষতিগ্রস্থ সংরক্ষিত ২০% কোটায় আবেদন না করে সাধারণ বিনিয়োগকারীদের জন্য নির্ধারিত কোটায়ও আবেদন করতে পারবেন ।

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

TRADING AND SETTLEMENT

Trading and settlement regulation of the stock exchanges shall apply in respect of trading and settlement of the shares of the Company

The issue shall be placed in Category “N” with DSE and CSE

BANKERS TO THE ISSUE

The following banks have agreed to work as Bankers to the Issue for the IPO. The designated branch list for Collection of IPO Subscription money is as follows:

BRAC Bank Limited			
Asad Gate Branch, Dhaka	Donia Branch, Dhaka	Khulna Branch, Khulna	Rampura Branch, Dhaka
Agrabad Branch, Chittagong	Graphics Building Branch, Motijheel	Manda Branch, Dhaka	Rajshahi Branch, Rajshahi
Banani Branch, Dhaka	Eskaton Branch, Dhaka	Mirpur Branch, Dhaka	Shyamoli Branch, Dhaka
Bashundhara Branch, Dhaka	Gulshan Branch, Dhaka	Momin Road Branch, Chittagong	Uttara Branch, Dhaka
Barisal Branch, Barisal	Halishohor Branch, Chittagong	Narayangonj Branch, Narayangonj	Zindabazar Branch, Sylhet
Bogra Branch, Bogra	Jessore Branch, Jessore	Nawabpur Branch, Dhaka	
CDA Avenue Branch, Chittagong	Kazirdeuri Branch, Chittagong	Patia Branch, Chittagong	

Investment Corporation of Bangladesh			
Barisal Branch, Barisal	Chittagong Branch, Chittagong	Khulna Branch, Khulna	Rajshahi Branch, Rajshahi
Bogra Branch, Bogra	Head Office, Dhaka	Local Office, Nayapaltan, Dhaka	Sylhet Branch, Sylhet

Islami Bank Bangladesh Limited			
Agrabad Branch, Chittagong	Farmgate Branch, Dhaka	Kushtia Branch, Kushtia	New Market Branch, Dhaka
Barisal Branch, Barisal	Feni Branch, Feni	Local Office, Dhaka (Controlling Branch)	Pabna Branch, Pabna
Bogra Branch, Bogra	Foreign Exchange Branch, Dhaka	Mirpur Branch, Dhaka	Rajshahi Branch, Rajshahi
Chawk Mugaltuly Branch, Dhaka	Gulshan Branch, Dhaka	Motijheel Branch, Dhaka	Shyamoli Branch, Dhaka
Chowmuhani Branch, Noakhali	Jatrabari Branch, Dhaka	Mouchak Branch, Dhaka	Sylhet Branch, Sylhet
Comilla Branch, Comilla	Jessore Branch, Jessore	Moulvi Bazar Branch, Moulvi Bazar	Uttara Branch, Dhaka
Cox's Bazar Branch, Cox's Bazar	Khatunganj Branch, Chittagong	Narayangonj Branch, Narayangonj	
Dinajpur Branch, Dinajpur	Khulna Branch, Khulna	Nawabpur Road Branch, Dhaka	

Jamuna Bank Limited			
Agrabad Branch	Feni Branch	Malibagh Branch	Shantinagar Branch
Banani Branch	Gulshan Branch	Mirpur Branch	Sonargaon Road Branch
Barishal Branch	Islampur Branch	Mohakhali Branch	Sylhet Branch
Bogra Branch	Jessore Branch	Motijheel Branch	Uttara Branch
Comilla Branch	Jublee Road Branch	Mymensingh Branch	
Dhanmondi Branch	Khatungonj Branch	Narayanganj Branch	
Dilkusha Branch	Kushtia Branch	Rajshahi Branch	

Mutual Trust Bank Limited			
Babu Bazar Branch, Dhaka	MTB Corporate Centre Br, Dhaka	Narayanganj Branch, Narayanganj	Rangpur Branch, Rangpur
Banani Branch, Dhaka	Pallabi Branch, Dhaka	Sonargaon Branch, Narayanganj	Bogra Branch, Bogra
Dhanmondi Branch, Dhaka	Panthapath Branch, Dhaka	Agrabad Branch, Chittagong	Pabna Branch, Pabna
Dholaikhal Branch, Dhaka	Principal Branch, Dhaka	Alankar Mour Branch, Chittagong	Kushtia Branch, Kushtia
Dilkusha Branch, Dhaka	Progati Sarani Branch, Dhaka	CDA Avenue Branch, Chittagong	Sylhet Branch, Sylhet
Elephant Road Branch, Dhaka	Savar Branch, Dhaka	Jubilee Road Branch, Chittagong	Moulvi Bazar Branch, Sylhet
Fulbaria Branch, Dhaka	Shanir Akhra Branch, Dhaka	Khatunganj Branch, Chittagong	Gournadi Branch, Barisal
Gulshan Branch, Dhaka	Tongi Branch, Dhaka	Feni Branch, Feni	Jessore Branch, Jessore
Mohammadpur Branch, Dhaka	Uttara Model Town Branch, Dhaka	Rajshahi Branch, Rajshahi	Habigonj Branch, Hobigonj

National Bank Limited			
Agrabad Branch, Chittagong	Elephant Road Branch, Dhaka	Lake Circus Branch, Dhaka	Pahartali Branch, Chittagong
Anderkillah Chittagong	Faridpur Branch, Faridpur	Malibagh Branch, Dhaka	Pragati Sarani Branch, Dhaka
Asadgate Branch, Dhaka	Feni Branch, Feni	Mirpur Branch, Dhaka	Rajshahi Branch, Rajshahi
Babubazar Branch, Dhaka	Foreign Ex. Branch, Dhaka	Mohakhali Branch, Dhaka	Rangpur Branch, Rangpur
Banani Branch, Dhaka	Gazipur Branch, Gazipur	Mohammadpur Branch, Dhaka	Rifles Square Branch, Dhaka
Bandura Branch, Dhaka	Gulshan Branch, Dhaka	Motijheel Branch, Dhaka	Rokeya Sarani Branch, Dhaka
Bangshal Road Branch, Dhaka	Halishahar Branch, Chittagong	Moulovibazar Branch, Moulovibazar	S.k. Mojib Road Branch
Barisal Branch, Barisal	Imamganj Branch, Dhaka	Muradpur Branch, Chittagong	Savar Bazar Branch, Savar, Dhaka
Bogra Branch, Bogra	Islampur Branch, Dhaka	Mymensingh Branch, Mymensingh	Sunamgonj Branch, Sunamgonj
CDA Avenue Branch.Chittagong	Jatrabari Branch, Dhaka	Narayangonj Branch, Narayangonj	Sylhet Branch, Sylhet
Chawk Bazar Branch, Chittagong	Jessore Branch, Jessore	Narsingdi Branch, Narsingdi	Tangail Branch, Tangail
Chowmuhani Branch, Noakhali	Jubilee Road Branch, Chittagong	Netaigonj Branch, Narayangonj	Tongi Branch, Gazipur
Comilla Branch, Comilla	Kawran Bazar Branch, Dhaka	New Eskaton Branch, Dhaka	Uttara Branch, Dhaka
Dhanmondi Branch, Dhaka	Khatungong Branch, Chittagong	North Brook Hall Branch, Dhaka	Z. H. Sikder M.C. Branch, Dhaka
Dilkusha Branch, Dhaka	Khulna Branch, Khulna	Pagla Bazaar Branch, Narayangonj	Zindabazar Branch, Sylhet

One Bank Limited			
Agrabad Branch, Chittagong	Elephant Road Branch, Dhaka	Khatunganj Branch, Chittagong	Raipur Branch, Laxmipur
Banani Branch, Dhaka	Feni Branch, Feni	Laksham Branch, Comilla	Rajshahi Branch Rajshahi
Banasree Branch, Dhaka	Ganakbari (EPZ) Branch, Savar	Laldighipar Branch, Sylhet	Ramganj Branch, Laxmipur
Bangshal Branch, Dhaka	Gulshan Branch, Dhaka	Madhabdi Branch, Narsingdi	Rangamati Branch, Rangamati
Basabo Branch, Dhaka	Imamganj Branch, Dhaka	Maijdee Court Branch, Noakhali	Satkhira Branch, Satkhira
Bogra Branch, Bogra	Islampur Branch, Sylhet	Mirpur Branch, Dhaka	Shahjadpur Branch, Sirajgonj

CDA Avenue Branch, Chittagong	Jagannathpur Branch, Dhaka	Moghbazar Branch, Dhaka	Sherpur Branch, Moulvi bazar
Chandargonj Branch, Lakshmipur	Jatrabari Branch, Dhaka	Motijheel Branch, Dhaka	Sirajgonj Branch, Sirajgonj
Chowmohoni Branch, Chowmohoni	Jessore Branch, Jessore	Nanupur Bazar Branch, Chittagong	Sitakunda Branch, Chittagong
Comilla Branch, Comilla	Joypara Branch, Dhaka	Narayanganj Branch, Narayanganj	Sylhet Branch, Sylhet
Cox's Bazar Branch, Cox's Bazar	Jubilee Road Branch, Chittagong	Nawabgonj Branch, Dhaka	Tongi Branch, Gazipur
Dagon bhuiyan Branch, Feni	Kakrail Branch, Dhaka	Principal Branch, Dilkusha, Dhaka	Uttara Branch, Dhaka
Dhanmondi Branch, Dhaka	Kawran Bazar Branch, Dhaka	Progoti Sharani Branch, Dhaka	
Pubali Bank Limited			
Agrabad Corporate Branch.	Foreign Exchange Corporate Branch,	Mohakhali Corporate Branch, Dhaka	Sunamgonj Branch, Sunamgonj
Barisal Branch, Barisal	Gopalgonj Branch, Gopalgonj	Motijheel Corporate Branch, Dhaka	Sylhet Main Branch, Sylhet
C.D.A Corporate Branch, Chittagong	Gulshan Model Town Branch	Narayanganj Branch, Narayanganj	Tangail Main Branch, Tangail
Comilla Branch, Comilla	Jessore Branch, Jessore	Principal Branch, Dhaka	Uttara Model Town Branch, Dhaka
Dargahgate Branch, Sylhet	Khatunganj Branch, Chittagong	Rajshahi Branch, Rajshahi	
Dhaka Stadium Corporate Branch,	Khulna Branch, Khulna	Sadarghat Branch, Dhaka	
Feni Branch, Feni	Laldighi east Branch, Chittagong	Sreemangal Branch, Moulvibazar	
Standard Bank Limited			
Agrabad Branch, Chittagong	Gulshan Branch, Gulshan 2, Dhaka	Mirpur Branch, Dhaka	Principal Branch, Dhaka
Banani Branch, Dhaka	Imamgonj Branch, Dhaka	Moulvi Bazar Branch, Sylhet	Rajshahi Branch, Rajshahi
Beani Bazar Branch, Sylhet	Jessore Branch, Jessore	Mymensingh Branch, Mymensingh	Rangpur Branch, Rangpur
CDA Avenue Branch, Chittagong	Jubilee Road Branch, Chittagong	Narayangonj Branch, Narayangonj	Sadarghat Branch, Chittagong
Dhanmondi Branch, Dhaka	Khatungonj Branch, Chittagong	Nawabpur Road Branch, Dhaka	Sylhet Branch, Sylhet
Foreign Exchange Branch, Dhaka	Khulna Branch, Khulna	Panthapath Branch, Dhaka	Topkhana Road Branch, Dhaka
Green Road Branch, Dhaka	Kushtia Branch, Kushtia	Pragoti Sarani Branch, Dhaka	Uttara Branch, Dhaka
The City Bank Limited			
Agrabad Branch, Chittagong	Comilla Branch, Comilla	Khatungonj Branch, Chittagong	Principal office Branch, Dhaka
Amborkhana Branch, Sylhet	Cox's Bazar Branch, Chittagong	Khulna Branch, Khulna	Rajshahi Branch, Rajshahi
Andarkilla Branch, Chittagong	Dhanmondi Branch, Dhaka	Moulvi Bazar Branch, Sylhet	Rangpur Branch, Rangpur
Bandar Bazar Branch, Sylhet	Imamgonj Branch, Dhaka	Narsingdi Branch, Narsingdi	Shaymoli Branch, Dhaka
Bangabandhu Road Br, Narayangonj	Islampur Branch, Dhaka	Nawabgonj Branch, Dhaka	Sirajgonj Branch, Sirajgonj
Barisal Branch, Barisal	Jessore Branch, Jessore	Nawabpur Branch, Dhaka	Tongi Branch, Gazipur
B. B. Avenue Branch, Dhaka	Johnson Road Branch, Dhaka	New Market Branch, Dhaka	VIP Road Branch, Dhaka
Bogra Branch, Bogra	Jubilee Road Branch, Chittagong	Pahartoli Branch, Chittagong	Zinda Bazar Branch, Sylhet
Chawkbazar Branch, Chittagong	Kawran Bazar Branch, Dhaka	Pragati Sarani Branch, Dhaka	Zinzira Branch, Dhaka
Trust Bank Limited			
Ashugonj Branch, Ashugonj	Elephant Road Branch, Dhaka	Karwan Bazar Branch, Dhaka	Rajshahi Branch, Rajshahi
Ashulia Branch, Dhaka	Feni Branch, Feni	Khulna Branch, Khulna	Rangpur Cantonment Branch,
Barishal Branch, Barishal	Halishahar Branch, Chittagong	Khwaja Younus Ali Medical College &	S.S. Cantonment Branch, Tangail
Bogra Cantonment Branch, Bogra	Jalalabad Cantonment Br, Sylhet	Mirpur Branch, Dhaka	Savar Cantonment Branch, Dhaka
Chowmohoni Branch, Chowmohoni	Jessore Cantonment Branch, Jessore	Momenshahi Cant. Br., Mymensigh	Shahjalal Uposhohor Branch, Sylhet
Comilla Branch, Dhaka	Joydebpur Branch, Gazipur	Narayangonj Branch, Narayangonj	Tongi Branch
Comilla Cantonment Branch, Comilla	Joypara Branch, Dhaka	Narsingdi Branch, Narsingdi	Uttara Corporate Branch, Dhaka
Dhanmondi Branch, Dhaka	Kadamtali Branch, Chittagong	Principal Branch, Dhaka	
Dilkusha Corporate Branch, Dhaka	Kafrul Branch, Dhaka	Radisson Garden Hotel Branch, Dhaka	

Section XII

Material Contract & Others

MATERIAL CONTRACT

1. Underwriting Agreements between the Company and the Underwriters.
2. Issue Management Agreement between the Company and IDLC Investments Limited
3. Contract between the company and the Central Depository Bangladesh Limited (CDBL).

The copies of the aforementioned contracts and documents and a copy of Memorandum of Association and Articles of Association of the Company and the Consent Letter from BSEC may be inspected, on any working day, during office hours, at the Registered Office of the Company and the Issue Manager.

MANAGER TO THE ISSUE

IDLC Investments Limited, Corporate Head Office, Eunoos Trade Center (Level 21), 52-53 Dilkusha C/A, Dhaka 1000 is acting as the Issue Manager for the public issuance of shares through Initial Public Offering.

The issuer shall pay an amount of Tk 2,000,000 (Taka Two Million Only) as issue management fee.

COMMISSION TO THE BANKERS TO THE ISSUE

Commission at the rate of 0.10% of the amount collected will be paid to the Bankers to the Issue for the services to be rendered by them.

Section XIII

Corporate Directory

Registered Office	**Paramount Textile Limited** Navana Tower (Level 7), Gulshan C/A, Dhaka 1212, Bangladesh
Corporate Office	**Paramount Textile Limited** Chaklader House (Level 6), House No. 22, Road No. 113/A, Gulshan 2, Dhaka 1212 Telephone: 9890618, 9890467, Fax: 9890783 Website: www.paramountgroupbd.com
Auditors	**Howlader Yunus & Co.** Chartered Accountants 67, Dilkusha C/A (2nd Floor) Dhaka- 1000 Telephone: 9554119, 9551872, Fax: 9552989 Website: www.howladaryunus.com
Manager to the Issue	**IDLC Investments Limited** Eunoos Trade Center (Level 21) 52-53 Dilkusha C/A, Dhaka 1000 Telephone: 9571170, Fax: 9571171 Website: www.idlc.com
Lead Banker to the Issue	**BRAC Bank Limited** 1 Gulshan Avenue, Gulshan 1 Dhaka 1212 Telephone: 8836501-28, Fax: 9898910 Website: www.bracbank.com
Company's Compliance Officer	**Mr. Md. Nuruzzaman Chowdhury** Sr. DGM (Accounts & Finance) & Company Secretary (In charge) Paramount Textile Limited

All investors are hereby informed that **Mr. Md. Nuruzzaman Chowdhury** would be designated as Compliance Officer who will monitor the compliance of the acts, rules, regulations, notifications, guidelines, conditions, orders/directions etc. issued by the Commission and/or stock exchange(s) applicable to the conduct of the business activities of the Company so as to promote the interest of the investors in the security issued by the Company, and for redressing investors' grievances.

AUDITOR'S REPORT TO THE SHAREHOLDERS OF PARAMOUNT TEXTILE LIMITED

We have audited the accompanying Financial Statements of Paramount Textile Limited, which comprise the Statement of Financial Position as at June 30, 2012 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Paramount Textile Limited as at June 30, 2012, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs).

We also report that:

- **a)** we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- **b)** in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- **c)** the Statement of Financial Position and Statement of Comprehensive Income dealt with the report are in agreement with the books of accounts and returns.
- **d)** the expenditure incurred and payments made were for the purpose of the Company's business for the period.

Sd/-

Howlader Yunus & Co. — Dated: Dhaka

Chartered Accountants — 7 October, 2012

Paramount Textile Limited
Statement of Financial Position
As at 30 June, 2012

Amount in Taka

Particulars	Notes	30-06-2012	30-06-2011
ASSETS			
Non-current assets		**1,709,346,088**	**1,954,734,741**
Property, plant and equipment	5.00	1,631,169,400	1,655,311,438
Capital Work in Progress	6.00	78,176,688	299,423,303
Current assets			
Inventories	7.00	899,906,607	867,174,367
Trade receivables	8.00	1,044,063,035	337,327,753
Advance, deposits & prepayments	9.00	63,653,001	42,901,337
Investments	10.00	15,620,104	14,048,347
Deferred Tax Asset	17.00	402,898	
Cash & Bank Balances	12.00	5,831,934	7,754,308
		2,029,477,579	**1,269,206,111**
Total assets		**3,738,823,667**	**3,223,940,852**
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary share capital	13.00	551,250,000	551,250,000
Retained earnings		289,566,637	138,967,154
Tax holiday reserve	14.00	174,727,395	133,837,624
Holding Gain Reserve	11.00	(6,331,065)	-
		1,009,212,967	**824,054,778**
Deferred Tax Liability	17.00	-	3,184,410
Non-current liabilities			
Long term loan	18.00	647,728,591	918,848,039
Current liabilities			
Trade and other payables	20.00	698,917,979	747,195,649
Liability for Expenses	21.00	35,883,443	21,143,060
Short term loan	22.00	899,484,513	354,525,026
Current Maturity of long term loan	19.00	435,258,000	342,258,000
Income tax provision	32.00	12,338,173	12,731,890
		2,081,882,108	**1,477,853,626**
Total equity and liabilities		**3,738,823,667**	**3,223,940,852**

The annexed notes form an integral part of these financial statements

Sd/-	Sd/-	Sd/-
Managing Director	**Director**	**Director**

Signed as per our annexed report of even date

Sd/-
Chartered Accountants

Dated: Dhaka
7 October 2012

Paramount Textile Limited
Statement of Comprehensive Income
For the year ended 30 June, 2012

Amount in Taka

Particulars	Notes	30-06-2012	From July-10 to August-10	From Sep-10 to Jun-11	30-06-2011
Revenue	23.00	2,849,711,651	399,233,019	1,801,903,540	2,201,136,560
Cost of sales	24.00	(2,241,020,681)	(294,395,939)	(1,318,337,063)	(1,612,733,002)
Gross profit		608,690,970	104,837,080	483,566,477	588,403,558
Distribution costs	25.00	(17,747,042)	(1,506,894)	(13,407,895)	(14,914,789)
Administrative expenses	26.00	(79,892,266)	(15,750,283)	(77,175,396)	(92,925,679)
		(97,639,308)	(17,257,177)	(90,583,291)	(107,840,468)
Profit from operations		**511,051,662**	**87,579,903**	**392,983,186**	**480,563,090**
Finance costs	27.00	(296,413,182)	(41,653,898)	(225,174,603)	(266,828,502)
Provision for loss of investment in shares	28.00	-	(533,358)	(2,666,789)	(3,200,147)
Other income	29.00	(2,132,010)	13,440	1,898,566	1,912,006
Exchange gain/ (loss)	30.00	1,475,637	(20,529)	(7,228,704)	(7,249,233)
		(297,069,555)	**(42,194,345)**	**(233,171,530)**	**(275,365,877)**
Profit/(loss) before WPP & WF		**213,982,108**	**45,385,558**	**159,811,656**	**205,197,214**
Provision for contribution to WPP & WF		(10,189,624)	(2,161,217)	(7,610,079)	(9,771,296)
Profit before tax		**203,792,484**	**43,224,341**	**152,201,577**	**195,425,918**
Provision for tax					
Income tax	31.00	(15,897,854)	(5,040)	(12,726,850)	(12,731,890)
Deferred Tax Income	15.00	3,587,308	-	(3,184,410)	(3,184,410)
		(12,310,545)	**(5,040)**	**(15,911,260)**	**(15,916,300)**
Net profit/ (loss) after tax		**191,481,938**	**43,219,301**	**136,290,317**	**179,509,618**
Tax holiday reserve	14.00	(40,889,771)	(17,284,361)	(30,060,602)	(47,344,963)
Net profit after tax & tax holiday reserve		**150,592,167**	**25,934,941**	**106,229,715**	**132,164,655**
Other Comprehensive Income					
Holding Gain Reserve	16.00	**(6,331,065)**	**-**	**-**	**-**
Total Comprehensive Income		**144,261,102**	**25,934,941**	**106,229,715**	**132,164,655**
Basic Earnings Per Share	33.00	3.47			3.88

The annexed notes form an integral part of these financial statements

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Signed as per our annexed report of even date

Sd/-
Chartered Accountants

Dated: Dhaka
7 October 2012

Paramount Textile Limited
Statement of Cash Flows
For The Year Ended 30 June, 2012

Particulars	30-06-2012	30-06-2011
A) Cash flows from operating activities		
Cash received from operating activities		
Cash received from customer	2,142,976,369	2,048,277,743
Cash received from other income	28,868	-
	2,143,005,238	**2,048,277,743**
Cash paid for operating activities:		
Cash paid to suppliers	1,586,715,311	1,103,484,685
Wages & Salaries	225,415,752	176,448,167
Factory Overhead	176,629,226	138,987,844
Administrative overhead	74,348,072	75,037,749
Selling Overhead	17,747,042	14,914,789
Financial Charges	296,413,182	266,828,500
Advance , Deposits & Pre-payments	20,751,664	(5,511,938)
Exchange Loss	(1,475,637)	7,249,233
Provision for contribution to WPP & WF	400,000	-
Income Tax Paid	11,000,000	-
Advance Tax Paid	5,284,255	-
	2,413,228,866	**1,777,439,029**
Net cash flows from operating activities	**(270,223,629)**	**270,838,714**
B) Cash flows from Investing Activities		
Payment of Investment in Shares	(10,063,700)	(8,870,900)
Payment of Fixed Assets Purchased	(88,475,085)	(310,953,919)
Net cash Increase from Investing activities	**(98,538,785)**	**(319,824,819)**
C) Cash flows from Financing Activities		
Payment for Share Money Deposit	-	(70,000,000)
Payment for Bank Overdraft	(10,141,297)	99,701,525
Proceeds from Loan against trust receipts (LTR)	259,043,307	99,184,268
Proceeds from Inland bills purchases (IBP)	296,057,477	-
Payment of Inter Company Loan	-	(27,625,883)
Payment of Term Loan	**(178,119,447)**	(47,391,291)
Share Capital (New Share Issued)	**-**	-
Net cash flows used in financing activities	**366,840,040**	**53,868,618**
Net increase in cash and cash equivalents	**(1,922,374)**	**4,882,514**
Cash and cash equivalents, beginning of year	**7,754,308**	**2,871,794**
Cash and cash equivalents, end of year	**5,831,934**	**7,754,308**

Sd/-	Sd/-	Sd/-
Managing Director	**Director**	**Director**

Dated: Dhaka
7 October 2012

Paramount Textile Limited
Statement of Changes in Equity
For the year ended 30 June, 2012

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Tax Holiday Reserve	Holding Gain Reserve	Total
Balance as at 1 July 2009	551,250,000	-	138,967,154	133,837,624	-	824,054,778
Share Money Received	-	-	-	-	-	-
Issue of Ordinary share to shareholders	-	-	-	-	-	-
Issue of Bonus share to shareholders	-	-	-	-		-
Current Year	-	-	150,592,167	40,889,771	(6,331,065)	185,150,873
Tax adjustment	-	-	7,316	-	-	-
	-	-	-	-	-	-
Total Equity	**551,250,000**	**-**	**289,566,637**	**174,727,395**	**(6,331,065)**	**1,009,205,651**

Paramount Textile Limited
Statement of Changes in Equity
For the year ended 30 June, 2011

Particulars	Share Capital (Taka)	Share Money Deposit (Taka)	Retained Earnings (Taka)	Tax Holiday Reserve (Taka)	Holding Gain Reserve	Total (Taka)
Balance as at 1 July 2010	95,000,000	425,000,000	108,052,499	86,492,661	-	714,545,160
Issue of Ordinary share to shareholders	355,000,000	(355,000,000)	-	-	-	-
Issue of Bonus share to shareholders	101,250,000	-	(101,250,000)	-	-	-
Refund of Share Money Deposit	-	(70,000,000)		-	-	(70,000,000)
Net Profit after Tax & Tax Holiday Reserve for this year	-	-	132,164,655	-	-	132,164,655
Tax Holiday Reserve	-	-		47,344,963	-	47,344,963
Total Equity	**551,250,000**	**-**	**138,967,154**	**133,837,624**	**-**	**824,054,778**

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director
Dated: Dhaka
7 October 2012

Paramount Textile Limited
Notes to the Financial Statements
For the year ended 30 June 2012

1. Introduction

1.01. Corporate History of Reporting Entity

Paramount Textile Limited was incorporated in Bangladesh in 2006 under the Companies Act 1994. It commenced its manufacturing operation in 2008. It is engaged in manufacturing high quality yarn dyed woven fabric that are consumed by the export oriented garments industries in Bangladesh. The weaving unit has started its operation on September 01, 2008; however the dyeing unit has not come into operation up to June 30, 2009.

1.02. Corporation & other offices

The registered office of the company is located at Navana Tower (Level # 7), Gulshan C/A, Dhaka – 1212, Bangladesh. The industrial units are located at Vill- Gilarchala, P.S. – Sreepur, Dist – Gazipur, Bangladesh.

1.03 Nature of Business activities

The principal activities of the Company is to carry on the business of manufacturing high quality yarn dyed woven fabric that is consumed by the export oriented garments industries in Bangladesh.

1.04 Capital Structure of the Company.

Name of Shareholders	No. of Holding Shares	Percentage %
Paramount Spinning Ltd.	14,700,000	26.66%
Paramount Holdings Ltd.	9,800,000	17.78%
Mr. Md. Shakhawat Hossain	7,485,000	13.58 %
Mr. Alock Das	7,485,000	13.58 %
Mrs. Samsun Nahar	6,125,000	11.11 %
Mrs. Aparna Ghosh	6,125,000	11.11%
Mrs. Anita Hoque	1,702,500	3.09%
Mrs. Anita Rani Das	1,702,500	3.09%
Total	**55,125,000**	**100%**

2. Basis of Preparation

2.01 Statement of Compliance

The financial statements have been prepared and the disclosures of information made in accordance with the requirements of the companies Act 1994, the Securities and Exchange rules 1987 as applicable, and BASs, adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), & Bangladesh Financial reporting Standard (BFRS) as long as applicable for the company.

Applicable Bangladesh Accounting Standards (BAS)

The following BASs are applicable for the year under review:

BAS-1	Presentation of financial statements
BAS- 2	Inventories
BAS -7	Statements of Cash Flow
BAS-10	Events after the Balance Sheet date
BAS-12	Income Taxes
BAS-16	Property, Plant and Equipments
BAS-18	Revenue
BAS-19	Employee Benefits
BAS- 21	The Effects of Changes in Foreign Exchange Rates
BAS-23	Borrowing Costs
BAS-24	Related Party Disclosures
BAS-32	Financial Instrument: Presentation
BAS-33	Earning Per Share
BAS-37	Provisions, Contingent Liabilities and Contingent Assets
BAS-39	Financial Instrument: Recognition and Measurement

2.02 Measurement bases used in preparing the Financial Statements

The elements of financial statements have been measured on "Historical Cost" basis, which is one of the most commonly adopted base provided in "the framework for the preparation and presentation of financial statements" issued by the International Accounting Standard Committee (IASC).

2.03 Functional and Reporting Currency

The financial statements are presented in Bangladesh Currency (Taka) which has been rounded-off to the nearest Taka, though the major sales and procurement activities were carried out in US Dollar & GBP. Foreign currency transactions are recorded at the applicable rates exchange ruling at the transaction date in accordance with BAS 21: The effects of changes in foreign exchange Rate. Foreign currency transaction are translated at the balance sheet date are changed / credited to the profit and loss account whenever arise.

2.04 Risk and Uncertainties for use of Estimates in preparation of financial statements.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure requirements for contingent assets and liabilities during and at the date of financial statements. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by BAS 8: Accounting Policies, Changes in Accounting Estimates and Errors.

2.05 Going Concern

It was reviewed by the management; there was no significant going concern threat available in the operation of the company.

2.06 Components of the Financial Statements

According to the International Accounting Standard (IAS) 1 as adopted by ICAB as BAS 1 "Presentation of Financial Statements" the complete set of financial statements includes the following components:

i) Statement of Financial Position

ii) Statement of Comprehensive Income

iii) Statement of Cash Flow

iv) Statement of Changes in Equity

v) Notes to the Financial Statements

The basis of preparation of Financial Statements is the "Historical Cost Convention".

2.07 Responsibility for preparation and presentation of financial statements.

The board of Directors is responsible for the preparation and presentation of financial statements under section 183 of the Companies Act, 1994 and as per the provision of “the framework for the preparation and presentation of financial statement” issued by the International Accounting Standard Committee (IASC) as adopted by the Institute of the Chartered Accountants of Bangladesh (ICAB).

3. Transaction with Related Parties

The company carried out a number of transactions with related parties during the course of business in an arms length basis. The information as required by BAS-24: Related Party Disclosures has been disclosed in Note no. 34.00

4. Principle Accounting Policies

The accounting policies set out below have been applied in preparation of these financial statements:

(a) Revenue Recognition

"In compliance with the requirements of BAS 18 revenue, revenue is recognized only when:

I) The Products are invoiced and dispatched to the customers;

II) Interest income is accrued on a time basis by reference to the principal outstanding at the effective interest rate applicable;

III) Income from export is recognized at the delivery of the consignment on accrual basis.

(b) Property, Plant and Equipment

Property, Plant and Equipment are measured at historical cost less accumulated depreciation in accordance with BAS 16 ‘Property, Plant and Equipment”.

(c) Depreciation

Depreciation is charged at the following rates per annum on reducing balance method on all fixed assets and full year's depreciation is charged on fixed assets in the year of acquisition and no depreciation is charged in the year of sale. The annual depreciation rates applicable to the different categories of assets are as follows:

Building Construction	10%
Effluent Treatment Plant (ETP) & WTP	10%
Electrical Installation	15%
Gas Line Installation	20%
Transformer	10%
Plant & Machinery	20%
Loose Tools	10%
Reed	20%
Fire Equipment	15%
Factory Equipment	10%
Generator & Boiler	15%
Furniture & Fixture	10%
Office Decoration	10%
Office Equipment	10%
Industrial Rack	10%
Air Conditioner	10%
Telephone Equipment	12%
Motor Vehicles	15%

(d) Recognition and measurement

Fixed assets are capitalized at cost including installation charges and borrowing costs in compliance with the requirements of BAS 16. Besides, as a requirement of the Companies Act 1994, exchange loss/gain relating to foreign currency loan has also been capitalized to the cost of relevant fixed asset being procured under the said loan.

(e) Capital Work in Progress:

Capital work in Progress represents the historical cost of acquisition of capital machineries and other equipments acquired during any particular year but are in the process of installation on the date of Balance sheet. The cost such asset comprised of its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties, non-refundable taxes and other relevant costs including finance cost.

(f) Borrowing Costs

Interest and other cost incurred by the company in respect of borrowing of fund are recognized as expenses in the period in which they incurred unless the activities that are necessary to prepare the qualifying assets for its intended use are in progress.

(g) Inventories

"Inventories are stated at the lower of cost or net realization value in compliance with the requirement of Para 21 and 25 of BSA 2.

Category of Stocks	**Basis of valuation**
Raw & packing materials including	: Moving average (Weighted) cost.
Finished Goods at factory	: At lower of cost or net estimated Realizable value.
At warehouse	: At cost.
Stores items	: At cost.
Materials in –transit	: Book value i.e. Cost so far incurred

Cost of inventories comprises of the value of materials and attributable direct labor, depreciation & production overheads.

(h) Trade & Other Receivables:

Trade Receivable is carried at original invoice amount without making any provision for doubtful debts, because of the fact that sales / export are being based on 100% confirmed letter of credit basis with fixed maturity dates.

(i) Cash and Cash Equivalents

This comprises cash in hand and at bank and considered short term highly liquid instruments that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

(j) Taxation:

The company is enjoying Tax holiday for (five) years with effect from 1st September, 2008 to 31st August 2013. As per NBR letter # 11(18 Anu-1/2009/1378 (2) 100% tax holiday was allowed from 1st September 2008 to 31 August 2010 , for next two years 50% and for last one year 25% tax holiday is allowed to the company. Provision for income tax and reserve for re-investments has been made as per requirements of the income tax ordinance, 1984. Being a public Limited company and a 100% deemed export oriented Textile industry, as per income tax ordinance, 1984; the rate of income tax is 15.00% on export and 37.50% on other income.

Deferred tax (assets or liabilities) has been accounted for in accordance with BSA 12 "Income Taxes" Deferred tax arises due to temporary difference, deductible or taxable for the events or transaction recognized in the Income Statements. A temporary difference is the difference between the tax base of an asset or liabilities and its carrying amount /reported amount in the Financial Statements. Deferred tax assets or liability is the amount of income tax payable or recoverable in future period(s) recognized in the current period. The deferred tax assets /income or liability /expenses do not create a legal liability /recoverability to and form the income tax authority.

(k) Other Corporate Debt, Accounts Payable, Trade and Other Liabilities

These liabilities are carried at the anticipated settlement amount in respect of goods and services received, whether or not billed by the supplier.

(l) Provisions

The financial statements have been prepared in conformity in with Bangladesh accounting standard BAS 37. Provisions, contingent liabilities and Contingent Assets requires management to make were estimated/assumed that affected the reported amounts for contingent assets and liabilities, and the disclosure requirements for contingent assets and liabilities during and at the date of the financial statements.

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

 Whenthe Company has a present obligation as a result of past event.

 When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

 Reliable estimated can be made of the amount of the obligation.

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

(m) Earnings per Share (EPS)

The company calculates earning per share (EPS) in accordance with BAS 33:"Earning per Share" which has been shown on the face of income statement the computation of EPS is stated in note 31.

(n) Diluted Earnings Per Share:

Diluted EPS was required to be calculated for the year, as there was scope for dilution during

the year under review.

(o) Foreign Currencies

The major activities of the company were carried out in USD and GBP but recorded and reported in Bangladesh Taka as this is the reporting currency.

The import activities were not subject to any exchange fluctuation. Only the unencumbered portion of export bills was subject to exchange fluctuation which was dealt through Income Statement of the entity. Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date. Among the monetary assets and liabilities denominated in foreign currencies at the balance sheet date, only the export retention quota account were translated at the applicable rates of exchange ruling at that date. Exchange difference on such translation was also dealt through the Income Statement.

(p) Comparative information

"Comparative information has been disclosed in respect to the year 2009-2010 for all numerical information of the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period's financial statements. Last years figures have been rearranged where considered necessary to conform to current year's presentation.

(q) Subsequent expenditure

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when the cost is incurred, it is payable that the future economic benefits embodied with the item will flow to the company and the cost of an item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repair 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 fixed assets, the expenditure is capitalized as an additional cost of assets. All other costs are recognized to the profit and loss account as expenses if incurred. All up-gradation/enhancement are generally charged off as revenue expenditure unless they brig similar significant additional benefits.

(r) Statement of Cash Flows

Statement of cash Flow is prepared principal in accordance with BAS 7: Statement of Cash Flows and the cash flows from operating activates have been presented under direct method as required by the Securities and Exchange rules 1987 and considering the provisions that " Enterprises are Encouraged to Report Cash Flow From Operating Activities using the direct Methods"

(s) Reporting period

Financial statements of the company cover one-year form 1st July 2011 to 30th June 2012 consistently."

(t) Contribution to Workers Profit Participation & Welfare Fund:

This is being calculated @ 5.00% of the net profit after such contribution provided as per provisions of Bangladesh Labour Law 2006 and is payable to workers as defined in the said Law.

(u) Advance Deposits and Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads. It also includes the amount of margin on letter of credit given to banks in advance.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to income statement.

(v) Events after the reporting period:

In compliance with the requirements of BAS 10: Events after the reporting period, post reporting period 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.

	30-06-2012	30-06-2011
5.00 Property, plant and equipment (As per Schedule - 1)		
Land & Land Development	13,121,900	13,121,900
Building Construction	301,623,288	329,609,995
Effluent Treatment Plant(ETP) & WTP	45,173,905	44,534,140
Electrical Installation	60,506,614	59,779,521
Gas Line Installation	10,050,723	9,393,400
Transformer	2,079,585	1,690,650
Plant & Machinery	993,419,164	1,036,305,101
Loose Tools	77,361	85,957
Reed	6,691,348	5,403,270
Fire Equipment	603,530	440,835
Factory Equipment	4,267,030	3,222,004
Generator & Boiler	131,940,512	108,768,217
Furniture & Fixture	5,885,517	5,899,553
Office Decoration	1,322,383	1,356,629
Office Equipment	10,670,673	6,406,877
Industrial Rack	21,657,330	10,532,700
Air Conditioner	3,767,114	1,334,682
Telephone Equipment	847,835	622,609
Motor Vehicles	17,463,587	16,803,397
	1,631,169,400	**1,655,311,438**

6.00 Capital Work in Progress

Capital work in Progress represents the assets acquired during the year but yet to be installed. The details are as follows:

	30-06-2012	30-06-2011
Building Construction	41,448,916	5,526,992
Effluent Treatment Plant(ETP) & WTP	2,067,200	5,659,088
Electrical Installation	16,167,900	11,404,730
Gas Line Installation	2,000,000	3,170,004
Transformer	-	620,000
Plant & Machinery	16,492,672	205,468,854
Reed	-	2,960,915
Factory Equipment	-	1,113,590
Generator & Boiler	-	46,455,915
Office Equipment	-	2,703,715
Air Conditioner	-	2,696,500
Industrial Rack	-	11,643,000
	78,176,688	**299,423,303**

	30-06-2012	30-06-2011
7.00 Inventories		
Chemicals	129,622,510	92,177,734
Finished Goods	64,813,875	55,855,424
Yarn	586,915,838	663,350,148
Work in Process	118,554,384	55,791,061
	899,906,607	**867,174,367**
8.00 Trade receivables		
Abanti Colour Tex LTd.	4,186,039	-
Abedin Garments Ltd.	16,621,674	-
Aamra Apparels Ltd.	-	302,653
Agami Apparels Ltd.	-	1,553,347
Agami Fashions Ltd.	-	7,807,993
Aboni Fashions Ltd.	3,011,237	1,043,832
Advanced Composite Textile lTd.	5,046,672	-
Akh Fashions Ltd.	19,290,456	-
AKR Fashions Ltd.	-	3,776,836
Alif Apparels Ltd.	25,002,968	-
Alif Garments Ltd.	506,493	-
Aman Tex Ltd.	1,154,400	210,642

	30-06-2012	30-06-2011
Amex Knitting & Dyeing Industries Ltd.	391,995	-
Apex Spinning & Knitting Mills Ltd.	2,819,670	-
A Plus Industries Ltd.	764,433	-
Arabi Fashions Ltd.	767,915	-
AST Knitwear Ltd.	484,152	-
April Fashions Ltd.	-	271,567
Ananta Apparels Ltd.	-	-
Aswad Composite Ltd.	13,746,015	5,112,897
Babylon Dresses Ltd.	7,826,773	
Babylon Garments Ltd	52,265,300	3,481,851
Basic Shirts Limited	6,382,448	12,250,310
Best Shirts Ltd.	2,488,059	
BHIS Apparels Ltd.	3,518,024	614,180
Biped Sweaters Ltd.	-	4,747,350
Bogra Fashion Wear	-	589,460
Chittagong Fashion Millenium Textile Ltd.	660,561	-
Choice Garments Ltd.	37,173,354	12,312,103
Cidatex Apparels ltd	630,463	-
Comfit Compoite Knit Ltd.	11,079,631	5,400,118
Concorde Fashions Export Ltd.	20,959,435	-
Cortz Apparels Ltd.	355,063	-
Cotton Club (BD) Ltd.	33,056,697	
Continental Apparels Ltd.	-	364,745
Cotton Dyeing & Finishing Ltd.	-	1,043,400
Crossline Knit Fabrics Ltd.	-	3,168,088
Crossline Factory (Pvt.) Ltd.	2,970,779	-
Dekko Apparels Ltd.	6,897,835	3,573,040
Dekko Fashions Ltd.	21,432,543	108,654
Design and Fashion Ltd.	1,094,511	-
Dip Knitwear Ltd.	2,701,484	-
Dress World Ltd.	1,892,803	-
DS Fashion Ltd.	99,409	-
Dotcom Sweater Ltd.	-	179,208
Elite Garments Inds. Ltd.	672,734	6,737,361
Enrich Ltd.	-	285,480
EH Fabrics Ltd.	41,229,980	-
Epyllion Knitwear Ltd.	236,247	-
Excel Apparels Ltd.	-	2,878,570
Fakhruddin Textile Mills Ltd.	6,497,000	1,431,015
Fashion Craft Knitwear Ltd.	557,987	-
Fashion Flash Ltd.	4,006,277	5,276,242
Fashion Fx Ltd.	277,533	-
Fashion Forum Ltd.	-	7,764,232
Fashion House (Southern) Ltd.	11,945,341	891,176
Fashion & Composite Ltd.	185,599	-
Fashion Plus Ltd.	-	3,930,806
FCI (BD) Ltd.	-	4,558,055
Fiat Fashions Ltd.	-	293,808
Garments Export Village Ltd.	141,665	-
Glare Fashions Ltd.	564,049	
Garments Home (Pvt) Ltd.	-	482,816
Gemini Garments Ltd.	-	119,212
HB Fashion Ltd.	713,106	123,620
Hi-Fashions Composite Textile Ltd.	2,347,563	-
Interfab Shirt Mfg Ltd.	26,599,466	20,818,166
Interstoff Apparels Ltd.	9,072,398	14,360,323
Interstoff Clothing Ltd.	681,723	602,639
Intramex Fashions Ltd.	214,493	-
Intraco Fashion Ltd.	-	1,571,238
Intramex Knitwear Ltd.	3,209,491	3,004,781

	30-06-2012	30-06-2011
Intramex Textile Ltd.	1,346,603	-
Islam Garments Ltd.	-	443,317
Jaroms Industries Ltd.	398,852	-
Jeacon Garments Ltd.	1,987,534	-
Jeans Plus Ltd.	-	954,173
Jinnat Fashions Ltd.	10,480,426	-
J.K Knit Composite Ltd.	3,754,788	2,690,801
Jokky Garments Ltd.	-	2,762,227
Juvenile Sweater Ltd.	-	3,051,677
Kaniz Fashion Limited	-	1,405,902
KC Apparels Ltd.	-	4,619,109
Karooni Knit Composite Ltd.	274,993	818,059
Kimberly Apparels Ltd.	2,174,820	-
Kenpark Bangladesh (PVT) Ltd.	-	230,477
KMJ Sweater & Dyeing Ltd.	594,140	-
Libas Textiles Ltd.	431,718	-
Landmark Design Wear Ltd.	4,423,900	-
Landmark Fabrics Ltd.	673,715	2,167,213
Liberty Knitwear Ltd.	1,300,000	2,204,703
Manvill Styles Ltd.	2,410,688	-
Marina Apparels Ltd.	-	2,568,933
Mark Ltd.	5,250,556	692,937
Mark Mode Ltd.	-	94,187
Matrix Sweater Ltd	-	166,440
Medlar Apparels Ltd.	172,608	
Medona Fashions Ltd.	2,199,815	1,506,252
Meghna Knit Composite Ltd.	505,767	-
Metro Knitting and Dyeing Mills Ltd.	36,155,582	-
MG Shirttex Ltd.		10,161,212
Millennium Textiles (Southern) Ltd.	29,586,511	-
MM Knitwear Ltd.	7,432,108	-
Monoware Apparels Ltd.	4,493,314	-
Mohammad Group Ltd.	-	140,505
Moonlux Knit Garments Ltd.	-	381,830
Mozart Knit Ltd.	1,918,119	3,090,293
Multi Fabs Ltd.	588,494	
M&S Sweater Ltd.	-	170,355
Nandan Apparels Ltd.	607,359	740,193
Natural Denims Lltd.	1,747,950	-
Navid Wollwears Ltd.	6,822,194	
Naz Knit Wear Ltd	5,001,072	-
Newage Apparels Ltd.	59,400,252	612,684
Newage Fashionwear Ltd.	1,291,908	847,989
Newage Garments Ltd.	2,832,545	-
Niagara Textiles Ltd.	2,517,114	-
Noor Checks & Stripe Ltd.	3,197,058	11,094,706
Novel Huricane Knit Garments ltd.	1,954,101	-
Network Knitwear Ltd.	-	9,947
Norban Comtex Ltd.	-	2,681,947
New Town Knitwear Co. Ltd.	-	83,962
Orbitex Knitwear Ltd.	8,918,989	-
Pacific Cotton Ltd.	22,049,328	7,906,359
Padma Poly Cotton Knit Fabrics Ltd.	865,790	-
Panasia Sweaters Ltd.	840,162	-
Pandora Sweater Ltd.	893,462	-
Panorama Apparels Ltd.	12,797,557	8,911,356
Parkstar Apparels Ltd.	5,503,479	-
Passion Apparels & Wears Ltd.	2,198,305	-
Passion Jeans Ltd.	30,911,208	2,732,277
Pinaki Garments Ltd.	9,033,990	1,217,176

	30-06-2012	30-06-2011
Pioneer Sweaters Ltd.	619,356	738,426
Peak Apparels Ltd.	-	398,355
Q-Point Fashions Ltd.	6,604,410	-
Radiance Fashion Ltd.	1,938,203	-
Radiant Sweaters Ind. Ltd.	-	229,377
Reedisha Knitex Ltd.	5,003,153	3,045,164
Renaissance Apparels Ltd.	4,972,456	-
RA International	-	4,761,442
Raquef Apparels Ltd.	-	67,774
Raquef Apparels Washing & Packaging	-	329,940
Reaz Export Apparels Ltd.	-	6,944,096
Reza Fashions Ltd.	678,576	-
RR acrylic Ltd.	-	2,695
Runs Apparels Ltd.	-	1,364,580
SAS Fashion Wear Ltd.	2,642,364	
Scandex Textile Industries Ltd.	1,432,048	315,798
Seacotex Fabrics Ltd.	-	371,746
Seasons Dresses Ltd.	-	671,193
Section Seven Apparels Ltd.	9,575,500	19,391,812
Section Seven Ltd.	12,127,894	4,711,132
Seha International Bd Ltd.	8,650,060	1,839,409
Sepal Garments Ltd.	-	1,152,576
Shaarat Fashion Wear Ltd.	410,619	888,668
Share Knit Wear Ltd.	-	16,436,525
Shinest Apparels Ltd.	36,065,726	157,027
Shin Shin Apparels Ltd.	4,446,605	-
Shirt Makers Ltd.	1,897,350	10,762,830
Sinha Fashions Ltd.	282,900	-
Shirtex Limited	-	9,082,021
Skyline Apparels Ltd.	883,077	497,363
South East Textile (Pvt.) Ltd.	555,650	-
Standard Group Ltd.	-	861,812
Step Three Apparels Ltd.	-	73,612
Spring Trade Ltd.	13,135,376	9,910,382
SS Cotton Fabrics Ltd.	1,460,700	-
Style Craft Ltd.	1,468,328	467,741
Stylo Apparels Industries Ltd.	7,856,072	-
Suman Fashion Garments Ltd.	29,968,519	-
Super Shine Apparels Ltd	2,143,970	-
Suravee Garments Ltd.	7,514,976	5,298,406
Tanaz Fashions Ltd.	1,460,170	-
Taqwa Fabrics Ltd	489,241	-
Tanima Knit Composite Ltd.	-	3,872,788
Taurus Styles Ltd.	6,242,875	223,785
Tex Euorop (BD) Ltd	255,217	-
Texport Limited	4,764,818	-
The Well Tex Ltd	35,664,840	-
Topaz Dresses Ltd.	1,207,634	2,515,541
Topaz Gurments Ltd.	11,523,538	-
Tulip Garments Ltd.	12,522,588	-
Turag Garments & Hosiery Mills Ltd.	796,629	
Versatile Attire Ltd	5,181,543	-
Vertex Fashions Ltd.	970,015	-
Vertex Wear Ltd.	37,342,316	-
Vintage Denim Ltd	5,809,367	-
Vision Composite knit Ltd.	-	3,012,798
Vission Apparels Ltd.	15,755,399	1,455,155
Viyellatex Ltd.	2,518,058	3,169,674
Voyager Apparels Ltd.	-	887,020
Westeria Textile Ltd	3,678,111	-

	30-06-2012	30-06-2011
Williams Clothing Ltd.	-	4,320
Xin Bangla Fabrics Ltd.	-	253,403
Young International Garments Ltd.	-	960,351
Youth Fashion Ltd.	19,891,129	-
Sub Total	1,042,778,193	337,327,753
Foreign exchange gain (Fare value adjustment)	1,284,842	-
	1,044,063,035	**337,327,753**

No receivables are outstanding for a period exceeding six months. All the receivables are considered good.

9.00 **Advance, deposits & prepayments**

Advance Against Salary	4,162,110	2,098,210
Advance to Conustruction Party	1,607,931	-
Advance Office Rent	382,500	382,500
L/C Margin Deposit with PBL	48,196,000	31,170,000
Security Deposits for Titas Gas	8,077,460	8,077,460
Telephone Line Deposit	12,000	12,000
Deferred Advertisement	1,215,000	1,161,167
	63,653,001	**42,901,337**

Paramount Textile Ltd. has no subsidiaries. All the advance, deposit and prepayments are considered good.

10.00 **Investments**

Investments	24,112,047	14,048,347
Less Realized Loss	(2,160,878)	-
	21,951,169	**14,048,347**

11.00 **Holding Gain Reserve**

Investment in Market Price	15,620,104	-
Investment in Cost Price	21,951,169	-
Loss in investment in shares	**(6,331,065)**	**-**

Details break-up of Investment in shares:

Name of the Company	Number of Shares	Cost Price Per Share (W.A)	Total Cost	Market Price Per Share	Total Market Price as on 30-06-12
Al-Arafah Islami Bank Ltd.	1,524	0	-	27.7	42,215
Beximco Ltd.	496	162.3	80,500.80	87.7	43,499
The City Bank Ltd.	1,625	49.98	81,217.50	32.2	52,325
Confidence Cements Ltd.	65	-	-	110.9	7,209
Fine Foods Ltd.	3,025	78.03	236,040.75	23.3	70,483
Goldenson Ltd.	2,100	66.13	138,873.00	48.2	101,220
Grameen Phone	3,400	207.73	706,282.00	208.8	709,920
IDLC	6,800	113.02	768,536.00	116.2	790,160
Karnaphuli Insurance Ltd.	120	26.8	3,216.00	37.4	4,488
Lankabangla Finance	16,350	79.57	1,300,969.50	82.1	1,342,335
National polymar Ltd.	3,450	96.75	333,787.50	40.2	138,690
Peoples Leasing & Finance Ltd.	1,837	297.75	546,966.75	41.6	76,419
Pubali Bank Ltd.	5,500	83.13	457,215.00	32.4	178,200
Social Islami Bank Ltd.	40,400	23.97	968,388.00	19.6	791,840
Southeast Bank Ltd.	23,100	41.37	955,647.00	20.9	482,790
Square Pharmaceticals Ltd.	40	252.57	10,102.80	263.5	10,540
Sumit power Ltd.	64,935	73.31	4,760,384.85	57.3	3,720,776
Paramount Insurance Ltd.	262,500	40.37	10,597,125.00	26.8	7,035,000

						30-06-2012	30-06-2011
	Paramount Insurance Ltd.	600	-	-	26.8	16,080	
				21,945,252.45		15,614,188	
	Purchases power			5,916.51		5916.51	
				21,951,168.96		**15,620,104**	
12.00	**Cash and Bank Balances**						
	Cash in Hand (Note: 12.01)					1,357,561	2,678,533
	Cash at Bank (Note: 12.02)					4,474,373	5,075,775
						5,831,934	**7,754,308**
12.01	Cash in Hand						
	Cash (Office)					995,566	1,940,566
	Cash (Factory)					330,306	737,967
	Cash (Salary)					31,689	-
						1,357,561	**2,678,533**
12.02	Cash at Bank						
	Standard Bank - 1939					1,942,445	1,930,978
	Jamuna Bank - 11797					860,745	456,348
	Jamuna Bank - 9517					1,657,518	2,625,712
	Standard Chartered Bank - 7301					13,666	62,737
						4,474,373	**5,075,775**
13.00	**Authorized Capital**						
	20,00,00,000 ordinary shares of Tk. 10/-					**2,000,000,000**	**2,000,000,000**
	Issued, Subscribed & Paid up Capital						
	55,125,000 ordinary shares of Tk. 10/-					**551,250,000**	**551,250,000**
14.00	**Tax Holiday Reserve**						
	Opening Balance					133,837,624	86,492,661
	Current Year (14.01)					40,889,771	47,344,963
						174,727,395	**133,837,624**
14.01	**Tax Holiday Reserve - Current Year:**						
	a) From 01 July, 2010 to 31 August, 2010						
	Net Profit Before Tax					-	43,224,341
	Less: Other Income					-	13,440
	Net Profit from operation & before Tax					-	43,210,901
	Tax Holiday Reserve -Calculated as per NBR Letter # 11(18)Anu-1/2009/1378(2) @ 40% on taka 432,210,901					-	17,284,361
	b) From 01 September, 2010 to 30 June, 2011						
	Net Profit before Tax					-	152,201,577
	Less: Other Income					-	1,898,566
	Net Profit from operation & before Tax					-	150,303,011
	Tax Holiday Reserve -Calculated as per NBR Letter # 11(18)Anu-1/2009/1378(2) @ 40% on taka 75,151,506 (being 50% benefit allowable on Taka 150,303,011)					-	30,060,602
	Total (a+b)					**-**	**47,344,963**
	C) From 01 July, 2011 to 30 June, 2012						
	Net Profit before Tax					203,792,484	-
	Less: Other Income					(656,373)	-
	Net Profit from operation & before Tax					204,448,857	-
	Tax Holiday Reserve -Calculated as per NBR Letter # 11(18)Anu-1/2009/1378(2) @ 40% on taka 102,224,428 (being 50% benefit allowable on Taka 204,448,856)					40,889,771	-
	Total					**40,889,771**	**-**

		30-06-2012	30-06-2011
15.00	**Deferred Tax:**		
	Carrying value of Fixed Assets (Accounting Base)	1,631,169,400	1,642,189,537
	Carrying value of Fixed Assets (Tax Base)	1,607,964,618	1,575,374,689
	Net Taxable Temporary Difference	23,204,781	66,814,848
	Less: Last year Temporary Difference	(66,814,848)	(15,864,284)
		(43,610,067)	50,950,564
	Net Taxable Temporary Difference	(21,805,033)	21,229,402
	Effective Tax Rate	15%	15%
	Deferred Tax Liability / Expenses	**(3,270,755)**	**3,184,410**
	Deferred tax on other comprehensive income	(316,553)	
	Total	**(3,587,308)**	**3,184,410**
16.00	**Holding Gain Reserve**	(6,331,065)	
	Effective Tax Rate	10%	
	Deferred tax on other comprehensive income	**(316,553)**	
17.00	**Deferred Tax Assets / Liability:**		
	Opening Balance	3,184,410	-
	Current Year	(3,587,308)	3,184,410
		(402,898)	**3,184,410**

18.00 Long term loan

Particulars	Bank Name	Sanction Limit (Million)	Interest Rate	30-06-2012	30-06-2011
Term Loan # 3712	Pubali Bank Ltd.	350	14.00%	316,589,951	381,895,244
Term Loan # 0730	Pubali Bank Ltd.	170	14.00%	75,081,904	107,572,398
Term Loan # 3991	Pubali Bank Ltd.	400	14.00%	74,964,944	193,652,048
Term Loan # 7463	Pubali Bank Ltd.	50	14.00%	1,606,363	15,036,434
Term Loan - SBL	Standard Bank Ltd.	230	15.50%	179,485,429	220,691,915
		1200		**647,728,591**	**918,848,039**

19.00 Current Maturity of long term loan

		30-06-2012	30-06-2011
Term Loan # 3712	Pubali Bank Ltd.	124,000,000	31,000,000
Term Loan # 0730	Pubali Bank Ltd.	51,600,000	51,600,000
Term Loan # 3991	Pubali Bank Ltd.	160,000,000	160,000,000
Term Loan # 7463	Pubali Bank Ltd.	16,800,000	16,800,000
Term Loan - SBL	Standard Bank Ltd.	82,858,000	82,858,000
		435,258,000	**342,258,000**

20.00 Trade and other payables

	30-06-2012	30-06-2011
Trade payables (Note: 20.01)	679,916,655	732,093,796
Other payables (Note: 20.02)	19,001,324	15,101,853
	698,917,979	**747,195,649**

20.01 Trade payables

	30-06-2012	30-06-2011
Arati International Ltd.	37,816,844	-
ACE Chemical Corporation	1,400,800	-
Alps Industries Ltd.	-	66,550,332
Bangpoo Chemicals Co. Ltd.	-	1,262,128
Bannari Aman Spinning Mills Ltd.	23,587,011	59,754,670
BASF Bangladesh Ltd.	1,263,668	2,852,839
CHTR, Beitlich GMBH (CHT Bezema)	6,476,530	-
Colour Tex Industries Ltd.	4,223,538	-
Clariant (Thailand) Ltd.	-	3,898,583
DDG Specialty Chemicals International Pte. Ltd.	2,916,837	-
Deegee Cotsyn Pvt. Ltd.	13,431,096	-
Dyster Singapore Pte Ltd.	3,448,884	57,395
Fortune Exim Ltd.	-	2,883,888

	30-06-2012	30-06-2011
Fortune Top Inc. Taiwan	9,489,634	171,134
GTN India Ltd.	1,957,110	26,748,579
HP Chemicals Ltd.	345,450	-
Huntsman (Singapore) Pte. Ltd.	5,646,930	-
JiangsuGuo tai Int' Ltd.	-	104,175,106
Itechtex (Singapore) Pte Ltd.	13,558,928	-
Maral Overseas Ltd.	7,339,119	-
Meghmani Dyes & Intermediates Ltd.	3,444,320	-
Kiri Dyes & Chemicals	-	5,657,500
Nahar Spinning Mills Ltd.	47,614,990	53,073,103
Ningbo Haitian Imp. & Exp. Incorated Company	1,283,100	-
OH Young Industrial Co. Ltd	17,745,438	19,464,950
Oswal Industries Ltd.	40,751,888	31,972,314
Patspi India Ltd.	-	428,686
Prativa Syntex Ltd.	-	8,601,662
Premier Cotton Textiles	-	4,899,142
Pulcra Chemicals	2,766,232	2,980,800
Sri Lakshmi Saraswathi Impeex (India) Ltd.	21,714,726	-
Sri Nukala Rama Kateswara Rao Textiles (P.) Ltd.	13,641,666	72,896,172
Sri Shanmugavel Mills (P) Ltd.	180,264,575	-
Super Spinning Mills Ltd.	7,143,945	-
Supintex Ltd.	2,415,683	-
Toyota Tsusho Corporation	-	70,424,368
United Raw Materials Pte. Ltd.	12,150,397	-
Vardhaman Textile Ltd.	113,587,824	193,340,444
Winsome Yarn Ltd.	47,481,781	-
Zubair Spinning Mills Ltd.	34,181,875	-
Sub Total	**679,090,819**	**732,093,796**
Foreign Exchange Loss (Fare Value Adjustment)	**825,836**	**-**
	679,916,655	**732,093,796**

20.02 Other Payables

	30-06-2012	30-06-2011
A2Z Associates	153,000	153,000
Al-Baraka Enterprise	-	350,000
A to Z Engineering Works	-	600,000
A.B. Trading	197,000	-
Anwar Enterprise	95,000	-
Apan Automobile & Workshop	48,660	-
Arobi Enterprise	984,000	-
Asgar Trading	220,000	-
Balayet Enterprise	-	197,500
BBS Cables	73,500	-
BDJobs. Com	20,800	-
Bengal Pipe & Sanitery Industries	-	172,500
Bangladesh Trade Syndicate	-	483,170
Bismillah Enterprise	864,354	207,950
Delcot Ltd.	268,000	-
Delwar Hossain	10,000	-
Dhaka Fiber Link Ltd.	46,000	-
Duranta Trade Syndicate	5,025,745	2,907,052
Electromac Inovation	155,000	-
Elegance Associates	50,000	-
Envirotech Ltd.	414,000	220,000
Falcate Paper Tube Co.	145,900	-
Famous Steel House	-	59,500
Farzana Enterprise	-	108,500
Guard Filter Mig. Co. Ltd.	15,000	55,000
Horizon Express Ltd.	1,553,981	271,841
Hydro-Mech Engineering	-	100,000
Isa Tools & Machineries	52,000	-

	30-06-2012	30-06-2011
Ishraque Traders	658,750	83,800
IR Bulb Co. Ltd	20,750	-
ITS Lab Test BD Ltd.	195,366	19,736
Jafrin Afrin Traders	162,000	59,000
Jaman Motors	-	51,000
Jessore Trading Corporation	-	912,000
Kai Bangladesh AluminiumLtd	-	49,500
Kamran & Co	-	443,900
Maa Steel Technology	80,000	-
Macca Sanitery	-	265,000
McDonald Steel Bldg.	709,817	1,309,817
MK Plastic Enterprise	103,130	-
Mohona Enterprise	144,500	-
Moon Engineering Works	148,000	-
Mouhumi Enterprise	2,800	-
Mohammad Mahabub Alam	-	250,000
Navan Electronics Ltd.	-	30,100
Nazmul Enterprise	24,000	4,300
New Look International	125,000	-
New Star Liabrary	57,000	-
Nipa Traders	200,000	-
NK Trading Co	234,700	-
Octagon Fibre & Chemical Ltd.	54,000	-
Octopass Scientific Co.	58,000	-
Overseas Marketing Corporation (Pvt.) Ltd.	320,000	-
Pacific Chemitrade Co	190,620	35,500
Premier Cement Mils Ltd.	166,000	984,400
Rahimafroz	140,940	-
SGS	11,907	-
Shahjalal Printing & Press	78,450	-
Shahid & Latif (Pvt.) Ltd.	-	283,000
Shaj Corporation	-	160,000
Shapla Enterprise	(185,000)	166,892
Shohagh Motors	14,318	-
Shohel Brothers	340,000	-
Shitol Engineering	-	902,000
Sigma Pumps Ltd	150,000	-
Sompa Enterprise & transport Agencies	62,400	-
SMH Engineering & Trading Company	-	105,000
Speedway Cargo Solution	1,182,936	336,894
Speedy Engineer	1,400,000	500,000
SP Enterprise	219,000	-
S.S. Steel (Pvt) Ltd	494,400	-
Sumi Enterprise	-	1,540,000
Super Cool Refrigeration Co.	35,600	20,000
Swift Electric	410,000	-
TCS Computer Services Ltd.	-	54,000
Total Office Centre BD	85,000	-
Xclusive Media	515,000	650,000
	19,001,324	**15,101,853**

21.00 Liability for Expenses

GAS Bill Payable	10,088,693	5,628,063
House Rent Payable	206,370	182,500
Wages & Salary Payable	194,949	466,643
Salary Payable	1,102,272	505,138
Providend Fund Payable	1,373,341	971,781
Telephone Bill	-	7,492
Credit Rating Fees Payable	-	150,000
Assets Valuation Fees Payable	-	150,000
Audit & Professional Payable	156,750	110,000

	30-06-2012	30-06-2011
Provision for Investment in Share	3,200,147	3,200,147
Provision for WPP & WF	19,560,920	9,771,296
	35,883,443	**21,143,060**

22.00 Short term loan

Loan against trust receipt (LATR) (Note: 22.01)	459,455,928	200,412,621
Bank Overdraft	143,971,108	154,112,405
Inland bills purchases (IBP) (Note: 22.02)	296,057,477	-
	899,484,513	**354,525,026**

22.01 Loan against trust receipt (LATR)

LATR # 1308/0	-	1,935,286
LATR # 1415/4	-	1,627,771
LATR # 1416/3	-	1,068,158
LATR # 14176	-	1,332,466
LATR # 1418/0	-	1,858,420
LATR # 1419/5	-	2,220,383
LATR # 14261	-	31,648,756
LATR # 14270	-	35,433,086
LATR # 14333	-	11,091,267
LATR # 14346	-	22,174,345
LATR # 14370	-	7,770,814
LATR # 14387	-	1,357,768
LATR # 14574	-	29,304,510
LATR # 14589	-	6,797,593
LATR # 14593	-	11,994,866
LATR # 14601	-	7,721,749
LATR # 14673	-	16,557,877
LATR # 14880	-	8,517,506
LATR # 19183	5,160,526	-
LATR # 19222	10,797,375	-
LATR # 19237	8,460,206	-
LATR # 19241	8,495,539	-
LATR # 19254	18,448,995	-
LATR # 19540	13,673,146	-
LATR # 19558	30,851,556	-
LATR # 19562	4,154,219	-
LATR # 19657	11,658,302	-
LATR # 19666	389,573	-
LATR # 19710	1,433,152	-
LATR # 19728	6,849,498	-
LATR # 19836	14,276,631	-
LATR # 19844	5,331,548	-
LATR # 19859	2,098,611	-
LATR # 19863	4,820,605	-
LATR # 19871	3,551,737	-
LATR # 19880	11,661,507	-
LATR # 19898	2,544,275	-
LATR # 19917	4,917,019	-
LATR # 19921	5,841,543	-
LATR # 19934	702,490	-
LATR # 19943	23,315,644	-
LATR # 19956	3,843,138	-
LATR # 19960	4,770,658	-
LATR # 19975	2,121,049	-
LATR # 19980	1,816,638	-
LATR # 19997	17,409,727	-
LATR # 20006	1,682,637	-
LATR # 20014	6,891,519	-
LATR # 20029	13,689,356	-
LATR # 20033	11,817,481	-

	30-06-2012	30-06-2011
LATR # 20041	6,237,746	-
LATR # 20050	5,543,506	-
LATR # 20220	1,951,397	-
LATR # 20242	3,736,222	-
LATR # 20274	1,244,419	-
LATR # 20283	2,360,071	-
LATR # 20315	1,406,952	-
LATR # 20337	4,095,621	
LATR # 20346	5,958,535	-
LATR # 20373	3,968,193	-
LATR # 20381	7,662,400	-
LATR # 20485	10,006,643	-
LATR # 20490	7,639,132	-
LATR # 20597	1,205,413	-
LATR # 20655	3,285,245	-
LATR # 20686	6,593,371	-
LATR # 20694	602,085	-
LATR # 20709	6,962,887	-
LATR # 20713	999,923	-
LATR # 20730	7,073,545	-
LATR # 20748	973,961	-
LATR # 20752	1,355,398	-
LATR # 20767	5,777,183	-
LATR # 20771	5,152,659	-
LATR # 20825	5,503,696	-
LATR # 20864	1,010,605	-
LATR # 20883	1,655,489	-
LATR # 20900	377,711	-
LATR # 20918	5,779,088	-
LATR # 20922	4,954,557	-
LATR # 20937	6,062,053	-
LATR # 20941	5,866,868	-
LATR # 20954	5,850,737	-
LATR # 20976	675,917	-
LATR # 20980	6,060,722	-
LATR # 20995	5,850,964	-
LATR # 21026	5,413,563	-
LATR # 21053	5,833,687	
LATR # 21092	6,478,993	-
LATR # 21107	1,485,113	-
LATR # 21150	1,524,611	-
LATR # 21165	5,799,637	-
LATR # 21187	6,459,810	-
LATR # 21223	5,736,296	-
LATR # 21231	5,807,404	-
	459,455,928	200,412,621

22.02 Inland bills purchases (IBP)

IBC # 036/12	2,654,000	-
IBC # 083/12	5,160,000	-
IBC # 085/12	3,937,000	-
IBC # 092/12	873,000	-
IBC # 096/12	3,259,000	-
IBC # 1166/11	1,779,477	-
IBC # 1258/11	704,000	-
IBC # 155/12	2,911,000	-
IBC # 176/12	2,283,000	-
IBC # 179/12	644,000	-
IBC # 183/12	3,506,000	-
IBC # 190/12	11,330,000	-

	30-06-2012	30-06-2011
IBC # 204/12	1,975,000	-
IBC # 205/12	1,015,000	-
IBC # 215/12	2,382,000	-
IBC # 226/12	8,217,000	-
IBC # 235/12	4,989,000	-
IBC # 244/12	5,009,000	-
IBC # 245/12	16,408,000	-
IBC # 256/12	1,632,000	-
IBC # 260/12	3,285,000	-
IBC # 270/12	6,868,000	-
IBC # 283/12	1,038,000	-
IBC # 289/12	3,146,000	-
IBC # 290/12	4,475,000	-
IBC # 291/12	5,008,000	-
IBC # 297/12	1,086,000	-
IBC # 319/12	1,266,000	-
IBC # 322/12	3,166,000	-
IBC # 324/12	10,544,000	-
IBC # 326/12	1,980,000	-
IBC # 335/12	3,565,000	-
IBC # 336/12	1,040,000	-
IBC # 339/12	3,534,000	-
IBC # 340/12	1,575,000	-
IBC # 348/12	2,192,000	-
IBC # 349/12	1,498,000	-
IBC # 360/12	6,642,000	-
IBC # 361/12	3,303,000	-
IBC # 363/12	738,000	-
IBC # 364/12	833,000	
IBC # 365/12	1,236,000	-
IBC # 370/12	1,745,000	-
IBC # 372/12	1,743,000	-
IBC # 373/12	979,000	-
IBC # 381/12	1,800,000	-
IBC # 390/12	712,000	-
IBC # 391/12	2,270,000	-
IBC # 393/12	1,867,000	-
IBC # 401/12	2,867,000	-
IBC # 402/12	4,177,000	-
IBC # 404/12	2,791,000	-
IBC # 405/12	2,624,000	-
IBC # 406/12	986,000	-
IBC # 409/12	5,492,000	-
IBC # 411/12	1,309,000	-
IBC # 433/12	3,955,000	-
IBC # 436/12	4,101,000	-
IBC # 441/12	2,788,000	-
IBC # 442/12	2,908,000	-
IBC # 450/12	6,494,000	-
IBC # 451/12	4,802,000	-
IBC # 461/12	1,855,000	-
IBC # 463/12	4,306,000	-
IBC # 464/12	5,887,000	-
IBC # 465/12	1,966,000	-
IBC # 466/12	1,259,000	-
IBC # 474/12	10,242,000	-
IBC # 475/12	7,005,000	-
IBC # 476/12	6,047,000	-
IBC # 537/12	6,969,000	-

	30-06-2012	30-06-2011
IBC # 561/12	8,874,000	-
IBC # 562/12	3,113,000	-
IBC # 568/12	6,591,000	-
IBC # 574/12	3,623,000	-
IBC # 585/12	3,399,000	-
IBC # 592/12	5,652,000	-
IBC # 620/12	6,262,000	-
IBC # 630/12	5,596,000	-
IBC # 631/12	2,316,000	-
	296,057,477	-

23.00 Revenue

	Quantity	Unit	30-06-2012	30-06-2011
Yarn dyed Fabric	17,471,802	Yds	2,448,368,449	1,923,284,111
Knit yarn Dyeing	2,618	Ton	358,535,681	123,572,835
Sweater Yarn dyeing	210	Ton	42,807,521	154,279,614
			2,849,711,651	**2,201,136,560**

24.00 Cost of sales

	30-06-2012	30-06-2011
Opening Stock		
Raw Materials	755,527,882	258,846,393
Work-in-process	55,791,061	10,500,000
	811,318,943	**269,346,393**
Purchase (Note: 24.01)	1,538,437,641	1,546,191,660
Goods available for Use	**2,349,756,584**	**1,815,538,053**
Less: Closing Stock		
Raw Materials	716,538,348	755,527,882
Work-in-process	118,554,384	55,791,061
Materials Consumed	**1,514,663,852**	**1,004,219,110**
Add: Conversion Cost		
Wages & Salaries (Notes: 24.02)	225,144,058	167,712,407
Factory overhead (Notes: 24.03)	510,171,222	462,907,154
Total Conversion Cost	**2,249,979,132**	**1,634,838,671**
Cost of production		
Add: Opening stock of Finished Goods	55,855,424	33,749,755
	2,305,834,556	**1,668,588,426**
Less: Closing stock of Finished Goods	64,813,875	55,855,424
Cost of sales	**2,241,020,681**	**1,612,733,002**

24.01 Purchase

	30-06-2012	30-06-2011
Purchase of Dyeing & Finishing Chemicals	239,748,476	180,578,268
Purchase of Paper Cone	10,991,099	7,638,855
Purchase of Polybag	10,291,860	6,188,283
Purchase of Sizing Chemicals	29,896,300	20,460,935
Purchase of Sub- Material	2,013,100	3,890,200
Purchase of Textile Wax	157,950	477,840
Twisting Charge of Yarn	1,736,553	365,090
Purchase of Yarn.	1,226,513,253	1,325,792,189
Acceptance Commission	5,209,901	-
L/C Opening Commission	3,636,359	-
Purchase of Plastic Bobbin	8,242,790	-
Purchase of Accessories	-	800,000
	1,538,437,641	1,546,191,660

24.02 Wages & Salaries

	30-06-2012	30-06-2011
Wages & Salaries	211,997,379	157,314,358
Overtime	934,699	1,119,310
Festival Bonus	12,211,980	9,278,739
	225,144,058	167,712,407

24.03 Factory overhead

	30-06-2012	30-06-2011
Fuel & Lubricants	2,377,589	1,383,102
Repair & Maintenance	1,122,862	454,120

		30-06-2012	30-06-2011
	Repair & Maintenance-Car	1,201,246	782,154
	C&F Expenses	6,405,863	6,979,855
	Carriage Inwards	14,233,699	13,540,415
	Conveyance	292,386	197,865
	Depreciation-Manufacturing	328,679,806	323,580,307
	Entertainment	837,559	377,025
	Food Allowance	1,568,719	1,260,784
	Gas Bill	70,358,572	64,352,308
	Holiday Allowance	4,493,131	1,005,002
	House Rent for Factory workers	2,158,000	2,096,400
	Insurance Premium for Factory Workers	133,792	97,828
	Insurance Premium	13,266,714	11,354,348
	Medicare Exp	572,765	261,465
	Misc. Exp	615,810	842,427
	Municipal Tax	600,000	320,000
	Night Allowance	199,360	168,000
	Stationery	1,045,910	1,382,800
	Provident Fund (Note: 24.04)	4,457,431	-
	Punch Card	60,140	25,000
	Purchase of Bearing	3,697,500	3,100,500
	Purchase of ETP Chemicals	2,638,598	1,725,300
	Purchase of Generator & Boiler Chemicals	830,520	469,810
	Purchase of Machine Oil	4,927,094	4,093,265
	Purchase of Salt (WTP)	1,428,941	612,900
	Purchases of Beam	-	301,000
	Repair & Maintenance (Dyeing Machinery)	3,273,700	1,758,731
	Repair & Maintance of Machinery -Weaving	3,809,020	5,829,775
	Repair & Maintenance (Dyeing Building)	985,961	1,216,110
	Repair & Maintenance (Electrical)	926,928	1,135,711
	Satellite Charges	21,200	17,700
	Spare Parts -Belt	370,000	259,000
	Spare Parts (Dyeing & Generator)	17,336,536	3,499,245
	Spare Parts-Inverter	93,000	466,250
	Spare Parts -Others	2,907,044	2,689,878
	Spare Parts (Weaving)	5,003,693	4,946,816
	Tour & Travel (Note: 24.05)	6,851,950	-
	Telephone	1,392	1,161
	Uniform & Liveries	331,090	262,445
	Washing & Cleaning	55,700	60,352
		510,171,222	**462,907,154**

24.04	Total Provident fund	**6,367,759**	**-**
	Factory Overhead @ 70%	4,457,431	**-**
	Administrative Overhead @ 30%	1,910,328	**-**
24.05	Total Tour & Travel Expenses	**14,274,896**	**-**
	Factory Overhead @ 48%	6,851,950	**-**
	Administrative Overhead @ 52%	7,422,946	**-**

25.00	**Distribution costs**		
	BOI Certificate	7,500	23,000
	BTMA Certificate Fees	205,371	269,405
	Fuel, Running & Maintenance of Car	4,388,505	2,400,539
	Courier Charges	1,614,789	2,203,981
	Miscellaneous Expense	1,458,994	1,147,470
	Cost of Sample	8,802,119	6,191,426
	Repair and Maintenance of Vehicles	1,269,764	2,678,968
		17,747,042	**14,914,789**

	30-06-2012	30-06-2011
26.00 Administrative expenses		
Fuel & Lubricants	3,478,204	2,248,546
IPO Expenses (Issue Management fee, SEC consent fee and other exp.)	1,540,000	2,680,650
Repair & Maintenances-H.O.	-	1,028,945
Advertisement Exp.	1,458,233	411,833
Membership Fees	-	200,000
Audit Fees	219,250	114,500
Assets Revaluation Fees	-	300,000
Credit Rating Fees	6,750	150,000
Salary & Allowance	33,623,154	32,654,704
Festival Bonus	2,117,750	1,584,275
Annual BO Charge	2,900	-
Conveyance	902,178	1,478,302
Cookeries	69,939	124,319
Depreciation-Administrative	5,183,932	17,030,542
Donation	500,000	-
Electricity Bill	517,302	314,625
Entertainment	3,884,890	2,105,593
Food Allowance	1,191,632	950,369
House Rent	2,164,000	1,245,000
House Rent-Vat	472,570	-
Internet Exp	747,777	535,689
ISO Certificate Fees	-	70,000
Legal Advisor's Exp	-	10,000
Medicare Exp	103,641	246,283
Misc. Exp	2,546,567	1,667,620
Mobile Bill	1,959,088	1,702,401
Rent	85,490	-
Newspaper	8,036	7,832
Office Maintenance	396,801	366,453
Postage	26,200	11,880
Stationery	4,353,629	3,988,031
Provident Fund (Note: 24.04)	1,910,328	3,436,808
Renewal Fees	2,220,613	315,199
RJSC Filling Fees	506,287	200,000
Software Development	-	449,500
Sports Equipment	4,030	30,570
Telephone Exp	79,345	91,707
Tours & Travels (Note: 24.05)	7,422,946	15,083,248
Training & Development	67,530	-
Fresh Water	68,475	51,005
Water & Sewerage	52,800	39,250
	79,892,266	**92,925,679**
27.00 Finance costs		
Acceptance Commission	-	6,414,124
Bank Charge	870,690	148,211
Excise Duty	115,681	-
Handling Commission	211,300	431,773
Interest on Bank Overdraft	20,606,724	12,719,050
Interest on Loan (LATR)	35,055,873	22,575,185
Interest on Loan-Acceptance	26,764,011	19,983,202
Interest on Loan (IBP)	42,101,806	35,713,640
Interest on Term Loan	165,069,290	158,569,873
L/C Advising Charge	821,265	654,593
L/C Amendments Commission	8,003	52,522
LC Form Expenses	28,000	36,000
L/C Opening Commission	-	4,741,761
Pay Order Charge	-	2,045
Post & Telex	4,600	3,815

	30-06-2012	30-06-2011
Remittance Collection Charge	3,960,868	3,772,566
Stamp Charges	27,450	23,650
Swift Charges	767,620	986,490
	296,413,182	**266,828,502**
28.00 Provision for loss of investment in shares		
Total cost price of shares	-	14,048,347
Market price as on 30-06-2011	-	10,564,358
	-	3,483,989
Opening Balance of Provision	-	283,842
	-	3,200,147
29.00 Other Income		
Dividend Income	28,868	239,559
Profit/Loss on sale of investment in share	(2,160,878)	1,672,447
	(2,132,010)	1,912,006
30.00 Exchange gain/ (loss)		
Exchange gain on sales	1,016,631	30,165,063
Exchange gain on Bills Receivable	1,284,842	4,476,856
Exchange loss on Purchase	-	(32,433,677)
Exchange loss on Accounts Payable	(825,836)	(9,457,476)
	1,475,637	**(7,249,233)**
31.00 Income Tax		
Income Tax on Other Income (31.01)	564,189	717,002
Income Tax from Operational Income (31.02)	15,333,664	12,014,888
	15,897,854	**12,731,890**
31.01 Income Tax on Other Income :		
Other Income	28,868	1,912,006
Exchange Gain	1,475,637	-
	1,504,505	-
Rate	37.50%	37.50%
Income Tax on Other Income	564,189	717,002
31.02 Income Tax from Operational Income:		
Profit before Tax	203,792,484	152,201,577
Add: Provision for loss of Investment in Shares	-	2,666,789
Add/Less: Exchange Loss/Gain	(1,475,637)	7,228,704
Less: Other Income	2,132,010	(1,898,566)
Operational Income	204,448,857	160,198,504
Less: Exempted income due to tax holiday as NBR Letter # 11(18)Anu-1/2009/1378(2) 50% of Taka 204,448,856	102,224,428	80,099,252
Taxable Income	102,224,428	80,099,252
Tax Rate	15.00%	15.00%
Income Tax from Operational Income	**15,333,664**	**12,014,888**
32.00 Provision for Tax		
Opening Balance	12,731,890	-
Less: Adjustment of actual income tax	7,316	-
Actual income tax in 2011 -12 as per assessment	12,724,574	-
Paid during the year	11,000,000	-
	1,724,574	-
Current year	15,897,854	12,731,890
	17,622,428	12,731,890
less: Advance Income Tax	5,284,255	-
	12,338,173	**12,731,890**

33.00 Basic Earning Per Share (EPS):

Particulars	30-06-2012 Number of Shares	30-06-2011 Number of Shares
Opening Number of Shares	55,125,000	9,500,000
Stock dividend issued	-	10,125,000
Share issued against cash	-	35,200,000
Share issued against cash	-	300,000
	55,125,000	**55,125,000**

	30-06-2012 Taka	30-06-2011 Taka
Net profit after tax	191,481,938	179,509,618
Weighted average number of share	55,125,000	46,303,904
Earning Per Share	3.47	3.88

Earnings per share has been calculated in accordance with BAS - 33: Earnings Per Share(EPS)".

34.00 Related Party Disclosers

	Nature of Transaction	Transaction During the Year	Outstanding as on 30.06.2012	Outstanding as on 30.06.2011
Paramount Insurance Co. Ltd.	Insurance	13,400,508	-	-

35.00 Events after reporting period

There is no other significant event that has occurred between the financial position date and the date when the financial statements were authorized for issue by the Board of directors of the Company.

The Board of directors of the company in it's meeting held on October 01, 2012 has proposed a cash dividend @ 15% out of the surplus available for the year ended June 30, 2012.

36.00 Capital Expenditure Commitment

There was no capital expenditure contracted or incurred or provided for as at 30th June 2012. There was no material capital expenditure authorized by the Board or contracted for as at 30th June 2012.

37.00 Disclosure as per Schedule XI, Part II, Para 3 of company's Act 1994:

	30-06-2012	30-06-2011
Number of Employees:		
Factory:		
Number of full-time employees (Officers & Staff)	290	250
Number of full-time employees (Workers)	2,135	2,125
	2,425	2,375
Head Office:		
Number of full-time employees (Officers & Staff)	93	80
Number of full-time employees (Workers)	28	25
	121	105
	2,546	2,480

All employees received more than Tk. 3,000 per month

38.00 Disclosure as per Schedule XI, Part II, Para 4 of company's Act 1994:

No remuneration, Board Meeting attendance fees is provided to any of the directors of the company

However two representative directors are also the executive of the company. There executive compensation for the year ended 30 June, 2012 is as follows:

Name	Designation	Representative Director	Remuneration & Bonus (Taka)
Mr. Biswajit Roy	Executive Director	Paramount Spinning Ltd.	1,344,000
Mr. Nazrul Islam	DGM (Finance & Accounts)	Paramount Holding Ltd.	636,000

	30-06-2012	30-06-2011

39.00 Disclosure as per Schedule XI, Part II, Para 7 of company's Act 1994:

Particulars	30-06-2012	30-06-2011
Yarn Dyed Fabric:		
Installed Capacity	51,000 yds per day	45000 yds per day
Actual Production	48,900Yds per day	40,950 yds per day
Utilization	95.88%	92.00%
Dyed Yarn:		
Installed Capacity	18 ton/per day	18 ton/per day
Actual Production	16.82 ton/per day	16.38 ton/per day
Utilization	93.44%	91.00%

40.00 Transaction in foreign currency:

Particulars		
CIF value of import:		
Raw Materials		
Yarn	1,226,513,253	1,325,792,189
Chemical	269,644,776	201,039,203
Capital Machinery	16,492,672	244,806,860
	1,512,650,702	**1,771,638,252**
FOB Value of Export	**2,849,711,651**	**2,201,136,560**

41.00 Quantitative details of opening stock, purchases/production, consumption/sales and closing stock of raw materials and finished goods for the year ended 30 June 2012:

Item	Unit	Opening Stock (Qty)	Purchases / Production	Consumption / Sales (Qty)	Closing Stock (Qty)
Raw Materials:					
Yarn	Kgs	1,835,223	3,340,430.04	3,488,908	1,686,745
Dyes & Chemical	Kgs	655,866	3,470,692.00	3,560,485	566,073
Finished Fabric	Yds	450,084	17,492,407.00	17,471,802	470,689
Work in Progress:					
Yarn	Kgs	73974	3,488,908.04	3,359,959	202,923
Fabrics	Yds	291670	17,604,000.00	17,492,407	403,263

42.00 Discloser of Quantity wise schedule of inventories as per requirement of Schedule XI of the Companies Act, 1994

Particulars	**Unit**	**Quantity**	**Value (BDT)**	**Value (BDT)**
Chemical	KG	566,073.40	-	129,622,510
Finished Goods	Yards	470,689.00	-	64813875
Yarn	KG	1,686,745.38	-	586,915,838
Work in Process:				118,554,384
Yarn	KG	202,923.01	67,045,661	
Fabrics	Yards	403,262.74	51,508,723	
				899,906,607

43.00 Disclose information regarding advance deposits & pre-payment as per Schedule of XI, Part 1, Para (J) of the Companies Act, 1994:

Aging of the advances except security deposits (Titas) & Telephone line for Utilities is given below

Particulars	June 31, 2012		June 31, 2011	
	Below six Months	Over six Months	Below six Months	Over six Months
L/C Margin Deposit with PBL	48,196,000	-	31,170,000	
Deffered Advertisement	1,215,000		1,161,167	
Advance Against Salary		4,162,110		2,098,210
Advance Office Rent (Security Deposit)		382,500		382,500
Advance to Conustruction Party	1,607,931			

1. All the advances & deposits amount are considered good and recoverable
2. Advance from employees are regularly being realised from their salaries
3 There is no advance due for payment for more than 6 months from the date of statement of financial position except as mentioned above.
4. There is no amount due from any Directors or officers of the company
5. Debts considered good in respect of which the company is fully secured.
6. There are no debts due by directors or other officers of the company.

44.00 **Information of Bank Loan (Bank - Wise) mentioning terms and conditions of the loan agreements:**

Bank	Loan Account	*Figure in Million* Sanction Limit	Outstanding Amount	Terms and Conditions of Sanctioned Latter.
Pubali Bank Ltd.	Term Loan # 3991	400	234.96	Purpose: To Import Capital Machinery Tenor: 5 Years (Including 12 Months grace Period) Repayment: 16 (Sixteen) Quarterly Installments commencing from end of month 15 (fifteen) and ending on the end of month 60 (sixty) from the date first draw down under the facility. Interest Rate: 14% Security agreement: Personal Guarantee of all the Directors of Paramount Textile Limited. Corporate Guarantee of Paramount Holdings Limited & Sunrise Chemicals Ltd. 16 Post dated Cheques for each Quarterly Instalment of Term Loan Registered mortgage of project land measuring 28.00 Bigha and structure to be constructed thereon. First Charge Registered with RJSC by way of Hypothecation on the fixed asset, movable and the immovable assets including plant and equipment both present and future of Paramount Textile Ltd.
	Term Loan # 7463	50	18.41	Purpose: To Import Capital Machinery Tenor: 5 Years (Including 12 Months grace Period) Repayment: 16 (Sixteen) Quarterly Installments commencing from end of month 15 (fifteen) and ending on the end of month 60 (sixty) from the date first draw down under the facility.

			Interest Rate: 14% Security agreement: Personal guarantee of all the Directors of Paramount Textile Limited Corporate guarantee of Paramount Holdings Limited & Sunrise Chemicals Ltd. 16 Post dated Cheque for each quarterly instalment of term loan Registered mortgage of project land measuring 28.00 bigha and structure to be constructed thereon. First charge registered with RJSC by way of Hypothecation on the fixed asset, movable and the immovable assets including plant and equipment both present and future of Paramount Textile Ltd.
Term Loan # 0730	170	126.68	Purpose: To import capital machinery Tenor: 6 Years (including 1 years grace period) Repayment: will be started from the 13th month from the date of first disbursement @ Tk. 1.29 crore quartly installment. Interest Rate: 14% Security agreement: Personal guarantee of all the Directors of Paramount Textile Limited Corporate guarantee of Paramount Holdings Limited & Sunrise Chemicals Ltd. 20 Post dated cheque for each quarterly Instalment of term loan Registered mortgage of project land measuring 28.00 bigha and structure to be constructed thereon. First charge registered with RJSC by way of Hypothecation on the fixed asset, movable and the immovable assets including plant and equipment both present and future of Paramount Textile Ltd.

Term Loan # 3712	350	440.59	Purpose: To Import Capital Machinery Tenor: 5 Years (excluding 2 years grace period) from the date of 1st disbursement Repayment: 20 (Twenty) quarterly Installment commencing after 2 years grace period from the date first disbursement Interest Rate: 14% Security agreement: Personal guarantee of all the Directors of Paramount Textile Limited Corporate guarantee of Paramount Holdings Limited & Sunrise Chemicals Ltd. 20 Post dated Cheque for each Quarterly Instalment of Term Loan Registered mortgage of project land measuring 28.00 bigha and structure to be constructed thereon. First Ccharge registered with RJSC by way of Hypothecation on the fixed asset, movable and the immovable assets including plant and equipment both present and future of Paramount Textile Ltd.
OD # 6254	150	143.97	Purpose: To facilitate the customer to get the shipping documents released and meeting up day to day expenses Tenor: Revolving & Renewal Mode of Adjustment: Regular sales proceeds. Interest Rate: 14% Security agreement: Personal guarantee of all the Directors of Paramount Textile Limited Corporate guarantee of Paramount Holdings Limited & Sunrise Chemicals Ltd.

			Registered Mortgage of Project Land measuring 28.00 bigha and structure to be constructed thereon. First charge registered with RJSC by way of Hypothecation on the fixed asset, movable and the immovable assets including plant and equipment both present and future of Paramount Textile Ltd.
LATR	500	459.46	Purpose: To facilitate the customer to get the shipping documents released under the sight L/Cs to be effected from on completion of the project. Tenor: Each LATR will have a specific validity for maximum period of 120 days. Mode of Adjustment: By depositing regular sales proceeds, but full and final adjustment on or before the validity. Interest Rate: 14% Security agreement: Personal guarantee of all the Directors of Paramount Textile Limited Corporate guarantee of Paramount Holdings Limited & Sunrise Chemicals Ltd. First charge on all present and future Fixed and floating Assets & Book-Debts of the company registered with RJSC Hypothecation of all machinery, raw material, work in process, finished goods etc.
IBP	400	296.06	Purpose: To meet the working capital requirement and payment of LATR on a regular basis. Tenor: Each IBP will have a specific validity for maximum period of 120 days. Mode of Adjustment: By depositing regular sales proceeds, but full and final adjustment on or before the validity. Interest Rate: 14%

				Security agreement: Personal guarantee of all the Directors of Paramount Textile Limited Corporate guarantee of Paramount Holdings Limited & Sunrise Chemicals Ltd. First charge on all present and future Fixed and floating Assets & Book-Debts of the company registered with RJSC Hypothecation of all machinery, raw material, work in process, finished goods etc.
Standard Bank Ltd.	Term Loan	230	262.34	Purpose: To import capital machinery Tenor: 5 Years (Excluding 1 years grace period) from the date of disbursement Repayment: 20 (Twenty) quarterly installment commencing from end of month 15 (fifteen). Interest Rate: 15.50% Security agreement: Personal guarantee of all the Directors of the Company Registered mortgage of project land measuring 11.24 bigha undemarcated land out of totaling 90 bighas at Gilar Chala Collateral security against credit facilities of Sunrise Chemical Industries Ltd. M/S Foodex International & M/S Mount International. Registered mortgage of 10 katha land alomg with 06 (six) storied modern residential building each floor 5400 sft situated at block # F, Flot # 19/B, Road # 117, DIT Gulshan Model Town, Dhaka

Managing Director **Director** **Director**

Dated: Dhaka
7 October 2012

Paramount Textile Limited

Schedule of Fixed Assets

As at June 30, 2012

Schedule - 1

PARTICULARS	COST					Rate of Dep.	DEPRECIATION				Written down value as on June 30, 2012
	Opening Balance as on 01-07-2011	Transfer from CWIP	Addition for the year	Adjustment for the year	Closing balance as on 30-06-2012		Opening Balance as on 01-07-2011	Charge for the year	Adjustment for the year	Closing balance as on 30-06-2012	
Land & Land Development	13,121,900			-	13,121,900	0%	-	-	-	-	13,121,900
Building Construction	399,759,321	5,526,992		-	405,286,312	10%	70,149,326	33,513,699	-	103,663,025	301,623,288
Effluent Treatment Plant(ETP) &	50,504,379	5,659,088		-	56,163,467	10%	5,970,239	5,019,323	-	10,989,562	45,173,905
Electrical Installation	76,094,557	11,404,730		-	87,499,287	15%	16,315,036	10,677,638	-	26,992,673	60,506,614
Gas Line Installation	14,206,054	3,170,004		-	17,376,058	20%	4,812,654	2,512,681	-	7,325,335	10,050,723
Transformer	2,076,000	620,000		-	2,696,000	10%	385,350	231,065	-	616,415	2,079,585
Plant & Machinery	1,406,007,199	205,468,854		-	1,611,476,053	20%	369,702,097	248,354,791	-	618,056,888	993,419,164
Loose Tools	106,120			-	106,120	10%	20,163	8,596	-	28,759	77,361
Reed	6,754,088	2,960,915		-	9,715,003	20%	1,350,818	1,672,837	-	3,023,655	6,691,348
Fire Equipment	588,940		269,200	-	858,140	15%	148,105	106,505	-	254,610	603,530
Factory Equipment	3,977,783	1,113,590	405,550	-	5,496,923	10%	755,779	474,114	-	1,229,893	4,267,030
Generator & Boiler	147,697,633	46,455,915		-	194,153,548	15%	38,929,416	23,283,620	-	62,213,036	131,940,512
Industrial Rack	12,017,000	11,643,000	1,888,000	-	25,548,000	10%	1,484,300	2,406,370	-	3,890,670	21,657,330
Air Conditioner	1,482,980	2,696,500	154,500	-	4,333,980	10%	148,298	418,568	-	566,866	3,767,114
Sub Total (Manufacturing)							510,171,580	328,679,806	-	838,851,387	1,594,979,404
Furniture & Fixture	7,040,414		639,910	-	7,680,324	10%	1,140,861	653,946	-	1,794,807	5,885,517
Office Decoration	1,639,344		112,685	-	1,752,029	10%	282,715	146,931	-	429,646	1,322,383
Office Equipment	7,512,278	2,703,715	2,745,712	-	12,961,705	10%	1,105,401	1,185,630	-	2,291,032	10,670,673
Telephone Equipment	725,130		340,840	-	1,065,970	12%	102,521	115,614	-	218,135	847,835
Motor Vehicles	21,979,820		3,742,000	-	25,721,820	15%	5,176,423	3,081,810	-	8,258,233	17,463,587
Sub Total (Administrative)							7,807,921	5,183,932	-	12,991,852	36,189,996
Total:	**2,173,290,939**	**299,423,303**	**10,298,397**	**-**	**2,483,012,639**		**517,979,501**	**333,863,738**	**-**	**851,843,239**	**1,631,169,400**

Paramount Textile Limited

Auditors' Report under section 135(1) and paragraph 24(1) of Part -II of Third Schedule of the Companies Act 1994

We have examined the financial statements of Paramount Textile Limited for the year ended June 30, 2008, 2009, 2010 , 2011 and 2012. In pursuance of Section 135(1) under Paragraph 24(1) of Part -II of Third Schedule of the Companies Act 1994 our report is as under:

A. Statement of Assets and Liabilities:

	30.06.2012	30.06.2011	30.06.2010	30.06.2009	30.06.2008
ASSETS					
Property, plant and equipment	1,631,169,400	1,655,311,438	652,177,552	779,353,434	113,588,076
Capital Work in Progress	78,176,688	299,423,303	1,332,214,120	-	-
Total non-current assets	**1,709,346,088**	**1,954,734,741**	**1,984,391,672**	**779,353,434**	**113,588,076**
Preliminary Expenses	**-**	**-**	**-**	**1,089,185**	**4,073,450**
Current Assets					
Inventories	899,906,607	867,174,367	303,096,148	74,881,395	-
Trade and other Receivables	1,044,063,035	337,327,753	184,468,935	47,561,014	-
Advances, deposits and prepayments	63,653,001	42,901,337	48,413,275	33,219,522	3,251,160
Investments	15,620,104	14,048,347	3,505,000	5,000	-
Deferred Tax Assests	402,898	-	-	-	-
Cash and bank balance	5,831,934	7,754,308	2,871,794	2,276,212	2,996,350
Total current assets	**2,029,477,579**	**1,269,206,111**	**542,355,152**	**157,943,143**	**6,247,510**
Current Liabilities					
Trade and other payables	698,917,979	747,195,649	304,488,673	26,535,760	-
Liability for Expenses	35,883,443	21,143,060	15,950,544	4,844,010	135,000
Short term loan	899,484,513	354,525,026	155,639,234	179,189,456	-
Current Maturity of long term loan	435,258,000	342,258,000	256,929,000	-	-
Inter Company Loan	-	-	27,625,883	116,812,931	-
Income tax provision	12,338,173	12,731,890	-	-	-
Total Current Liabilities	**2,081,882,109**	**1,477,853,625**	**760,633,334**	**327,382,158**	**135,000**
Net Current Assets	**(52,404,530)**	**(208,647,514)**	**(218,278,182)**	**(169,439,015)**	**6,112,510**
Total Assets	**1,656,941,558**	**1,746,087,227**	**1,766,113,490**	**611,003,604**	**123,774,036**

SHARE HOLDERS' EQUITY AND LIABILITIES	30.06.2012	30.06.2011	30.06.2010	30.06.2009	30.06.2008
Shareholders' equity					
Ordinary share capital	551,250,000	551,250,000	95,000,000	10,000,000	10,000,000
Share Money Deposit	-	-	425,000,000	121,843,865	-
Retained earnings	289,566,637	138,967,154	108,052,499	20,940,397	-
Tax holiday reserve	174,727,395	133,837,624	86,492,661	13,960,265	-
Holding Gain Reserve	(6,331,065)	-	-	-	-
Total shareholders' equity	**1,009,212,967**	**824,054,778**	**714,545,160**	**166,744,527**	**10,000,000**
Non-current liabilities					
Long Term Loan - Net of Current Maturity	647,728,591	918,848,039	1,051,568,330	444,259,077	113,774,036
Deferred Tax Liabilities	-	3,184,410	-	-	-
Total Non-current liabilities	647,728,591	922,032,449	1,051,568,330	444,259,077	113,774,036
Total equity and liabilities	**1,656,941,558**	**1,746,087,227**	**1,766,113,490**	**611,003,604**	**123,774,036**
Net Assets Value Per Share	**18.31**	**14.95**	**75.22**	**166.74**	**10.00**

B. Statement of Operating Results:

Revenue	2,849,711,651	2,201,136,560	1,036,721,702	180,280,955	N/A
Cost of sales	(2,241,020,681)	(1,612,733,002)	(767,545,882)	(125,311,164)	N/A
Gross profit	**608,690,970**	**588,403,558**	**269,175,820**	**54,969,791**	**N/A**
Distribution costs	(17,747,042)	(14,914,789)	(1,127,745)	(565,540)	N/A
Administrative expenses	(79,892,266)	(92,925,679)	(45,626,422)	(14,969,862)	N/A
	(97,639,308)	**(107,840,468)**	**(46,754,167)**	**(15,535,402)**	**N/A**
Profit from operations	**511,051,662**	**480,563,090**	**222,421,653**	**39,434,389**	**N/A**
Finance costs	(296,413,182)	(266,828,502)	(42,493,312)	(4,533,727)	N/A
Provision for loss of investment in shares	-	(3,200,147)	(283,842)	-	N/A
Other income	(2,132,010)	1,912,006	-	-	N/A
Exchange gain/ (loss)	1,475,637	(7,249,233)	-	-	N/A
	(297,069,555)	**(275,365,877)**	**(42,777,154)**	**(4,533,727)**	**N/A**

	30.06.2012	30.06.2011	30.06.2010	30.06.2009	30.06.2008
Profit/(loss) before WPP & WF	**213,982,108**	**205,197,214**	**179,644,499**	**34,900,662**	**N/A**
Provision for contribution to WPP & WF	(10,189,624)	(9,771,296)	-	-	**N/A**
Profit before tax	**203,792,484**	**195,425,918**	**179,644,499**	**34,900,662**	**N/A**
Provision for tax					
Income tax	(15,897,854)	(12,731,890)	-	-	N/A
Deferred Tax Expenses	3,587,308	(3,184,410)	-	-	N/A
	(12,310,545)	**(15,916,300)**	-	-	**N/A**
Net profit/ (loss) after tax	**191,481,938**	**179,509,618**	**179,644,499**	**34,900,662**	**N/A**
Tax holiday reserve	(40,889,771)	(47,344,963)	(72,532,397)	(13,960,265)	N/A
Net profit after tax & tax holiday reserve	**150,592,167**	**132,164,655**	**107,112,102**	**20,940,397**	N/A
Basic Earnings Per Share	3.47	**3.88**	**9.04**	**20.94**	N/A

C. Statement of Cash Flows:

a) Cash flows from operating activities

	30.06.2012	30.06.2011	30.06.2010	30.06.2009	30.06.2008
Cash received from operating activities					
Cash received from customer	2,142,976,369	2,048,277,743	899,813,780	132,719,941	N/A
Cash received from other income	28,868	-	-	-	
	2,143,005,238	**2,048,277,743**	**899,813,780**	**132,719,941**	**N/A**
Cash paid for operating activities:					
Cash paid to suppliers	1,586,715,311	1,103,484,685	408,479,019	23,155,447	N/A
Wages & Salaries	225,415,752	176,448,167	89,884,944	17,944,243	N/A
Factory Overhead	176,629,226	138,987,844	64,043,229	17,495,595	N/A
Administrative overhead	74,348,072	75,037,749	36,187,327	6,007,064	N/A
Selling Overhead	17,747,042	14,914,789	1,127,745	339,343	N/A
Financial Charges	296,413,182	266,828,500	42,493,312	4,533,727	N/A
Advance , Deposits & Pre-payments	20,751,664	(5,511,938)	15,193,753	29,968,362	N/A
Exchange Loss	(1,475,637)	7,249,233	-	-	N/A
Provision for contribution to WPP & WF	400,000	-	-	-	N/A
Income Tax Paid	11,000,000	-	-	-	N/A
Advance Tax Paid	5,284,255	-	-	-	N/A
	2,413,228,866	**1,777,439,029**	**657,409,329**	**99,443,781**	**N/A**
Net cash flows from operating activities	**(270,223,629)**	**270,838,714**	**242,404,451**	**33,276,160**	**N/A**

	30.06.2012	30.06.2011	30.06.2010	30.06.2009	30.06.2008
b) Cash flows from Investing Activities					
Payment of Investment in Shares	(10,063,700)	(8,870,900)	(3,500,000)	(5,000)	N/A
Payment of Fixed Assets Purchased	(88,475,085)	(310,953,919)	(1,348,736,345)	(324,113,838)	N/A
Net cash Increase from Investing activities	**(98,538,785)**	**(319,824,819)**	**(1,352,236,345)**	**(324,118,838)**	**N/A**
c) Cash flows from Financing Activities					
Proceeds from Share Money Deposit	-	(70,000,000)	303,156,135	121,843,865	N/A
Proceeds from Bank Overdraft	(10,141,297)	99,701,525	2,945,137	51,465,743	N/A
Proceeds from Loan against trust receipts (LTR)	259,043,307	99,184,268	-	-	N/A
Proceeds from Export bills purchases (IBP)	296,057,477	-	-	-	
Payment of Inter Company Loan	-	(27,625,883)	(89,187,048)	116,812,931	N/A
Payment of Term Loan	(178,119,447)	(47,391,291)	828,513,252	-	N/A
Share Capital (New Share Issued)	-	-	65,000,000	-	N/A
Net cash flows used in financing activities	**366,840,040**	**53,868,618**	**1,110,427,476**	**290,122,539**	**N/A**
Net increase in cash and cash equivalents	**(1,922,374)**	**4,882,514**	**595,582**	**(720,139)**	**N/A**
Cash and cash equivalents, beginning of year	**7,754,308**	**2,871,794**	**2,276,212**	**2,996,350**	**N/A**
Cash and cash equivalents, end of year	**5,831,934**	**7,754,308**	**2,871,794**	**2,276,211**	**N/A**

D. Dividend Declared:

	30.06.2012	30.06.2011	30.06.2010	30.06.2009	30.06.2008
Cash dividend-%	15%	Nil	Nil	Nil	Nil
Stock dividend (Bonus shares)-%	Nil	Nil	22.50%	200%	Nil

E. The company was incorporated on 12th June 2006;

F. The Company has started commercial production on 01-09-2008.

G. The legal status of the company has been changed into public limited company from private limited company on September 19, 2010.

H. The face value of the shares has been changed into Taka 10/- per share from Taka 100/- per share on May 02, 2010

I. The Statement of Assets and Liabilities (Statement of Financial Positions) as on June 30, 2012, of the Company has been duly certified by us;

J. The Statement of Operating Results (Statement of Comprehensive Income) from July 01, 2011 to June 30, 2012 of the Company has been duly certified by us.

K. The Statement of Cash Flows from July 01, 2011 to June 30, 2012 of the company are enclosed and certified by us;

L. The Company has no subsidiaries;

M. No financial statements have been prepared for our verification after 30 June 2012 till the date of issue of this prospectus.

N. Figures related to previous years have been rearranged wherever considered necessary.

Chartered Accountants

Dated: Dhaka
February 26, 2013

Paramount Textile Limited
Statement of Ratio Analysis
For the year ended June 30 2009, June 30 2010 ,June 30 2011 and June 30 2012

The following ratios have been computed from the audited financial statements of Paramount Textile Limited for the years ended June 30 2009, June 30 2010, June 30 2011 and June 30, 2012 :

	Name of Ratio	2012	2011	2010	2009
		Result	Result	Result	Result
A.	**Liquidity Ratios**				
1	Current Ratio (Times)	0.97	0.86	0.71	0.48
2	Quick Ratio (Times)	0.54	0.27	0.31	0.25
3	Times Interest Earned Ratio (Times)	1.70	1.78	6.99	9.92
4	Debt to Equity Ratio (Times)	0.64	1.12	1.47	2.66
B.	**Operating Ratios**				
1	Accounts Receivable Turnover Ratio (Times)	4.13	8.44	8.94	3.87
2	Inventory Turnover Ratio (Times)	2.54	2.76	4.06	1.67
3	Fixed Assets Turnover Ratio	1.67	1.13	0.52	0.23
4	Assets Turnover Ratio (Times)	0.76	0.68	0.41	0.19
C.	**Profitability Ratios**				
1	Gross Margin Ratio (%)	21.36	26.73	25.96	30.49
2	Operating Income Ratio (%)	17.93	21.83	21.45	21.87
3	Net Income Ratio (%)	6.72	8.16	17.33	19.36
4	Return on Assets Ratio (%)	5.12	5.57	7.11	3.72
5	Return on Equity Ratio (%)	18.97	21.78	25.14	20.93
6	Earning Per Share	3.47	3.88	9.04	34.90

We have examined the calculation of the above ratios of Paramount Textile Limited for the year ended June 30 2009, June 30 2010, June 30 2011 and June 30 2012 are found correct. The details calculation is presented in Annexure-1.

Dated: Dhaka
February 26, 2013

Chartered Accountants

Paramount Textile Limited

Annexure - 1

Name of Ratio	Formula	2012 Calculation	2012 Result	2011 Calculation	2011 Result	2010 Calculation	2010 Result	2009 Calculation	2009 Result
A. Liquidity Ratios									
1 Current Ratio (Times)	Current Assets / Current Liability	2,029,477,579 / 2,081,882,109	0.97	1,269,206,111 / 1,477,853,625	0.86	542,355,153 / 760,633,334	0.71	157,938,143 / 327,382,157	0.48
2 Quick Ratio (Times)	Current Assets - Inventory / Current Liability	1,129,570,972 / 2,081,882,109	0.54	402,031,744 / 1,477,853,625	0.27	239,259,005 / 760,633,334	0.31	83,056,748 / 327,382,157	0.25
3 Times Interest Earned Ratio (Times)	Net profit Before Interest & Taxes / Net Interest Expenses	493,390,187 / 289,597,704	1.70	444,986,867 / 249,560,950	1.78	211,624,527 / 30,293,536	6.99	38,815,087 / 3,914,425	9.92
4 Debt to Equity Ratio (Times)	Long term Debt / Total Shareholders' Equity	647,728,591 / 1,009,212,967	0.64	918,848,039 / 824,054,778	1.12	1,051,568,330 / 714,545,160	1.47	444,259,077 / 166,744,527	2.66
B. Operating Ratios									
1 Accounts Receivable Turnover Ratio (Times)	Sales / Average Receivables	2,849,711,651 / 690,695,394	4.13	2,201,136,560 / 260,898,344	8.44	1,036,721,702 / 116,014,975	8.94	180,280,955 / 46,561,014	3.87
2 Inventory Turnover Ratio (Times)	Cost of Goods Sold / Average Inventory	2,241,020,681 / 883,540,487	2.54	1,612,733,002 / 585,135,258	2.76	767,545,882 / 188,988,772	4.06	125,311,164 / 74,881,395	1.67
3 Fixed Assets Turnover Ratio (Times)	Sales / Fixed Assets	2,849,711,651 / 1,709,346,088	1.67	2,201,136,560 / 1,954,734,741	1.13	1,036,721,702 / 1,984,391,672	0.52	180,280,955 / 779,353,434	0.23
4 Assets Turnover Ratio (Times)	Sales / Total Assets	2,849,711,651 / 3,738,823,667	0.76	2,201,136,560 / 3,223,940,852	0.68	1,036,721,702 / 2,526,746,825	0.41	180,280,955 / 938,385,762	0.19
C. Profitability Ratios									
1 Gross Margin Ratio (%)	Gross Profit / Sales (Gross)	608,690,970 / 2,849,711,651	21.36	588,403,558 / 2,201,136,560	26.73	269,175,820 / 1,036,721,702	25.96	54,969,791 / 180,280,955	30.49
2 Operating Income Ratio (%)	Operating Profit / Sales (Gross)	511,051,662 / 2,849,711,651	17.93	480,563,090 / 2,201,136,560	21.83	222,421,653 / 1,036,721,702	21.45	39,434,389 / 180,280,955	21.87
3 Net Income Ratio (%)	Profit after Tax / Sales (Gross)	191,481,938 / 2,849,711,651	6.72	179,509,618 / 2,201,136,560	8.16	179,644,499 / 1,036,721,702	17.33	34,900,662 / 180,280,955	19.36
4 Return on Assets Ratio (%)	Profit after Tax / Total Assets	191,481,938 / 3,738,823,667	5.12	179,509,618 / 3,223,940,852	5.57	179,644,499 / 2,526,746,825	7.11	34,900,662 / 938,385,762	3.72
5 Return on Equity Ratio (%)	Profit after Tax / Shareholders' Equity	191,481,938 / 1,009,212,967	18.97	179,509,618 / 824,054,778	21.78	179,644,499 / 714,545,160	25.14	34,900,662 / 166,744,527	20.93
6 Earning Per Share	Profit after Tax / Wgt. Average No. of Shares	191,481,938 / 55,125,000	3.47	179,509,618 / 46,303,904	3.88	179,644,499 / 19,879,795	9.04	34,900,662 / 1,000,000	34.90

Section XV

Management Disclosure

MANAGEMENT DISCLOSURE AS PER RULE 8.B. (20)(E) & (G) OF THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006

1. Earnings Per Share (EPS) on fully diluted basis:

Particulars	2011 -2012(BDT)	2010 -2011 (BDT)
Net Profit After Tax	**191,481,938**	**179,509,618**
Pre-IPO no. of Shares	55,125,000	55,125,000
EPS on fully diluted basis	**3.47**	**3.26**

2. Net profit excluding extra-ordinary income or non-recurring income coming from other than core operations:

Particulars	2011 -2012 (BDT)	2010 -2011 (BDT)
Profit before Tax	**203,792,484**	**195,425,918**
Less: Other Income	(2,132,010)	1,912,006
Net Profit before Tax except other income	**205,924,493**	**193,513,912**
Less: Income Tax from Operational Income	15,333,664	12,014,888
Add: Deferred Tax Income/ (Expense)	3,587,308	**(3,184,410)**
Net profit excluding extra-ordinary income	**194,178,137**	**178,314,614**

3. Earnings Per Share (EPS) excluding extra-ordinary income or non-recurring income coming from other than core operations:

Particulars	2011 -2012 (BDT)	2010 -2011 (BDT)
Net Profit excluding extra-ordinary income	**194,178,137**	**178,314,614**
Pre-IPO no. of Shares*	55,125,000	55,125,000
EPS on fully diluted basis	**3.52**	**3.23**

For Issuer

Shakhawat Hossain
Managing Director & Director
Paramount Textile Limited

Place : Dhaka
Date : April 23, 2013

Section XVI

Credit Rating Report of Paramount Textile Limited

REPORT: RR/1907/12

This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996. CRISL's entity rating is valid one year for long-term rating and 6 months for short term rating. After the above periods, these ratings will not carry any validity unless the entity goes for surveillance.
CRISL followed Corporate Rating Methodology published in CRISL website www.crislbd.com

Date of Rating	November 29, 2012	
	Long Term	**Short Term**
Entity Rating	A+	ST-3
Outlook	Stable	

Address:
CRISL
Nakshi Homes
(4th & 5th Floor)
6/1A, Segunbagicha,
Dhaka-1000
Tel: 9515807-8
9514767-8
Fax: 88-02-9565783
Email:
crisldhk@crislbd.com

Analysts:
Md. Touhidul Islam
touhidul@crislbd.com

Shazeda Akther
shompa@crislbd.com

Entity Rating
Long Term: A+
Short Term: ST-3

Outlook: Stable

PARAMOUNT TEXTILE LIMITED

ACTIVITY
Manufacturer of Woven Fabrics

DATE OF INCORPORATION
June 12, 2006

CHAIRMAN
Md. Shakhawat Hossain

MANAGING DIRECTOR
Mr. Alock Das

EQUITY
Tk.824.06 Million

TOTAL ASSETS
Tk.3223.94 Million

PAID-UP CAPITAL
Tk.551.25 Million

1.0 RATIONALE

CRISL has assigned 'A+' (pronounced as single A plus) rating in the Long Term and 'ST-3' rating in the Short Term to "Paramount Textile Limited" (PTL) based on both relevant quantitative and qualitative information up-to the date of rating. The above ratings have been assigned based on some fundamentals of the company which include good profitability, sound production infrastructure, regular repayment history, strong Group support, experienced management team, etc. However, the above factors are constrained to some extent by debt based capital structure, below average liquidity, full dependency on imported raw materials etc.

The long term rating indicates that entities rated in this category are adjudged to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more volatile and greater in the periods of economic stress than those rated in the higher categories. The short term rating indicates good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to financial markets is good with small risk factors.

CRISL also placed the company with "Stable Outlook" in consideration of its steady business growth and believing that its existing fundamentals may remain unchanged in the foreseeable future.

2.0 CORPORATE PROFILE

2.1 Background

Paramount Textile Limited is a 100% export oriented woven fabric manufacturer, the most integral business unit of Paramount Group (PG). PG is a group of six diversified business units with the main focus in the textile sector. The Group is the joint initiative of Mr. Md. Shakhawat Hossain, the Group Chairman and Mr. Alock Das, the Managing Director who has long exposures in various industries. Among the business units, PTL is the powerhouse of the Group which was incorporated on June 12, 2006 as a Private Limited Company under the Companies Act 1994 with the objective of producing best quality woven fabric as well as to minimize the import demand for the same. The initiative of the company was driven by the success of trading, insurance, chemicals and real estate businesses of the Group. With the motto "Keeping Quality First", PTL started commercial operation on September, 2008 with a paid capital of Tk.10.00 million against an authorized capital of Tk.400.00 million. Meanwhile, the authorized capital of PTL increased to Tk.2000.00 million as well as the company also injected fresh capital and based on which the paid up capital stood at Tk.551.25 million as on June 30, 2012. Currently, PTL has been operating with capacity to dye 6.3 million kg in dyeing section and around 17.85 million yards dyed woven fabrics in weaving section per year under 100% efficiency. The woven fabrics are mainly sold to different garment units where ready-made garments are made for subsequent export. The management of the company is led by Mr. Md. Shakhawat Hossain, Group Chairman being supported by a skilled and experienced management team. The land area of the factory is about 6.43 acres with building area of 3,20,000 sft with all utility facilities. The project is located at Gilar Chala, C & B Bazar, Sreepur, Gazipur and Corporate Head Office is at Paramount Lodge (Level 5 & 6), House: 22, Road: 113/A, Gulshan-2, Dhaka-1212.

2.2 Ownership and Control

Being a closely held public limited company, the majority shares of PTL is owned by the family members/relatives of the Mr. Md. Shakhawat Hossain (Chairman) and Mr. Alock Das

Ownership and Control Concentrated among Family Members and Relatives

(Managing Director). The company had a total of 55,125,000 ordinary shares of Tk.10 each as on June 30, 2012 owned by 8 shareholders. The sponsors/Directors hold 55.56% and the institutions hold the remaining 44.44% of the total outstanding shares as on June 30, 2012. The Chairman and Managing Director along with their family members/relatives hold 27.78% shares each. Whereas, among the institutional shareholding (44.44%), the two sister concern of PTL- Paramount Spinning Mills Ltd. (represented by Mr. Biswajit Roy) holds 26.67% shares and Paramount Holdings Ltd. (represented by Mr. Md. Nazrul Islam) holds 17.78% shares respectively. The Board is involved in policy making issues and the owners are directly involved in core operation of the business units. The Board is yet to form any committee. The details of the Directors' qualification, age and experience are stated below:

SL	Name (Age)	Designation	Relationship with Chairman/MD	Educational Qualification	Share (%)	Experiences (Years)
1	Md. Shakhawat Hossain	Chairman	N/A	M.Com (Marketing)	13.58	23
2	Mr. Alock Das	Managing Director	N/A	B.A	13.58	23
3	Mrs. Anita Haque	Director	Wife of Chairman	M.A. (English)	3.09	11
4	Mrs. Anita Rani Das	Director	Wife of MD	B.A	3.09	10
5	Mrs. Samsun Nahar	Director	Sister of Chairman	BBA	11.11	06
6	Mrs. Aporna Ghosh	Director	Sister of MD	HSC	11.11	06
7	Institutionnel Shareholders	Director	N/A	N/A	44.44	N/A
Total					**100.00**	

2.3 Corporate Management

Experienced Management Team

The company has been operating with a qualified and experienced management team. The overall management of the company is broadly supervised by the Managing Director, Mr. Alock Das in consultation with the Chairman being supported by Executive Director and other respective professionals of the company. The overall operation of the company is divided into six departments' namely-Accounts & Finance, Commercial, Human Resources (HR), Procurement, Marketing and Production Department. The Accounts and Finance department is supervised by the Executive Director & Company secretary, Mr. Biswajit Roy. Besides, Mr. Iqbal Enamul kabir, Executive Director (Operation) is in-charge of factory management of the company. The top management of the company has been formed as follows:

Name (Age)	Designation	Educational Qualification	Experience (Years)	
			With the Company	Total
Mr. Biswajit Roy (46)	ED & Company Secretary	M.Com, FCMA	5	21
Mr. Iqbal Enamul kabir (PSC) (49)	ED (Operation)	M.Sc	1.6	28
Md. Nazrul Islam (34)	DGM (Fin. & Acc.)	M.Com	4	11
Mr. Alamgir Hossain Bhuiyan (43)	GM (Dyeing & Finishing)	B.Sc in textile Engineering	3	21
Mr. Saiful Azim Aber (40)	GM (Head of Mktg.)	Bachelor's Degree	3	14
ABM Delwar Hossain (39)	Sr. DGM (Dyeing & Finishing)	B.Sc in textile Engineering	4	15
Md. Nurruzzaman Chowdhury (37)	Sr. DGM (Fin. & Acc.)	M.Com, ACMA	2	13

PTL has no formal HR manual for its employees. However, the company has different approved policies to ensure welfare and safety of the employees and workers which include recruitment, increment, promotion, provident fund etc. In factory premises the company has accommodation, prayer and doctor facilities for workers and staff. Total human resource base of the company stood at 2546 as on June 30, 2012 of which 2425 are working at factory level in 3 different shifts. Among the workers, an insignificant portion of workers are female. The minimum wage of the workers at factory level is Tk.4000 and maximum wages is around Tk.14000 per month. HR turnover of the company has been found to be insignificant.

2.4 MIS and Internal Control Mechanism

IT in MIS at Developing Stage

The IT system of the company has been found at a developing stage. Currently IT related aspects of the company are being taken care of by 5 IT professionals. The company uses Tally Software for accounting and most of the cases use packaged software for daily activities of the management supported by STM Vision. The company has a total of 136 PC in the Head Office and factory for daily operation. Moreover, the company also has separate 6 members' internal audit team to ensure structured internal control procedures and to safeguard the assets, promote operating efficiency and ensure compliance with applicable policies and regulations of the units. The team directly reports to the Chairman and Managing Director.

3.0 BUSINESS ANALYSIS

3.1 Infrastructure and Facilities

Sound Production Infrastructure

PTL has been running its business operation with a sound infrastructural arrangement which is located at Gillar Chala, C& E Bazar, Sreepur, Gazipur. The company has about 6.43 acres of land with 3,20,000 sft building area. The company acquired sufficient additional area for further expansion of the project. Since its commercial production, PTL has been using renowned machineries for production for core operation and most of them have been imported from Japan, Belgium, Germany, India, China etc. The factory has two functional units; Weaving and dyeing & finishing. In weaving section the company has 220 Air Jet Looms, 4 Sectional Warping machines, 1 Direct Warping machine, 2 Sizing machines and other different related machineries for facilitating the production. The dyeing & finishing section is equipped with 1 Stenter machines, 39 sets Dyeing machines, 33 set Winding machine (108 Spindles per set) etc. In addition to that, the company has enough source of utilities support like gas, electricity and water. PTL is connected with 15 PSI gas line from Titas Gas Transmission & Distribution Co Ltd. where the average pressure is around 13 PSI. Currently, the company has 5 sets of GE brand gas generators with total capacity of 4.5 MW and has one diesel generator with capacity of 275 KVA for uninterrupted power supply. In the factory premises, it has also prayer facilities, emergency exit, sufficient fire fighting equipments and doctor facilities for workers. Moreover, PTL has a modern ETP system with a capacity of 140 cubic meters per hour and WTP facility along with various miniature plants which is capable of to treat 100 cubic meter of water per hour.

Modern Quality Control Mechanism

PTL uses modern quality inspection technology in the production process to assure quality of the products starting from raw materials to finished goods. The Quality Control (QC) Department routinely monitors the operation in each stage of production like yarn testing, grey inspection, fabric inspection and if any interruption occurs the QC team indicates it to take corrective action. However, the final inspection is made by a competent team as recommended by the buyers. The laboratory is equipped with Color Fastness tester, Data Color, Warp Reel Electronic, Strength Tester, Electronic Automatic Twist Tester etc.

The company has an all insurance coverage of Tk.2007.50 million with Paramount Insurance Company Ltd. covering the risk on building, machinery, generator, electrical installations, stocks of raw materials & finished products etc. The premium for the said insurance was Tk.6.28 million which is valid up to September 18, 2013.

3.2 Business Operation

Production Capacity 17.85 million Yards

PTL is a deemed export oriented dyeing, weaving and processing company and main products of the company are high quality woven fabrics which include 100% cotton yarn dyed fabrics, cotton solid white fabrics, striped and check shirting, stretch fabric etc. The finished products are sold to different export oriented garments units to produce readymade garment for final export which are designed based on specification and guidelines of ultimate buyers. Currently, the company has yearly production capacity of 17.85 million yards in the weaving section, 6.3 million kg in yarn dyeing section and 36 million yards in fabrics finishing section. Against the above the company produced 17.12 million yards in the weaving section and 5.88 million kg in yarn dyeing section by utilizing around 96% and 93% efficiency during the period. In addition, the company provides sub-contracting service in the dyeing section as it has excess capacity in the section than its requirement.

The major raw materials of the company are gray yarn, dyes and chemicals which are mostly imported from abroad. Among the raw materials, yarn is mainly procured from 98% India and remaining requirement is imported from Indonesia, China and Pakistan. Again the dyes and chemicals are procured from Germany (60%), Korea (10%) and other countries (30%). Suppliers of raw materials usually extend 90/120 days credit for the procured raw materials. The procurement process is executed through local currency and back to back L/C. Mr. Biswajit Roy, the Executive Director of the company supervises and manages the procurement process of raw materials as well as the selling procedures in consultation with the Chairman and Managing Director. Most of the cases the company gets order against BTB L/C of RMG export. After receiving the order, the company applies back to back L/C for yarn and other required chemical supply. The company maintains a good supply chain relationship with suppliers and buyers. Finally, the orders are executed through Commercial Department of the company. PTL has 20,000 sft warehouses for raw materials with capacity 2500 ton of yarn and 0.10 million yards finished goods in its factory premises. The company usually keeps 2000 ton yarns as inventory before further order is placed. The company is currently using a partially IT based inventory management system. The company keeps buffer stock for around 4-5 month for yarn and 3 month for dyes & chemicals as production requirements.

Good Supply Chain Relationship

PTL has been operating with good marketing team headed by Mr. Saiful Azim Aber who oversees the performance of the total team. The company has sample room and a well equipped laboratory for developing value added fashionable garments fabrics. The major customers of the company are repeat local export oriented RMG units of Bangladesh. PTL primarily works with around 10 buyers and has very insignificant rejection rate from them. The company distributes the products directly to customers through its own vehicles.

4.0 INDUSTRY OUTLOOK

The Readymade Garment (RMG) industry of Bangladesh has emerged as a competent garment producer in the world. For nearly last three decades, the export oriented readymade garments (RMG) industry has been one of the major successes of Bangladesh. In this period, not only a world class export-oriented apparel sector has been built in the country but this sector is showing all the potentials of burgeoning into a far more dynamic one to the great benefit of the economy. There are about 5,140 garments industries in the country that employs about 3.5 million workers. But the industry is far from reaching a saturation point. Greater volumes are being imported to traditional importing countries like USA and Canada-and, significantly, major new markets in Japan, CIS countries, Australia, New Zealand, South Africa and others are being explored. From the current trends, it appears that Bangladesh could go on to doubling its production capacity of RMG easily and fairly soon with beneficial effects of the same in the form of substantially increased foreign currency earnings, job creation and reduction of poverty.

The contributory factors of the RMG industry in Bangladesh are global trading agreements (MFA, GSP etc), cheap labor cost, government's supportive policy and dynamic private entrepreneurship. This industry has successfully transformed Bangladesh into an export-oriented economy. The RMG industry also became the major foreign currency-earning sector with highest rates of absorption of industrial employment. The country entered into the export market of apparels in 1978 with only 9 units and earned only $ 0.069 million. During the last three decades, this sector has achieved a phenomenal growth and the export earnings have reached to around $ 19.09 billion ($ 9.60 billion for woven garments and $ 9.49 billion for Knit garments) during fiscal year 2011-12. The growth of woven garments has been 13.89% and the growth of knit garments has been 0.05% in FY2011-12. During the period, it accounted for around 80% of the country's total exports and also provided jobs for 3.5 million people, which accounted for more than 17% of country's GDP.

The RMG industry has a great potential to earn more foreign currency from Latin America, South Africa, Russia, South Korea, Malaysia and Japan. It can earn up to US$400 million by exporting apparels to three Latin American nations by 2012. The country can secure a slice of $4.0 billion apparel markets of Chile, Brazil and Mexico. It can also grab about 40% of South Africa's US$1.20 billion clothing market if the local exporters make an aggressive foray.

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The recent financial crises especially in Europe have reduced export to the European Countries. The economic slow-down of Europe has resulted in the fall of purchasing capacity, which has brought forth a downward tendency in importing apparels from Bangladesh. In order to offset the export reduction in the EU and USA, Bangladeshi exporter are going to dispatch trade missions to South Africa, Malaysia, Australia and Latin American countries. Following the recent agreement between governments of Bangladesh and India, India will be one of the major export destinations. Moreover, the minimum wages of the workers in Bangladesh is one of the lowest in Asia. Changing economic and political conditions in the Asian region are prompting many international investors to reassess their investments in Bangladesh. These changes are producing higher opportunities for Bangladesh to attract higher levels of Foreign Direct Investment (FDI). China, Thailand, Sri Lanka, Cambodia, Philippines and even Vietnam, Indonesia & Malaysia are experiencing wages increase and rising production costs that are making them more expensive resulting Bangladesh to become a new field and place for foreign investment. The industry can prosper much further if the government takes some positive approach, solve problems like power crisis, gas shortage and labor unrest and develop the infrastructure and port facilities.

5.0 BUSINESS PLAN

The company has been in the process of expansion since its inception. The company focuses on highly value added fabrics to increase the margin. However, the company is yet to achieve its goal due to considerable financial burden. Against the above backdrop, the company has decided to go for public offerings to raise capital. The company has planned to raise Tk.1050.00 million (30.00 million shares of Tk.10 each with a premium of Tk.25) from Initial Public Offerings subject to approval of regulatory authority. Initially, the company has planned to use Tk.800.00 million for repaying long term bank loan including current maturity, Tk.150.00 million for repaying loan against trust receipt, Tk.55.26 million for working capital requirement and the rest amount Tk.44.74 million has been planned to be used for IPO expenses including tax on share premium. However, the detailed plan is yet to be chalked out.

6.0 BUSINESS PERFORMANCE ANALYSIS

Good Financial Performance

Key Operating Performance	FY2011-12	FY2010-11	FY2009-10
Production Capacity: Fabric (In mil. Yrds)	17.85	16.00	14.70
Actual Production: Fabric (In mil. Yrds)	17.11	14.72	13.23
Capacity Utilization (%)	95.88	92.00	90.00
Production Capacity: Dyeing (In mil. kg)	6.3	6.3	5.6
Actual Production: Dyeing (In mil. kg)	5.88	5.73	5.04
Capacity Utilization (%)	93.44	91.00	90.00
Turnover (Tk. in Millions)	2849.71	2201.14	1036.72
Cost of Goods Sold (Tk. in Millions)	2241.02	1612.73	767.55
Net Profit (Tk. in Millions)	191.48	179.51	179.64
Return on Average Assets Before Tax (ROAA)%	5.89	6.80	10.37
Return on Average Equity Before Tax (ROAE)%	22.23	25.40	40.77
Return on Average Capital Employed (ROACE)%	11.25	10.22	15.11
Gross Profit Margin (%)	21.36	26.73	25.96
Operating Profit Margin (%)	17.93	21.83	21.45
Net Profit Margin (%)	6.72	8.16	17.33
Cost to Revenue Ratio (%)	78.64	73.27	74.04
Administrative Exp to Revenue Ratio (%)	2.80	4.22	4.40
Finance Cost to Revenue Ratio (%)	10.40	12.12	4.10

The overall business performance of PTL has been found to be good with increasing production capacity as well as high capacity utilization. Due to the above, the sales revenue of the company has increased by around 30% in FY2011-12 from previous year. In analyzing the revenue composition it was revealed that, 85.92% of the revenue was generated from dyed woven fabric, 12.58% from knit yarn dyeing and rest 1.50% from sweater yarn dyeing.

However, the net profit growth was not in line with the above growth and due to the same, the profit margin as well as other profitability indicators (ROAA, ROAE and ROACE) of the company has decreased in FY2011-12. The reason behind the above is mainly high growth of cost of goods sold compared to growth of sales revenue mainly due to high price of raw cotton as well as yarn price during the same period. Again analyzing the operating efficiency, the finance cost to revenue ratio has been found to be very high over the periods due to increase in interest which is mostly contributed by increased working capital facilities.

7.0 FINANCIAL STRENGTH AND SOLVENCY

In order to measure financial strength, CRISL considers the capital base, financial ratios and qualitative factor like outstanding orders in hand, market value of the plant, properties and other assets etc. of the company. In addition, CRISL also takes into account, the inter-company funding flexibility among the business units. The capital structure and solvency indicators of the company are shown below:

Debt Based Capital Structure

(Tk. in million)

Particulars	**FY2011-12**	**FY2010-11**	**FY2009-10**
Current Assets	2029.48	1269.21	542.36
Less: Current Liabilities	2081.88	1477.85	760.63
Net Current Assets	(52.40)	(208.65)	(218.28)
Fixed Assets- Net	1709.35	1954.73	1984.39
Net Capital Employed	**1656.95**	**1746.09**	**1766.11**
Financed by:			
Non-current Liability	647.73	918.85	1051.57
Deferred Tax Liability	-	3.18	-
Adjusted Capital:			
Share Capital	551.25	551.25	95.00
Share Money Deposit	-	-	425.00
Tax Holiday Reserve	174.73	133.84	86.49
Holding Gain Reserve	(6.33)	-	-
Retained Earnings	289.57	138.97	108.05
Total	**1656.95**	**1746.09**	**1766.11**
Leverage Ratio (X)	2.70	2.91	2.54
Debt Service Coverage Ratio (X)	1.31	1.53	4.68
Interest Coverage Ratio (X)	1.69	1.73	5.23

PTL has been operating with a debt based capital structure which is comprised of 73.01% debt (76.27% short term debt and 23.73% long term debt) and 26.99% shareholder's equity. Again, the capital structure composition reveals that, 53.02% of total assets have been financed by bank loan (66.33% short term loan and 32.67% long term loan). However, 39.09% of net capital employed has been financed by long term bank liabilities and 60.91% has been financed by shareholder's equity. The equity pie of PTL as on June 30, 2012 comprised of 54.62% share capital, 28.69% retained earnings and remaining 16.69% tax holiday & holding gain reserve. The internal capital generation of PTL has been decreased to 18.97% in 2011-12 from 21.78% in 2010-11 due to high growth in equity compared to net profit. Consequently, the debt service coverage ratio and interest coverage ratio of the company has remained almost stable during 2011-12 due to growth of finance cost which was mainly caused by increase of short term bank loan. However, CRISL views that accumulation of retained profit, effective use of bank loan and continuous payment of liability has made the company more solvent over the years.

8.0 LIQUIDITY AND FUND FLOW ANALYSIS

Below Average Liquidity

Liquidity Indicators	**FY2011-12**	**FY2010-11**	**FY2009-10**
Current Ratio	0.97	0.86	0.71
Quick Ratio	0.54	0.27	0.31
Operating Cash Flow (Tk. in million)	(270.22)	270.84	242.40

Liquidity position of PTL has been found to be moderate because of having significant trade receivables (around 51% of current assets) and inventory (around 44% of current assets) as current assets. Both current and quick ratio of the company has been found to be below average compared to other market players in the same industry. Due to long inventory holding period as well as long receivables collection period, the cash conversion cycle of the company has been adversely affected which stood at around 115 days in FY2011-12 against 89 days in FY2010-11. While analyzing the cash flow of PTL, it revealed that during the period the company has generated negative cash flow from its operation. Moreover, the company has significant short term financial burden (around 64% of current liabilities) which also might put pressure on the company's overall fund management.

9.0 CREDIBILITY AND BANKING RELATIONSHIP

9.1 Liability position

Due to sound credibility and good market image, PTL has been enjoying financial flexibility to raise fund from Pubali Bank Limited and Standard Bank Limited under different modes. The summary of liability position of the company is given below:

(Tk. in million)

Name of Banks	Mode of Exposures	Sanctioned Limit	Outstanding amount as on 31.10.2012	Security Packages (Details in 9.2)	Repayment Status
PBL*	Long Term Loan	970.00	759.98	1	Regular
	LATR (Funded)	500.00	492.05		
	Overdraft (Funded)	150.00	148.00		
	Acceptance & PAD (Funded)	-	123.71		
	Acceptance & PAD (Non-funded)	-	289.67		
	IBP (Funded)	400.00	311.39		
	L/C (Non-funded)	1000.00	287.33		
Total		**3020.00**	**2122.13**		
SBL*	Long Term Loan***	230.00	282.47	2	Regular
Total		**230.00**	**282.47**		

*PBL- Pubali Bank Ltd. **SBL- Standard Bank Ltd. *** Loan of Spinning unit taken over by Standard Bank Ltd. in favor of the company

9.2 Security Arrangements

The mode of the security offered under each banking facilities are summarized below:

Name of the Banks	Security Packages
Pubali Bank Ltd.	**Primary Security:** 1. Hypothecation of stocks of the company duly insured as well as book debts and receivables. 2. Hypothecation on all floating assets of the company.
	Collaterals and Others: 1. 1st parri passu charge on factory building of 253724 sft valued at Tk. 504.98 million and machinery valued at Tk. 687.17 million. 2. Personal guarantee of all Directors of the company 3. Notarized Irrecoverable Power of Attorney empowering the bank to sell hypothecated stocks.
Standard Bank Ltd.	**Primary Security:** 1. Hypothecation of plant and machineries and stocks of raw materials, work-in process and finished goods at business premises and factory duly insured. 2. Registered irrecoverable power of attorney along with memorandum of Deposit of Title executed empowering the bank. 3. 1st charge to be created on fixed & floating assets of the company in favor of bank with RJSCF duly insured with Bank's mortgage clause
	Collaterals and Others: 1. Registered mortgaged 62.12 katha land along with 8 storied building of 34,200 sft situated at Gulshan and Demra. 2. Registered mortgage of 11.24 bigha land at Gazipur.

10.0 RISK ANALYSIS

10.1 Price fluctuation risk

PTL, along with other companies in the industry, faces price fluctuation risk because of volatility of yarn price in the market emanating from fluctuation of raw cotton price in the international market. In recent times the price of yarn has considerably fluctuated in local and global market and the continuance of this will put pressure on the cost of production as well as price of finished goods. PTL procures maximum raw materials (yarn, dyes and chemicals) from abroad and provides the finished goods (fabrics) to some export oriented local garments and buyers. So considering the volatility of raw material price as well as finished goods price in the international market, CRISL foresees that the company is exposed to price fluctuation risk.

10.2 Interest Rate Risk

PTL is enjoying banks finance in the form of working capital as well as term loan. As a bank fund borrower, the entity has to pay a significant amount of loan interests and charges. Bangladesh Bank has moved to remove the interest rate ceiling on lending in the wake of a massive liquidity crisis in the financial market letting the price to be determined by functioning of demand-supply interaction. This measure may invite interest rate instability, which may create volatility in the profitability of businesses like PTL.

10.3 Operation Risk

Technology is a continuous process of development. Innovation of new and cost effective technology may obsolete existing technology, which may cause negative impact on the business. The project is equipped with good machineries and technology to cope with the pace of modern textile world. The management personnel both in head office and production premises seem to be competent and experienced to maintain the standard level of quality and to run the operations effectively. However, in order to reduce the operational risk, the company is yet to ensure an internal control mechanism. Considering all the above CRISL views that, the company has minimum exposure to operational risk.

10.4 Raw Material Supply Risk

The company receives yarn, dyes & chemicals both from local as well as foreign suppliers. Import based supplies are likely to be affected by any uncontrollable event or country risk to transaction or political barrier. Since inception, the company did not face any such uncontrollable events so far because of maintaining good supply chain relationship with the suppliers of raw materials and in exceptional cases, it is confident to make alternate arrangement at shorter notice.

10.5 Exchange Rate Risk

Exchange rate risk arises from currency fluctuation in international trade. If Bangladeshi Taka is devalued and/or foreign currency revalued then the price of imported raw materials will go up which will decrease the overall profit margin. As the company is dependent upon the import for yarn, dyes & chemicals and in future it will be the same, volatility of exchange rate will have an impact on profitability of the company. For last couple of year, Bangladeshi Taka found carrying floated value and expected to follow the same which expose the company to significant exchange rate risk.

10.6 Power Generation Risk

The industrial bases of Bangladesh are mainly aided by natural gas-driven power generation which causes disruption occasionally and the weaving industry is not an exception. Smooth availability of gas will ensure the maximum functioning of the machineries. PTL uses natural gas to produce power from captive power plant. Currently a circular from government has emerged to arrange alternate of gas due to recent acute gas crisis. The company is connected with 15 PSI gas line and currently does not face any problem of gas pressure. So other things being constant, CRISL does not foresee significant risk for power generation.

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11.0 OBSERVATION SUMMARY

Rating Comforts:	Rating Concerns:
• Good business performance • Good profitability • Sound production facilities • Regular repayment history • Strong Group support • Experienced management team • Considerable demand for the product	• Levered capital structure • Moderate liquidity • Considerable financial burden • Long inventory holding period • Exposed to price fluctuation risk • Exposed to exchange rate risk • IT at developing stage
Business Prospects:	**Business Challenges:**
• Further Expansion • Availability of Cheap Labor • Largest industry of Bangladesh • Wide export market	• Political instability • Increased global competition • World's economic meltdown • Quality maintenance • Exchange rate fluctuation

12.0 PROSPECTS

Despite the inherent limitations of the industry, being one of the promising knit wear producing entity, PTL is capable of making full use of the opportunities. The company is definitely in the comfort zone for its sound production facilities equipped with modern technology as well as group support. It is expected that in today's competitive market the company will avail from its area of competitive strengths and will keep trying to overcome the drawbacks. The weaving sector of Bangladesh is flourishing due to acting as a backward linkage of RMG sector which is growing year by year to capture the vast demand in the world.

END OF THE REPORT

[We have examined, prepared, finalized and issued this report without compromising with the matters of any conflict of interest. We have also complied with all the requirements, policy procedures of the SEC rules as prescribed by the Securities and Exchange Commission.]

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CRISL RATING SCALES AND DEFINITIONS LONG-TERM RATINGS OF CORPORATE	
RATING	**DEFINITION**
AAA Triple A (Highest Safety)	**Investment Grade** Entities rated in this category are adjudged to be of best quality, offer highest safety and have highest credit quality. Risk factors are negligible and risk free, nearest to risk free Government bonds and securities. Changing economic circumstances are unlikely to have any serious impact on this category of companies.
AA+, AA, AA- (Double A) (High Safety)	Entities rated in this category are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions.
A+, A, A- Single A (Adequate Safety)	Entities rated in this category are adjudged to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories.
BBB+, BBB, BBB- Triple B (Moderate Safety)	Entities rated in this category are adjudged to offer moderate degree of safety for timely repayment of financial obligations. This level of rating indicates that a company is under-performing in some areas. Risk factors are more variable in periods of economic stress than those rated in the higher categories. These entities are however considered to have the capability to overcome the above-mentioned limitations.
BB+, BB, BB- Double B (Inadequate Safety)	**Speculative Grade** Entities rated in this category are adjudged to lack key protection factors, which results in an inadequate safety. This level of rating indicates a company as below investment grade but deemed likely to meet obligations when due. Overall quality may move up or down frequently within this category.
B+, B, B- Single B (Risky)	Entities rated in this category are adjudged to be with high risk. Timely repayment of financial obligations is impaired by serious problems which the entity is faced with. Whilst an entity rated in this category might be currently meeting obligations in time through creating external liabilities.
CCC+,CCC, CCC- Triple C (Vulnerable)	Entities rated in this category are adjudged to be vulnerable and might fail to meet its repayments frequently or it may currently meeting obligations in time through creating external liabilities. Continuance of this would depend upon favorable economic conditions or on some degree of external support.
CC+,CC, CC- Double C (High Vulnerable)	Entities rated in this category are adjudged to be very highly vulnerable. Entities might not have required financial flexibility to continue meeting obligations; however, continuance of timely repayment is subject to external support.
C+,C,C- (Extremely Speculative)	Entities rated in this category are adjudged to be with extremely speculative in timely repayment of financial obligations. This level of rating indicates entities with very serious problems and unless external support is provided, they would be unable to meet financial obligations.
D (Default)	**Default Grade** Entities rated in this category are adjudged to be either already in default or expected to be in default.

Note: For long-term ratings, CRISL assigns + (Positive) sign to indicate that the issue is ranked at the upper-end of its generic rating category and - (Minus) sign to indicate that the issue is ranked at the bottom end of its generic rating category. Long-term ratings without any sign denote mid-levels of each group

	SHORT-TERM CORPORATE RATING
ST-1	**Highest Grade** Highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding. Safety is almost like risk free Government short-term obligations.
ST-2	**High Grade** High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.
ST-3	**Good Grade** Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.
ST-4	**Moderate Grade** Moderate liquidity and other protection factors qualify an entity to be in investment grade. Risk factors are larger and subject to more variation.
ST-5	**Speculative Grade** Speculative investment characteristics. Liquidity is not sufficient to ensure discharging debt obligations. Operating factors and market access may be subject to a high degree of variation.
ST-6	**Default** Entity is in default or is likely to default in discharging its short-term obligations. Market access for liquidity and external support is uncertain.

"শেয়ারবাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন।"

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

Paramount Textile Limited

Application Form

APPLICATION FOR SHARES BY INVESTORS OTHER THAN NON-RESIDENT BANGLADESHI(S)

Warning: Please read the instructions at the back of this form. Incorrectly filled applications or applications failing to comply with any of the instructions therin may be rejected.

The Managing Director
Paramount Textile Limited
Chaklader House (Level 6)
House No. 22, Road No. 113/A
Gulshan 2, Dhaka 1212

Banker's Sl no:

Dear Sir,

I/we apply for and request you to allot me/us the ……………. number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's Prospectus approved by the Bangladesh Securities and Exchange Commission and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Member(s) of the Company and deposit the said ordinary shares in my/our BO (Beneficiary Owner) Account; I/we further authorize you to send a crossed (Account Payee only) Cheque in respect of any application money refundable to me/us by post/courier at my/our risk to the first applicant's address stated below:-

1. No. of Ordinary Shares ………………… of BDT 28/- each including a premium of BDT 18/- per share

2. Total subscription money of the amount of BDT (in figure), ………………, Taka (in words) ……………………………………………………………………….. only deposited vide Cash/Cheque/Draft/Pay Order No…………………………. dated ………………. on ……….. Bank …………………..……. Branch.

3. Beneficiary Owner (B/O) Account Number

(If you do not mention your valid BO (Beneficiary Owner) account number, your application will be treated as invalid)

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

5. Particulars of Applicant(s):

a) Sole/First Applicant

Name: Mr./Mrs./Ms.		
Father's/Husband's Name:		
Mother's Name:		
Postal Address:		
Occupation:	Nationality:	Telephone No. (If any):
For refund warrant: Please write the correct and full name of bank and branch (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank).		
For Refund Purpose: I/We want refund through □ Bank Account* □ Courier/Hand Delivery (Please put tick mark in which refund will be made) * The applicant shall provide with the same bank account number in the application form as it is in the BO account of the applicant.		
In case of deposit into the applicants bank account, the applicant will bear the applicable charge, if any, of the applicants banker and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.		
For Refund Warrant: Applicant's Bank A/C No.:		
Name of the Bank:		Branch:

b) Second Applicant

Name: Mr./Mrs./Ms.		
Father's/Husband's Name:		
Mother's Name:		
Postal Address:		
Occupation:	Nationality:	Telephone No. (If any):

6. I/we hereby declare that I/we have read the Prospectus of Paramount Textile Limited and have willingly subscribed for ……………… no. of ordinary shares of BDT 28/- each including a premium of BDT 18/- per share on this form.

7. Specimen Signature(s):

1st Applicant: Name (in Block Letters)	Signature:
2nd Applicant: Name (in Block Letters)	Signature:

………

BANK'S ACKNOWLEDGEMENT

Certified that this Bank has received BDT (in figure) ……………………… (in words) …………………………………………………………………………… only from Mr./Mrs./Ms. ……………………………………………..……………being the application money for …………….. nos. of ordinary shares of **Paramount Textile Limited**.

Bankers Sl. No. **Seal & Date** **Authorized Signature (Name & Designation)**

INSTRUCTIONS

1. As per provision of the Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the Application Form. If you do not mention your valid BO (Beneficiary Owner) Account number your application will be treated as invalid.

2. All information must be typed or written in full (in block letters) in English or in Bengali and must not be abbreviated.

3. Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.

4. Application must not be for less than **250** ordinary shares and must be for a multiple of **250** ordinary shares. Any application not meeting these criterions will not be considered for allotment purpose.

5. Remittance for the full amount of the shares must accompany each application and must be forwarded to any of the Bankers' to the Issue. Remittance should be in the form of cash/cheque/bank draft/pay order payable to one of the Bankers' to the Issue favoring **"Paramount Textile Limited"** and crossed **"A/C Payee only"** and must be drawn on a bank in the same town as the bank to which the application form has been sent.

6. In the case of a joint application form, the Allotment letter will be dispatched to the person whose name appears first on this application form and where any amount is refundable in whole or in part the same will be refunded by Account Payee Cheque by post/courier service to the person named first on this Application Form in the manner prescribed in the Prospectus.

7. Joint application form for more than two persons will not be accepted. In case of joint application, each party must sign the application form.

8. Applications must be in the full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies must be accompanied by Memorandum of Association and Articles of Associations and Certificate of Incorporation.

9. An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.

10. No receipt will be issued for the payment made with application, but the bankers will issue a provisional acknowledgement to the issue for application lodged with them.

11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) showing bank account number and name of bank and branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.

12. Allotment shall be made solely in accordance with the instructions of the Bangladesh Securities & Exchange Commission (BSEC)

13. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the application liable to rejection and subject to forfeiture of application money and / or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited Application money or share (unit) will be deposited in account specified by the Bangladesh Securities & Exchange Commission (BSEC). This may be in addition to any other penalties as may be provided for by the law.

14. Applications which do not meet the above requirements, or applications, which are incomplete, shall not be considered for allotment purposes.

15. The Bankers' to the Issue shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription.

16. No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus have been published.

17. The applicants who have applied for more than two applications using bank account, their application will not be considered for lottery and the Commission will forfeit 15% (fifteen) of their subscription money too.

BANKERS TO THE ISSUE

BRAC Bank Limited			
Asad Gate Branch, Dhaka	Donia Branch, Dhaka	Khulna Branch, Khulna	Rampura Branch, Dhaka
Agrabad Branch, Chittagong	Graphics Building Branch, Motijheel	Manda Branch, Dhaka	Rajshahi Branch, Rajshahi
Banani Branch, Dhaka	Eskaton Branch, Dhaka	Mirpur Branch, Dhaka	Shyamoli Branch, Dhaka
Bashundhara Branch, Dhaka	Gulshan Branch, Dhaka	Momin Road Branch, Chittagong	Uttara Branch, Dhaka
Barisal Branch, Barisal	Halishohor Branch, Chittagong	Narayangonj Branch, Narayangonj	Zindabazar Branch, Sylhet
Bogra Branch, Bogra	Jessore Branch, Jessore	Nawabpur Branch, Dhaka	
CDA Avenue Branch, Chittagong	Kazirdeuri Branch, Chittagong	Patia Branch, Chittagong	

Investment Corporation of Bangladesh			
Barisal Branch, Barisal	Chittagong Branch, Chittagong	Khulna Branch, Khulna	Rajshahi Branch, Rajshahi
Bogra Branch, Bogra	Head Office, Dhaka	Local Office, Nayapaltan, Dhaka	Sylhet Branch, Sylhet

Islami Bank Bangladesh Limited			
Agrabad Branch, Chittagong	Farmgate Branch, Dhaka	Kushtia Branch, Kushtia	New Market Branch, Dhaka
Barisal Branch, Barisal	Feni Branch, Feni	Local Office, Dhaka (Controlling Branch)	Pabna Branch, Pabna
Bogra Branch, Bogra	Foreign Exchange Branch, Dhaka	Mirpur Branch, Dhaka	Rajshahi Branch, Rajshahi
Chawk Mugaltuly Branch, Dhaka	Gulshan Branch, Dhaka	Motijheel Branch, Dhaka	Shyamoli Branch, Dhaka
Chowmuhani Branch, Noakhali	Jatrabari Branch, Dhaka	Mouchak Branch, Dhaka	Sylhet Branch, Sylhet
Comilla Branch, Comilla	Jessore Branch, Jessore	Moulvi Bazar Branch, Moulvi Bazar	Uttara Branch, Dhaka
Cox's Bazar Branch, Cox's Bazar	Khatunganj Branch, Chittagong	Narayangonj Branch, Narayangonj	
Dinajpur Branch, Dinajpur	Khulna Branch, Khulna	Nawabpur Road Branch, Dhaka	

Jamuna Bank Limited			
Agrabad Branch	Feni Branch	Malibagh Branch	Shantinagar Branch
Banani Branch	Gulshan Branch	Mirpur Branch	Sonargaon Road Branch
Barishal Branch	Islampur Branch	Mohakhali Branch	Sylhet Branch
Bogra Branch	Jessore Branch	Motijheel Branch	Uttara Branch
Comilla Branch	Jublee Road Branch	Mymensingh Branch	
Dhanmondi Branch	Khatungonj Branch	Narayanganj Branch	
Dilkusha Branch	Kushtia Branch	Rajshahi Branch	

Mutual Trust Bank Limited			
Babu Bazar Branch, Dhaka	MTB Corporate Centre Br, Dhaka	Narayanganj Branch, Narayanganj	Rangpur Branch, Rangpur
Banani Branch, Dhaka	Pallabi Branch, Dhaka	Sonargaon Branch, Narayanganj	Bogra Branch, Bogra
Dhanmondi Branch, Dhaka	Panthapath Branch, Dhaka	Agrabad Branch, Chittagong	Pabna Branch, Pabna
Dholaikhal Branch, Dhaka	Principal Branch, Dhaka	Alankar Mour Branch, Chittagong	Kushtia Branch, Kushtia
Dilkusha Branch, Dhaka	Progati Sarani Branch, Dhaka	CDA Avenue Branch, Chittagong	Sylhet Branch, Sylhet
Elephant Road Branch, Dhaka	Savar Branch, Dhaka	Jubilee Road Branch, Chittagong	Moulvi Bazar Branch, Sylhet
Fulbaria Branch, Dhaka	Shanir Akhra Branch, Dhaka	Khatunganj Branch, Chittagong	Gournadi Branch, Barisal
Gulshan Branch, Dhaka	Tongi Branch, Dhaka	Feni Branch, Feni	Jessore Branch, Jessore
Mohammadpur Branch, Dhaka	Uttara Model Town Branch, Dhaka	Rajshahi Branch, Rajshahi	Habigonj Branch, Hobigonj

National Bank Limited			
Agrabad Branch, Chittagong	Elephant Road Branch, Dhaka	Lake Circus Branch, Dhaka	Pahartali Branch, Chittagong
Anderkillah Chittagong	Faridpur Branch, Faridpur	Malibagh Branch, Dhaka	Pragati Sarani Branch, Dhaka
Asadgate Branch, Dhaka	Feni Branch, Feni	Mirpur Branch, Dhaka	Rajshahi Branch, Rajshahi
Babubazar Branch, Dhaka	Foreign Ex. Branch, Dhaka	Mohakhali Branch, Dhaka	Rangpur Branch, Rangpur
Banani Branch, Dhaka	Gazipur Branch, Gazipur	Mohammadpur Branch, Dhaka	Rifles Square Branch, Dhaka
Bandura Branch, Dhaka	Gulshan Branch, Dhaka	Motijheel Branch, Dhaka	Rokeya Sarani Branch, Dhaka
Bangshal Road Branch, Dhaka	Halishahar Branch, Chittagong	Moulovibazar Branch, Moulovibazar	S.k. Mojib Road Branch
Barisal Branch, Barisal	Imamganj Branch, Dhaka	Muradpur Branch, Chittagong	Savar Bazar Branch, Savar, Dhaka
Bogra Branch, Bogra	Islampur Branch, Dhaka	Mymensingh Branch, Mymensingh	Sunamgonj Branch, Sunamgonj
CDA Avenue Branch.Chittagong	Jatrabari Branch, Dhaka	Narayangonj Branch, Narayangonj	Sylhet Branch, Sylhet
Chawk Bazar Branch, Chittagong	Jessore Branch, Jessore	Narsingdi Branch, Narsingdi	Tangail Branch, Tangail
Chowmuhani Branch, Noakhali	Jubilee Road Branch, Chittagong	Netaigonj Branch, Narayangonj	Tongi Branch, Gazipur
Comilla Branch, Comilla	Kawran Bazar Branch, Dhaka	New Eskaton Branch, Dhaka	Uttara Branch, Dhaka
Dhanmondi Branch, Dhaka	Khatungong Branch, Chittagong	North Brook Hall Branch, Dhaka	Z. H. Sikder M.C. Branch, Dhaka
Dilkusha Branch, Dhaka	Khulna Branch, Khulna	Pagla bazar Branch, Narayangonj	Zindabazar Branch, Sylhet

One Bank Limited			
Agrabad Branch, Chittagong	Elephant Road Branch, Dhaka	Khatunganj Branch, Chittagong	Raipur Branch, Laxmipur
Banani Branch, Dhaka	Feni Branch, Feni	Laksham Branch, Comilla	Rajshahi Branch Rajshahi
Banasree Branch, Dhaka	Ganakbari (EPZ) Branch, Savar	Laldighipar Branch, Sylhet	Ramganj Branch, Laxmipur
Bangshal Branch, Dhaka	Gulshan Branch, Dhaka	Madhabdi Branch, Narsingdi	Rangamati Branch, Rangamati
Basabo Branch, Dhaka	Imamganj Branch, Dhaka	Maijdee Court Branch, Noakhali	Satkhira Branch, Satkhira
Bogra Branch, Bogra	Islampur Branch, Sylhet	Mirpur Branch, Dhaka	Shahjadpur Branch, Sirajgonj
CDA Avenue Branch, Chittagong	Jagannathpur Branch, Dhaka	Moghbazar Branch, Dhaka	Sherpur Branch, Moulvi bazar
Chandargonj Branch, Lakshmipur	Jatrabari Branch, Dhaka	Motijheel Branch, Dhaka	Sirajgonj Branch, Sirajgonj
Chowmohoni Branch, Chowmohoni	Jessore Branch, Jessore	Nanupur Bazar Branch, Chittagong	Sitakunda Branch, Chittagong
Comilla Branch, Comilla	Joypara Branch, Dhaka	Narayanganj Branch, Narayanganj	Sylhet Branch, Sylhet
Cox's Bazar Branch, Cox's Bazar	Jubilee Road Branch, Chittagong	Nawabgonj Branch, Dhaka	Tongi Branch, Gazipur

Dagon bhuiyan Branch, Feni	Kakrail Branch, Dhaka	Principal Branch, Dilkusha, Dhaka	Uttara Branch, Dhaka
Dhanmondi Branch, Dhaka	Kawran Bazar Branch, Dhaka	Progoti Sharani Branch, Dhaka	
Pubali Bank Limited			
Agrabad Corporate Branch. Chittagong	Foreign Exchange Corporate Branch, Dhaka	Mohakhali Corporate Branch, Dhaka	Sunamgonj Branch, Sunamgonj
Barisal Branch, Barisal	Gopalgonj Branch, Gopalgonj	Motijheel Corporate Branch, Dhaka	Sylhet Main Branch, Sylhet
C.D.A Corporate Branch, Chittagong	Gulshan Model Town Branch	Narayanganj Branch, Narayanganj	Tangail Main Branch, Tangail
Comilla Branch, Comilla	Jessore Branch, Jessore	Principal Branch, Dhaka	Uttara Model Town Branch, Dhaka
Dargahgate Branch, Sylhet	Khatunganj Branch, Chittagong	Rajshahi Branch, Rajshahi	
Dhaka Stadium Corporate Branch, Dhaka	Khulna Branch, Khulna	Sadarghat Branch, Dhaka	
Feni Branch, Feni	Laldighi east Branch, Chittagong	Sreemangal Branch, Moulvibazar	
Standard Bank Limited			
Agrabad Branch, Chittagong	Gulshan Branch, Gulshan 2, Dhaka	Mirpur Branch, Dhaka	Principal Branch, Dhaka
Banani Branch, Dhaka	Imamgonj Branch, Dhaka	Moulvi Bazar Branch, Sylhet	Rajshahi Branch, Rajshahi
Beani Bazar Branch, Sylhet	Jessore Branch, Jessore	Mymensingh Branch, Mymensingh	Rangpur Branch, Rangpur
CDA Avenue Branch, Chittagong	Jubilee Road Branch, Chittagong	Narayangonj Branch, Narayangonj	Sadarghat Branch, Chittagong
Dhanmondi Branch, Dhaka	Khatungonj Branch, Chittagong	Nawabpur Road Branch, Dhaka	Sylhet Branch, Sylhet
Foreign Exchange Branch, Dhaka	Khulna Branch, Khulna	Panthapath Branch, Dhaka	Topkhana Road Branch, Dhaka
Green Road Branch, Dhaka	Kushtia Branch, Kushtia	Pragoti Sarani Branch, Dhaka	Uttara Branch, Dhaka
The City Bank Limited			
Agrabad Branch, Chittagong	Comilla Branch, Comilla	Khatungonj Branch, Chittagong	Principal office Branch, Dhaka
Amborkhana Branch, Sylhet	Cox's Bazar Branch, Chittagong	Khulna Branch, Khulna	Rajshahi Branch, Rajshahi
Andarkilla Branch, Chittagong	Dhanmondi Branch, Dhaka	Moulvi Bazar Branch, Sylhet	Rangpur Branch, Rangpur
Bandar Bazar Branch, Sylhet	Imamgonj Branch, Dhaka	Narsingdi Branch, Narsingdi	Shaymoli Branch, Dhaka
Bangabandhu Road Br, Narayangonj	Islampur Branch, Dhaka	Nawabgonj Branch, Dhaka	Sirajgonj Branch, Sirajgonj
Barisal Branch, Barisal	Jessore Branch, Jessore	Nawabpur Branch, Dhaka	Tongi Branch, Gazipur
B. B. Avenue Branch, Dhaka	Johnson Road Branch, Dhaka	New Market Branch, Dhaka	VIP Road Branch, Dhaka
Bogra Branch, Bogra	Jubilee Road Branch, Chittagong	Pahartoli Branch, Chittagong	Zinda Bazar Branch, Sylhet
Chawkbazar Branch, Chittagong	Kawran Bazar Branch, Dhaka	Pragati Sarani Branch, Dhaka	Zinzira Branch, Dhaka
Trust Bank Limited			
Ashugonj Branch, Ashugonj	Elephant Road Branch, Dhaka	Karwan Bazar Branch, Dhaka	Rajshahi Branch, Rajshahi
Ashulia Branch, Dhaka	Feni Branch, Feni	Khulna Branch, Khulna	Rangpur Cantonment Branch, Rangpur
Barishal Branch, Barishal	Halishahar Branch, Chittagong	Khwaja Younus Ali Medical College & Hospital Branch, Sirajgonj	S.S. Cantonment Branch, Tangail
Bogra Cantonment Branch, Bogra	Jalalabad Cantonment Br, Sylhet	Mirpur Branch, Dhaka	Savar Cantonment Branch, Dhaka
Chowmohoni Branch, Chowmohoni	Jessore Cantonment Branch, Jessore	Momenshahi Cant. Br., Mymensigh	Shahjalal Uposhohor Branch, Sylhet
Comilla Branch, Dhaka	Joydebpur Branch, Gazipur	Narayangonj Branch, Narayangonj	Tongi Branch
Comilla Cantonment Branch, Comilla	Joypara Branch, Dhaka	Narsingdi Branch, Narsingdi	Uttara Corporate Branch, Dhaka
Dhanmondi Branch, Dhaka	Kadamtali Branch, Chittagong	Principal Branch, Dhaka	
Dilkusha Corporate Branch, Dhaka	Kafrul Branch, Dhaka	Radisson Garden Hotel Branch, Dhaka	

"শেয়ারবাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন।"

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

Paramount Textile Limited

Application Form

APPLICATION FOR SHARES BY NON-RESIDENT BANGLADESHI(S)

(TO BE SENT DIRECTLY TO THE COMPANY'S CORPORATE OFFICE)

Warning: Please read the instructions at the back of this form. Incorrectly filled applications or applications failing to comply with any of the instructions therin may be rejected.

The Managing Director
Paramount Textile Limited
Chaklader House (Level 6)
House No. 22, Road No. 113/A
Gulshan 2, Dhaka 1212

Dear Sir,

I/we apply for and request you to allot me/us ……….. number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's Prospectus approved by the Bangladesh Securities and Exchange Commission and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Members of the Company and deposit the said ordinary shares to my/our BO (Beneficiary Owner) Account. I/we further authorize you to send a Crossed (Account Payee only) Cheque in respect of any application money refundable to me/us by post/courier at my/our risk to the first applicant's address stated below:

1. No. of Ordinary Shares ……………………………. of BDT 28/- each including a premium of BDT 18/- per share.

2. Total subscription money of the amount of BDT (in figure)…………… BDT (in words) ……………………………………………………………Only convertible into USD 1=BDT. …………,/ GBP 1 =BDT…………… / EURO 1=BDT……………

3. Payment by Cheque/ Draft No…………………………..date………………………for USD/GBP/EURO/BDT…………………………………..drawn on ………………………………………………………………..Bank…………………………………………………Branch

4. Depository (BO) Account Number

(If you do not mention your valid BO (Beneficiary Owners) account, your application will be treated as invalid)

5. I/ We agree to fully abide by the instructions given herein.

6. Particulars of Applicant(s)

a. Sole/First Applicant

Name: Mr./Mrs./Ms.		
Father's/Husband's Name:		
Mother's Name:		
Postal Address:		
Occupation:	Nationality:	Telephone No. (If any):
Passport No.	Valid up to:	Date of Birth:
For Refund Warrant: Please write the correct and full name of bank and branch. (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank)		
Applicant's Bank A/C No.:		
Name of the Bank:		Branch:

b. Second Applicant

Name: Mr./Mrs./Ms.		
Father's/Husband's Name:		
Mother's Name:		
Postal Address:		
Occupation:	Nationality:	Telephone No. (If any):
Passport No.	Valid up to:	Date of Birth:

Nominee's Name:
Mailing Address:

7. I/ We hereby declare that I/we have read the Prospectus of Paramount Textile Limited and have willingly subscribed for …………………….. No. of Ordinary Shares of BDT 28/- each including a premium of BDT 18/- each.

8. Specimen Signature(s)

Sole/1st Applicant: Name (in Block Letters)	Signature:
2nd Applicant: Name (in Block Letters)	Signature:
Nominee Name (in Block Letters)	Signature:

* Please see the instructions in paragraphs 14 & 15 for the evidence required to establish Non-Resident Bangladeshis Status.

INSTRUCTIONS

1. As per provision of the Depository Act, 1999 and regulations made thereafter shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the Application Form. If you do not mention your valid BO (Beneficiary Owner) account number, your application will be treated as invalid.

2. All information must be written or typed in block letters in English and must not be abbreviated.

3. An application must not be for less than **250** ordinary shares and must be for a multiple of **250** ordinary shares. Any application not meeting this criterion will not be considered for allotment purpose.

4. An application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of shares favoring "**Paramount Textile Limited**" and crossed "**A/C Payee only**".

5. An application shall be sent by the applicant directly to the Company within September 5, 2013 so as to reach the Company within September 14, 2013 Applications sent after September 5, 2013 or received by the Company after September 14, 2013 will not be considered for allotment purpose.

6. Refund against over-subscription shall be made in the currency in which the value of shares was paid for by the applicant through Account Payee cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form.

7. In case of over-subscription, allotment shall be made by lottery solely in accordance with the instructions of the Bangladesh Securities & Exchange Commission (BSEC)

8. Money receipt on clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company.

9. Joint Application by two persons will be acceptable. In such a case, allotment of refund shall be made by post to the first applicant. Note that a non-resident Bangladeshi (NRB) applicant cannot submit more than two applications, one in his/her own name and another jointly with another person by one cheque/DD/PO by USD/GBP/EURO/BDT (supported by a foreign currency encashment certificate). More than two applications by one cheque/DD/PO by USD/GBP/ EURO /BDT (supported by a foreign currency encashment certificate) will not be allowed.

10. Application must be made by an individual, a Company or Societies, a trust or a society and not by a firm, minor or persons of unsound mind.

11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account specified by the Bangladesh Securities & Exchange Commission (BSEC). This may be in addition to any other penalties as may be provided for by the law.

12. The intending NRB applicants shall deposit share subscription money by USD/GBP/EURO demand draft drawn on any Bank and payable in Dhaka, Bangladesh, or through a nominee by paying out of a non-resident foreign currency deposit account maintained in Bangladesh or in BDT, supported by a foreign currency encashment certificate issued by the concerned bank, for the price of the ordinary shares applied for through crossed bank cheque marked "Account Payee only", such that the issuer's collecting bank can clear the proceeds and deposit the same into the issuer's account in time.

13. The spot buying rate (TT Clean) in USD/GBP/EURO of Sonali Bank as prevalent on the date of opening of subscription will be applicable for the Non Resident Bangladeshi (NRB) applicants.

14. The applicant shall furnish photocopies of relevant pages of valid passport(s) in support of his/her being a NRB, dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him/her to travel to Bangladesh.

15. In case of joint NRB application, joint applicants shall also submit supporting papers /documents in support of their being a NRB as mentioned in para-14 (above).

16. An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.

17. No issue of ordinary shares shall be made nor shall any money be taken from any person, in connection with such issue and subscription, until 25 (twenty five) days after the prospectus has been published.

18. In the case of non-allotment of the ordinary shares, if the applicants' bank accounts as mentioned in their application forms are maintained with any of the bankers to the issue, the amount refunded to those applicants will be directly credited into their respective bank accounts as mentioned in their application forms. Otherwise, refunds will be made only through "Account Payee" cheque(s) with bank account number and name of the bank branch as mentioned in the application form, payable at Dhaka, Chittagong, Khulna, Barisal, Rajshahi or Sylhet, as the case may be.

19. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% (fifteen) of their subscription money too.

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

"শেয়ারবাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন।"

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

Paramount Textile Limited

Application Form

APPLICATION FOR SHARES BY AFFECTED SMALL INVESTORS (¶wZM¯ ¶` wewb‡qvMKvix)

Warning: Please read the instructions at the back of this form. Incorrectly filled applications or applications failing to comply with any of the instructions therin may be rejected.

The Managing Director
Paramount Textile Limited
Chaklader House (Level 6)
House No. 22, Road No. 113/A
Gulshan 2, Dhaka 1212

Dear Sir,

I/we apply for and request you to allot me/us the ……….number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's Prospectus approved by the Bangladesh Securities & Exchange Commission and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Members of the Company and deposit the said ordinary shares to my/our BO (Beneficiary Owner) Account and/or a Crossed (Account Payee only) Cheque in respect of any application money refundable to me/us by post/courier at my/our risk to the first applicant's address stated below:-

1. No. of Ordinary Shares ………………… of BDT 28/- each including a premium of BDT 18/- per share.

2. Total subscription money of the amount of BDT (in figure), ………………, Taka (in words) ………………………………………………………………only deposited vide Cash/Cheque/DD/PO No………… dated …………………on …………………………………………………………………........ Bank ……………………………… Branch.

3. Beneficiary Owner (B/O) Account Number

[If you do not mention your valid BO (Beneficiary Owner) account number, your application will be treated as invalid]

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

5. Particulars of Applicant(s):

a) Sole/First Applicant

Name: Mr./Mrs./Ms.		
Father's/Husband's Name:		
Mother's Name:		
Mailing Address:		
Occupation:	Nationality:	Telephone No. (If any):
For refund warrant: Please write the correct and full name of bank and branch. (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank)		
For Refund Purpose: I/We want refund through □ Bank Account* □ Courier/Hand Delivery (Please put tick mark in which refund will be made)		
The applicant shall provide with the same bank account number in the application form as it is in the BO account of the applicant.		
In case of deposit into the applicants bank account, the applicant will bear the applicable service charge, if any, of the applicants banker and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.		
Applicant's Bank A/C No.:		
Name of the Bank:		Branch:

b) Second Applicant

Name: Mr./Mrs./Ms.		
Father's/Husband's Name:		
Mother's Name:		
Mailing Address:		
Occupation:	Nationality:	Telephone No. (If any):

6. I/We hereby declare that I/We have read the Prospectus of Paramount Textile Limited and have willingly subscribed for ……………… no. of ordinary shares of BDT 28/- each including a premium of BDT 18/- each.

7. Specimen Signature(s):

1st Applicant: Name (in Block Letters)	Signature:
2nd Applicant: Name (in Block Letters)	Signature:

………

BANK'S ACKNOWLEDGEMENT

Certified that this Bank has received BDT (in figure) …………………… (in words) ……………………………………………… only from Mr./Mrs./Ms. ……………………………………………………….being the application money for …………….. nos. of ordinary shares of **Paramount Textile Limited**.

Bankers Sl. No. **Seal & Date** **Authorized Signature (Name & Designation)**

INSTRUCTIONS

1. As per provision of the Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the Application Form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated as invalid.

2. All information must be typed or written in full (in block letters) in English or in Bengali and must not be abbreviated.

3. Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.

4. Application must not be for less than **250** ordinary shares and must be for a multiple of **250** ordinary shares. Any application not meeting these criterions will not be considered for allotment purpose.

5. Remittance for the full amount of the shares must accompany each application and must be forwarded to any of the Bankers' to the Issue. Remittance should be in the form of cash/cheque/bank draft/pay order payable to one of the Bankers' to the Issue favoring **"Paramount Textile Limited"** and crossed **"A/C Payee only"** and must be drawn on a bank in the same town as the bank to which the application form has been sent.

6. In the case of a joint application form, the Allotment letter will be dispatched to the person whose name appears first on this application form and where any amount is refundable in whole or in part the same will be refunded by Account Payee Cheque by post/courier service to the person named first on this Application Form in the manner prescribed in the Prospectus.

7. Joint application form for more than two persons will not be accepted. In case of joint application, each applicant must sign the application form.

8. Applications must be in the full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies must be accompanied by Memorandum of Association and Articles of Associations and Certificate of Incorporation.

9. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**

10. No receipt will be issued for the payment made with application, but the bankers will issue a provisional acknowledgement to the issue for application lodged with them.

11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) showing bank account number and name of bank and branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.

12. Allotment shall be made solely in accordance with the instructions of the Bangladesh Securities & Exchange Commission (BSEC)

13. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the application liable to rejection and subject to forfeiture of application money and / or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account specified by the Bangladesh Securities & Exchange Commission (BSEC). This may be in addition to any other penalties as may be provided for by the law.

14. Applications which do not meet the above requirements, or applications, which are incomplete, shall not be considered for allotment purpose.

15. The Bankers' to the Issue shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription.

16. **No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus have been published.**

17. **The applicants who have applied for more than two applications using bank account, their application will not be considered for lottery and the Commission will forfeit 15% (fifteen) of their subscription money too.**

18. ক্ষতিগ্রস্থ ক্ষুদ্র বিনিয়োগকারীগণ সকল পাবলিক ইসুতে একক অথবা যৌথ হিসাবের যে কোনটি অথবা উভয়টি হতে সংরক্ষিত ২০% কোটায় আবেদন করতে পারবেন । তবে তারা ইচ্ছা করলে ক্ষতিগ্রস্থ সংরক্ষিত ২০% কোটায় আবেদন না করে সাধারণ বিনিয়োগকারীদের জন্য নির্ধারিত কোটায়ও আবেদন করতে পারবেন ।

Paramount Textile Limited
Chaklader House (Level 6)
House No. 22, Road No. 113/A, Gulshan 2, Dhaka 1212
Telephone: 9890534, 9890467, Fax: 9890783
Website: www.paramountgroupbd.com