

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK

TRIAL DIVISION

JUDICIAL DISTRICT OF SAINT JOHN

IN THE MATTER OF THE *COMPANIES'*
CREDITORS AGREEMENT ACT, R.S.C. 1985,
c.C-36, AS AMENDED

- and -

IN THE MATTER OF THE ATLANTIC
YARNS INC., a body corporate and ATLANTIC
FINE YARNS INC., a body corporate

AFFIDAVIT

I, Subbarao VR Palaparty (Rao Palaparty), of the City of Mississauga, Region of Peel, and Province of Ontario MAKE OATH AND SAY THAT:

1. I am the Chief Financial Officer of both Atlantic Yarns Inc. ("AY") and Atlantic Fine Yarns Inc. ("AFY") (collectively the "Companies" and each a "Company"), and as such have personal knowledge of the facts herein deposed to except where otherwise stated and in such cases, I do verily believe the truth of the matters deposed to. I am authorized by the Companies to make this Affidavit.

Introduction

2. As set out in my previous affidavits in this matter, the Companies obtained relief pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c-36, as amended (the "CCAA") by Order dated October 26, 2007 (the "Initial Order"). The Initial Order provides for the appointment of PricewaterhouseCoopers Inc. as monitor of the Company (the "Monitor") and an interim stay of proceedings and authority to file a plan of arrangement or compromise. The stay has been extended to February 20, 2008 (the "Stay Termination Date"), or such other date as may be ordered by this Court.

3. This Affidavit is made in support of a Motion by the Companies for:

- a. an Order if necessary, for the abridgment of time for service of this motion, excusing the lack of service of this motion, or excusing the lack of service of the Companies' record on motion pursuant to Rules 1.03, 2.01, 2.02 and 3.02 of the Rules of Court;
- b. an Order for an extension of the Stay Termination Date, as stipulated in paragraph 3 of the Initial Order, from February 20, 2008 at 5:00 p.m. AST to April 30, 2008;
- c. an Order authorizing the Companies to file a Plan of Arrangement (as described in paragraph 23 of the Initial Order) (the "Plan") with the Court;
- d. an Order for an extension of the date for the filing and serving of materials necessary to summon and convene meetings between the Companies and their respective classes of creditors under a Plan to consider and approve the Plan to February 28, 2008, or any later date fixed by order of this Court, pursuant to paragraph 24 of the Initial Order;

e. an Order, substantially in the form of the draft attached to the Companies' Notice of Motion dated February 13, 2008 (the "Creditors Meeting Order"), authorizing the Monitor to forthwith mail the Plan and Information Package (as defined in the Creditor Meetings Order) to all of the creditors to be affected by the terms of the Plan (the "Affected Creditors") and approving the process whereby the Companies will call for and conduct a meeting of creditors (the "Creditors Meeting") on April 2, 2008, or on a date otherwise adjourned to in accordance with the Creditors Meeting Order to allow the Affected Creditors to consider and vote upon the Plan;

f. an Order permitting and authorizing a Debtor in Possession Financing Facility ("DIP Facility") in the amount of \$8,000,000.00 pursuant to paragraph 37 of the Initial Order and the inherent jurisdiction of this Court; and

g. such other relief as may be just.

The Companies' Operations

4. I am familiar with the operations of the Companies, the books of the Companies, and have worked closely with the directors, various officers and employees of the Companies prior to and since the Initial Order.

5. The Companies' respective operations remain shut-down but each have retained their management teams and certain employees.

6. I have spoken with the plant managers for each of the Companies since the last hearing of this matter and their facilities and other assets are insured, secure and being maintained.

7. Given the actions being taken by the Companies, I believe that the Companies' respective facilities are being preserved and protected so that they will be able to recommence operations for the benefit of all stakeholders.

Full Cooperation with the Monitor

8. The Companies have been assisting the Monitor in its review of the Companies operations and various plans to restructure the Companies.

9. The Companies are working very closely with the Monitor to ensure that the appropriate mechanisms are in place for the Monitor to ensure compliance with the Orders of this Court.

New Government of Canada Outward Processing Initiative

10. As set out in my affidavit of January 23, 2008, the Government of Canada Department of Finance announced on December 1, 2007 that as part of a package of measures designed to help the Canadian textile and apparel industries, it was moving forward with the implementation of an outward processing initiative (the "Initiative"). The Government of Canada has designed the Initiative to promote the use of Canadian textiles in the manufacture of apparels produced in developing countries and imported to Canada.

11. The Initiative will provide that apparel manufactured in least developed countries (LDC) with Canadian yarn and shipped to Canada will be given duty relief. This will allow the Companies to increase their profit margins as shown in the cash flows attached hereto as Exhibit "A".

12. The Companies have been in regular contact with the Federal and Provincial governments with respect to the Initiative. I understand that the Initiative could be in place by

early April. I further understand from the Monitor that he is also in direct contact with Government officials for further follow up.

Bi-Lateral Free-Trade Agreements

13. The Government of Canada announced that it concluded free trade negotiations with Peru. The Government of Canada is working towards completing other free trade negotiations with South & Central American countries. Further details regarding these initiatives are set out in the second report of the Monitor sworn January 28, 2008. It is expected that the conclusion of the free trade agreement with Peru and one with Colombia will help the Companies after they are implemented which I understand will be in late 2008 or early 2009.

Organic Cotton and Waste Recovery

14. Gherzi, an industrial textiles consulting firm in Switzerland, was retained by AFY and has given preliminary advice on the organic cotton market. Pasqual Alles, Director of the Companies is consulting with Gherzi on this issue. It is expected that the benefit originally hoped to be gained from organic cotton will not be realized.

15. Mr. Alles also obtained estimates for equipment to implement a waste recovery system for AFY and AY. The attached cash flow projections include \$600,000.00 in capital expenditure between both companies to implement the waste recovery system. The Companies are intending to pursue this in order to realize approximately \$1.2 million in savings annually.

Ongoing Discussions with the Secured Parties

16. The Companies have continued their discussions with each of their respective secured creditors. since the last hearing.

17. The Companies continue their discussions with the Province of New Brunswick with respect to the Companies' future operations and contribution to the New Brunswick economy.

18. The Companies have informed their secured creditors of their plans and at this time are not aware of any opposition to an extension of the Stay Termination Date as requested in the within motion.

Shareholder Support

19. The sole shareholder and a significant creditor of each Company is Sunflag Canada Inc. ("Sunflag"). Sunflag continues to support the Companies' plans and supports the within motion both as shareholder and creditor.

Ongoing Discussions with the Unsecured Parties and Customers

20. The Companies' sales personnel have advised me that they continue to have discussions with most of the Companies' customers who continue to be supportive of this restructuring process.

21. The Companies continue to have discussions with the majority of their unsecured creditors. The Companies' cotton suppliers have indicated a willingness to supply the Companies when they recommence operations.

Cash Flow Projections

22. The Companies, in consultation with the Monitor, have prepared further cash flow projections for each of them which are attached hereto as Exhibit "A".

23. The cash flows were drafted based on the Companies receiving DIP financing on the terms set out in more detail below.

24. The cash flow projections envisage starting the plants within 30 days of approval of the legislation to implement the Initiative. It is expected that based on what the Companies have been told, the Companies will be able to recommence production on or about April 15, 2008. The cash flow projections further set out the Companies' expectation that the benefits of the Initiative will not be realized until after a few months.

25. The cash flow projections also include the added benefits on concluding bilateral agreements in early 2009.

26. The Companies have provided the Monitor with a reconciliation of the Companies past cash flows with their actual performance and understand the Monitor will report to the Court on its findings.

27. The Companies, as set out in the earlier cash flows, would have had sufficient funds to recommence operations if they had not put agreements in place with their operating lenders for continued support. As the Companies' outstanding balances with their respective existing operating lenders were repaid without opposition from other secured creditors of the Companies, the need for DIP financing developed.

28. The need for DIP financing is to fund the start up and the initial cash losses until the selling prices are established with the projected benefits of the Initiatives, payments to unsecured creditors under a plan and payments of current and arrears of interest to GE.

Re-Start of Operations

29. The Companies planned on recommencing operations in January but as the CCAA proceedings continued and the Companies evaluated all of the various alternatives for restructuring, it became clear that a restart of operations in January would not be in the best

interests of all stakeholders. This decision was not made lightly and there are number of factors involved in this decision including the following:

- a. that a restart of operations in January would have resulted in more cash losses,
- b. there was an indication from the Government of Canada that bilateral agreements with some South American countries would be finalised by December 07 but this did not materialise,
- c. it was not confirmed whether the arrangements with the Province prior to the CCAA to receive cash flow coverage support and sanction for capital expenditure on waste recovery continued to be available under CCAA,
- d. the study on the advantages of using organic cotton was not complete, and
- e. the official gazette notification on the Initiative was issued in December 07. It became clear that implementation of these initiatives could take few months and it was not prudent to start production and incur more losses until the Initiative was going to be implemented.

30. The cash flows attached hereto as Exhibit "A" project that the Companies placing orders for cotton and making arrangements to restart production subject to the Initiatives being introduced, the Companies having DIP financing in place, and approval of the plan. .

Debtor in Possession Financing

31. The Companies will require additional financing during the period of restructuring to enable them to recommence and continue to carry on business in the ordinary course while they complete this process.

32. The Companies have been seeking debtor-in-possession financing . The Companies are attempting to complete various discussions and enter into arrangements to obtain a credit facility (the “DIP Facility”) from one or more parties which will provide:

- a. for up to a maximum of \$8 million Canadian of funds being available;
- b. that interest payments will be made monthly as set out in the attached cash flows (currently calculated at prime plus 3%); and
- c. that payments of the principal portion of the DIP Facility will only be made in any given year if there is a surplus after the payment of all amounts due under the Plan.

33. The Companies are negotiating towards providing any DIP lender with a charge against all existing and future assets of the Companies in favour of the DIP lender as security for payment of all present and future indebtedness owing to the DIP lender with respect to the DIP Facility. The Companies further are seeking to have such a charge take priority over all other charges except:

- a. the security interests of Maple Trade Finance Inc., AY's operating lender, with respect to AY's accounts receivable;
- b. the security interests of State Bank of India (Canada), AFY's operating lender, with respect to AFY's accounts receivable;
- c. the security interest of GE in all of each Companies' machinery and equipment;
and
- d. the Administration Charge as defined in the Initial Order.

34. I believe that advances under a DIP Facility will benefit all stakeholders by contributing greatly to the Applicant’s ability to meet its operational demands.

35. Even if prejudice exists from DIP financing, the Companies believe that DIP financing is necessary and in the best interests of the stakeholders generally of the Companies because:

- (a) The amount of the DIP financing sought by the Companies is sufficient to address their most urgent needs only.
- (b) The Companies believe that they will be able to successfully restructure with the aid of DIP financing.
- (c) If successful, CCAA restructuring is the most beneficial result for all stakeholders of the Companies.
- (d) Arranging DIP financing would give an opportunity to the Companies to avail themselves of the benefits resulting from the Government's initiatives. The initiatives were a result of extensive lobbying from the Companies in particular and the textile industry in general.

36. The Companies therefore seek an order authorizing the Companies to enter into arrangements to obtain the DIP Facility in the maximum total amount of \$8 million on commercially reasonable terms approved by the Monitor and which facility will not alter the cash flows attached to this affidavit.

The Plan and Creditors Meeting Order

37. The Companies have worked closely with the Monitor in developing the Plan. The Companies are seeking the Creditors Meeting Order authorizing the process to call for and conduct the meeting of the Affected Creditors.

38. Since the date of the Initial Order, the Companies, in consultation with the Monitor have been engaged in a variety of activities directed at the restructuring of the affairs of the Companies. Those efforts having resulted in the finalization of the Plan.

39. It is my understanding that the Companies will be filing the Plan and the Information Package with this Court prior to the return date for this motion.

40. The Companies will now seek support for the Plan from all of their Affected Creditors, and sincerely hope that they will be able to do so.

41. Mailing the Plan and Information Package to all Affected Creditors and the call for and conducting of the Creditors Meeting will allow the Affected Creditors to properly consider and vote on the Plan.

The Need for the Relief Sought

42. The Companies are in the process of restructuring their respective business and operations and have formulated a plan to balance the interests of all stakeholders.

43. An extension of the Stay Termination Date will permit the Companies needed time to seek support of its stakeholders for the Plan and hold meetings of its creditors.

44. If the extension is granted the companies will be in a position to take advantage of the Initiative and other plans of the Government of Canada to support the textile industry.

45. I believe that if the Plan is approved, the Companies will become viable Companies in the long-term and will continue to be valuable contributors to the New Brunswick economy.

46. I believe that if the Stay Termination Date is not extended, the Companies' creditors may commence or continue proceedings against the Companies which would be highly prejudicial to the operation of the Companies and would prevent the completion of a successful restructuring, resulting in the loss of approximately 350 jobs, a loss of substantially all of the Province of New Brunswick and Sunflag investment and a likely 100% loss to all the unsecured creditors.


47. Assuming the implementation of the Initiative and the DIP financing is obtained; I believe that the Companies will be able to complete a successful restructuring.

48. The management of the Companies believe that each Company has acted, and will continue to act, in good faith and with due diligence and requests an extension of the Stay Termination Date and other relief as set out in the Notice of Motion.

49. If this Honourable Court should grant the relief sought by AY and AFY, I believe that there would be no material prejudice to the position of the existing creditors of the Companies when compared to the consequences if the Companies ceased to operate.

SWORN TO at the City of Mississauga }
Region of Peel, in the Province of Ontario }
this 14th day of February, 2008 }

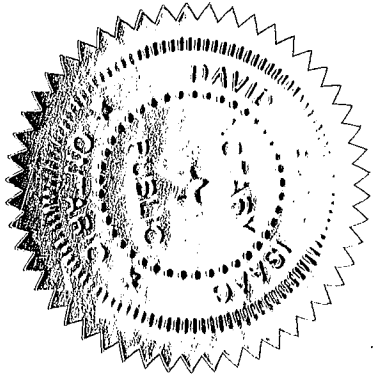
BEFORE ME: }



A Notary Public in and for }
The Province of Ontario }

PVR Subbarao

SUBBARAO VR PALAPARTY }
(RAO PALAPARTY) }



GRANT ISAAC, B.COM., LL.B.
BARRISTER, SOLICITOR, NOTARY
The Heritage
5045 Oakton Drive
Building 12, Suite 104
Mississauga, Ont. L4W 4Y4

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Actual vs. Projected Cash flow as of 31/1/08
Projections are as given to the court on 15th November 2007

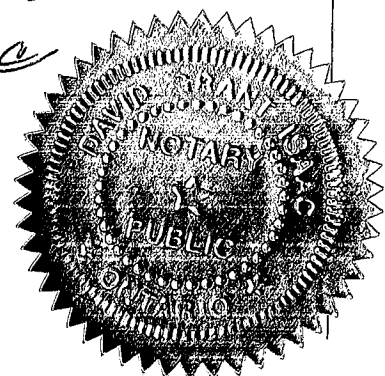
Amounts in '000	AY projected	AFY Projected
As per projections there was no production in Nov and Dec hence for comparison purposes the following balance is taken into consideration		
Closing Bank Balance 31/12/07	2106	2798
AR balance as on 31/12/07	540	1494
Total	2646	4292
Items not in projections		
Add.Funds received-balance on sale of equipment	220	
Less expenses in Jan (plant not in operation) but as per projections there was production and other related expenses.	-354	-267
Less Payment to GE not projected	-301	
Less Payment to IPD not budgeted	-34	
Net available as per projections	2177	4025
SBI balances paid as per court order		-3327
Net available as per projections	2177	698
Actuals	Actuals	Actuals
Bank Balance as on 31/1/08	1792	1248
AR balance as on 31/1/08	435	87
Total	2227	1335
Variation-Surplus	50	637

Surplus is due to faster collections of AR.

and the following
 n seven pages
 This is Exhibit... referred to in the
 affidavit of Subbarao V.R. Palaparty (Rao Palaparty)
 sworn before me this 14th
 day of February 2008

[Signature]
 COMMISSIONER, ETC.

DR. GRANT ISAAC, B.COM., LL.B.
 BARRISTER, SOLICITOR, NOTARY
 The Heritage
 5045 Oakton Drive
 Building 12, Suite 104
 Mississippi, Oct, LA 70454



ATLANTIC YARNS & ATLANTIC FINE YARNS INC

**MAJOR ITEMS OF EXPENDITURE DURING CCAA
INCLUDING ADMINISTRATIVE CHARGES**

	CAD \$
ADMINISTRATIVE CHARGES	
DEPOSIT TO COX AND PALMER	100000
DEPOSIT TO PWC	100000
EXPENSES	
COX AND PALMER	124773
PWC	104398

	AY	AFY	TOTAL
OTHER MAJOR EXP			
NB POWER BILLS	202989	277448	480437
SALARIES & WAGES (including wages for the last fortnight of October and First fortnight of November where production activity was there)	559330	651830	1211160
WORKERS HEALTH INSURANCE	26077	15910	41987
FREIGHT	227036	145448	372484
SALES COMMISSION (commission is based on sales proceeds collected)	64677	61280	125957
INSURANCE	83170	33406	116576
AUDIT FEES		37630	37630

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ATLANTIC YARNS INC	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	TOTAL 2008	TOTAL 2009	Year 2010	Year 2011	Year 2012
CASH FLOW PROJECTIONS																	
Values in '000																	
COLL FROM AR	500	300	300	0	600	2000	2800	3500	3640	3790	3750	3975	28645	49500	51300	51300	51300
DIP FINANCE LOAN RECEIPTS					500	500	500	500	1500				3500	0	-1000	-1500	-1000
CAPITAL EXP LOAN													300				
CASH FLOW COVERAGE LOAN																	
TOTAL REVENUE	500	300	300	1800	2600	3400	4100	5240	3890	3690	3750	3975	33745	49500	50900	49800	50300
PAYMENTS:																	
COTTON	150	150	1200	2392	2915	3263	3263	3263	3207	3207	3207	3207	29424	38053	38053	38161	38272
POLYSTER FIBER																	
PACKING	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SALARIES AND WAGES	60	60	60	60	350	350	350	350	350	350	350	350	2772	3950	3950	3960	3960
POWER AND ELECTRICITY	80	80	80	225	225	225	225	225	225	225	225	225	2285	2700	2700	2700	2700
SPARES	10	10	10	75	75	75	75	75	75	75	75	75	705	900	900	900	900
TOTAL	150	150	1200	2392	2915	3263	3263	3263	3207	3207	3207	3207	29424	38053	38053	38161	38272
ADMINISTRATIVE	30	30	30	30	80	80	80	80	80	80	80	80	810	950	950	960	960
SELLING	0	0	0	0	26	47	55	55	56	60	60	60	475	724	743	743	743
FREIGHT	0	0	0	0	176	266	330	330	330	330	330	330	2772	3950	3960	3960	3960
INSURANCE	40	40	40	40	40	40	40	40	40	40	40	40	40	480	480	480	480
OTHER EXPENSES (LEGAL)	100	100	100	100	100	100	100	100	100	100	100	100	1200	600	600	600	600
INTEREST																	
WORKING CAPITAL																	
DIP FINANCE																	
GE																	
FIRST TREASURY INTERST																	
REFUND FROM PROVINCE																	
TOTAL	170	170	170	170	498	642	977	708	709	713	713	713	6887	8376	9045	8823	8423
NET FROM OPERATIONS	180	-20	-1070	-1090	-957	-840	134	1268	-26	-30	-170	55	-2566	3071	3202	2816	3605
PAYMENT TO CREDITORS																	
GE CAPITAL																	
PAYMENT TO PROVINCE																	
PAYMENT TO FIRST TREASURY																	
STATUTORY PAYMENTS																	
EMPLOYEE DUES																	
MACHINERY CREDITORS																	
UNSECURED CREDITORS																	
COTTON SUPPLIERS																	
OTHER RAW MATERIAL																	
TRANSPORTERS																	
NB POWER																	
OTHER CREDITORS																	
TOTAL UNSECURED CR.	0	0	0	0	0	0	-113	0	-463	0	0	-463	-1059	-1855	-463	0	0
NEW OFFICES IN SOUTH AMERICA																	
CAPITAL EXPENDITURE																	
NET SHORTFALL	180	-70	-1420	-1140	-1007	-840	-79	1268	-553	-123	-170	-472	-4426	-702	1006	47	-664
OPENING BANK BALANCE	1879	2059	1989	569	-571	-1578	-2418	-2497	-1229	-1782	-1905	-2075	-2547	-2547	-3249	-2243	-2196
CLOSING BANK BALANCE	2059	1989	569	-571	-1578	-2418	-2497	-1229	-1782	-1905	-2075	-2547	-2547	-3249	-2243	-2196	-2860
NOTES:																	

CREDIT FACILITY ON AR IS AVAILABLE FROM MAPLE UPTO A MAXIMUM OF 5 MILLION.

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ATLANTIC YARNS INC	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	2009	2010	2011	2012
WORKING CAPITAL																
BORROWING BASE AVAILAB																
RECEIVABLES OPENING	875	375	75	75	1260	2290	3130	3420	3570	3530	3715	3940	3940	3940	3940	3940
SALES	0	0	0	1785	3030	3640	3790	3790	3750	3975	3975	3975	49500	51300	51300	51300
COLLECTION	500	300	0	600	2000	2800	3500	3640	3790	3790	3750	3975	49500	51300	51300	51300
CLOSING BALANCE	375	75	75	1260	2290	3130	3420	3570	3530	3715	3940	3940	3940	3940	3940	3940
OVER 90 DAYS	75	75	75	100	100	100	100	100	100	100	100	100	100	100	100	100
NET AVAILABLE	300	0	0	1160	2190	3090	3320	3470	3430	3515	3640	3640	3840	3840	3840	3840
85% OF THE ABOVE	255	0	0	986	1862	2576	2822	2950	2916	3073	3264	3264	3264	3264	3264	3264
STOCKS	0	0	1000	1500	1800	1800	1800	1800	1800	1800	1800	1800	2000	2000	2000	2000
50% ON STOCKS (to be arrang	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	255	0	0	986	1862	2576	2822	2950	2916	3073	3264	3264	3264	3264	3264	3264
LOAN BALANCE	0	0	569	-571	-1578	-2418	-2497	-1229	-1782	-1905	-2075	-2547	-3249	-2243	-2196	-2860
SURPLUS/SHORTFALL	0	0	569	415	284	158	325	1721	1134	1168	1189	717	15	1021	1068	404
AVAILABLE IN DRAWING POWER																
Notes:	There is no facility available on stocks in AY. This needs to be arranged should the requirement on DIP Finance is to be minimised.															
	A facility of 2.0 Million dollar would help.															

ATLANTIC FINE YARNS INC	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	TOTAL 2008	TOTAL 2009	Year 2010	Year 2011	Year 2012	
CASH FLOW PROJECTIONS																		
Values in '000	800	200	0	600	1500	2000	3000	3100	3100	3100	3400	3550	24350	42900	43560	43560	43560	
COLL. FROM AR			1000	1000	500		500	1000					4000		-2000	-2000		
DIP FINANCE LOAN RECEIPTS			300										300					
CAPITAL EXP LOAN	800	200	1300	1600	2000	2000	3500	4100	3100	3100	3400	3550	28950	42900	41560	41560	43560	
TOTAL REVENUE																		
PAYMENTS :																		
COTTON			1000	1244	1778	1956	1956	1956	1851	1851	1851	1851	17294	22207	22207	22207	22207	
PACKING	0	0	0	63	90	99	99	99	99	99	99	99	846	1188	1188	1188	1188	
SALARIES AND WAGES	60	60	60	490	490	490	490	490	490	490	490	490	4590	5980	5980	5980	5980	
POWER AND ELECTRICITY	85	85	85	225	225	225	225	225	225	225	225	225	2280	2700	2700	2700	2700	
SPARES	10	10	10	50	50	50	50	50	50	50	50	50	480	600	600	600	600	
TOTAL	155	155	1155	2072	2633	2820	2820	2820	2715	2715	2715	2715	25490	32575	32575	32575	32575	
ADMINISTRATIVE	30	30	0	0	60	60	60	60	60	60	60	60	630	720	720	720	720	
SELLING	0	0	0	20	40	44	45	45	45	45	45	45	380	624	624	624	624	
FREIGHT	0	0	0	110	220	242	242	242	242	242	242	242	2024	2904	2904	2904	2904	
INSURANCE	40	40	40	40	40	40	40	40	40	40	40	40	480	480	480	480	480	
OTHER EXPENSES (LEGAL)	100	100	100	100	100	100	100	100	100	100	100	100	1200	600	600	600	600	
INTEREST					0	0	0	0	0	0	0	0						
WORKING CAPITAL			5	9	15	18	20	22	25	25	25	25	189	200	200	200	200	
DIP FINANCE			10	10	12	15	20	25	25	30	30	30	197	315	300	240	240	
GE			55	55	55	365	55	55	55	55	55	55	825	580	497	331	166	
TOTAL	170	170	175	404	542	904	582	589	592	598	599	600	5925	6423	6325	6099	5694	
NET FROM OPERATIONS	475	-125	-30	-876	-1175	-1724	98	691	-207	-213	86	235	-2765	3902	2660	2886	5291	
PAYMENT TO CREDITORS																		
GE CAPITAL													0	-1840	-1840	-1840	-1840	
PAYMENT TO PROVINCE													0					
STATUTORY PAYMENTS										-124			-124					
EMPLOYEE DUES							-100						-100					
MACHINERY CREDITORS																		
UNSECURED CREDITORS																		
OTHER RAW MATERIAL								-182					-364	-728	-182			
TRANSPORTERS								-29					-58	-117	-29			
NB POWER								-28					-35	-112	-28			
OTHER CREDITORS								-73					-146	-295	-73			
TOTAL UNSECURED CREDITORS	0	0	0	0	0	0	-102	0	-337	0	0	-312	-751	-1252	-312	0	0	
NEW OFFICES IN PERUCOLUMBIA																		
CAPITAL EXPENDITURE																		
NET SHORTFALL	475	-175	-380	-926	-1225	-1724	-104	-681	-544	-337	86	-77	-4240	146	32	506	-89	
OPENING BANK BALANCE	563	1038	863	483	443	-1668	-3392	-3496	-2605	-3349	-3686	-3600	563	-3877	-3531	-3563	-3057	
CLOSING BANK BALANCE	1038	863	483	-473	-1668	-3392	-3496	-2805	-3349	-3585	-3600	-3677	-3577	-3531	-3563	-3057	-3146	
NOTES:-																		
	CREDIT FACILITY FROM SBI IS AVAILABLE UPTO A MAXIMUM OF 4 MILLION INCLUDING INVENTORY FINANCE																	

