

**GENERATION NEXT FASHIONS LIMITED
AUDITORS' REPORT
FOR THE YEAR ENDED 30TH JUNE, 2018**

MANAGING PARTNER

MD. ASHRAF UDDIN AHMED
LLB, CFC, FCA

PARTNERS

ENAMUL KABIR FCA
MD. MOHIUDDIN AHMED, FCA

Office : 142/B, Green Road (3rd & 4th Floor) Dhaka- 1215

Chamber : Rahman Chamber (5th Floor)

12-13, Motijheel Commercial Area, Dhaka-1000.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accompanying financial statements of **Generation Next Fashions Limited** ('the company') which comprise the Statement of Financial Position as on 30th June, 2018 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS). This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from 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 risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) give a true and fair view of the financial position of **Generation Next Fashions Limited** as of 30th June, 2018, and results of its financial performance and its cash flows for the year then ended & comply with The Companies Act 1994, The Securities and Exchange Rules 1987 & other applicable laws & regulations.

We also report that:

- a) We have obtained all the information & explanations which to the best of our knowledge & belief were necessary for the purposes of our audit & made due verification thereof;
- b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books.
- c) The company's financial position and profit or loss and other comprehensive income statement dealt with the report are in agreement with the books of accounts and returns.
- d) The expenditure incurred was for the purpose of the company's business.

Dhaka

Date: 8th October, 2018.


CHARTERED ACCOUNTANTS

GENERATION NEXT FASHIONS LIMITED

Statement of Financial Position

As at June 30, 2018

Particulars	Notes	Amount in Taka	
		30.06.2018	30.06.2017
A. NON-CURRENT ASSETS		4,505,145,853	3,997,985,157
Property, Plant & Equipment	Annexure-1 04	4,246,973,702	3,694,771,174
Capital Works-in-Progress		258,172,151	303,213,983
B. CURRENT ASSETS		2,588,986,428	2,399,357,831
Inventories	05	1,227,778,662	1,041,071,140
Accounts Receivable	06	1,171,674,567	883,439,410
Advances, Deposits and Pre-Payments	07	131,724,403	100,919,902
Cash & Cash Equivalents	08	57,808,796	373,927,379
C. CURRENT LIABILITIES & PROVISIONS		790,161,182	835,821,950
Accounts & Other Payables	09	32,292,830	36,825,901
Accrued Expenses	10	353,571,424	307,055,126
Bank Overdraft	11	41,968,033	36,586,342
Short Term Bank Credits	12	297,414,301	304,497,247
Deferred L/C Liabilities	13	45,186,260	109,450,472
Share Money Refundable	14	2,592,334	2,370,862
Current Maturity of Long Term Loans	15	17,136,000	39,036,000
D. NET CURRENT ASSETS (B-C)		1,798,825,246	1,563,535,881
E. NET ASSETS (A+D)		6,303,971,099	5,561,521,038
F. SHAREHOLDERS' EQUITY		5,670,435,574	5,214,062,313
Share Capital	16	4,499,768,690	4,090,698,810
Share Premium		236,779,111	236,779,111
Revaluation Surplus	17	412,840,428	421,237,581
Retained Earnings	18	521,047,345	465,346,811
G. LONG TERM LOAN	19	633,535,525	347,458,724
H. LIABILITIES & SHAREHOLDERS' EQUITY (F+G)		6,303,971,099	5,561,521,038
Net Assets Value Per Share (Previous Year Restated)		12.60	11.59

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

Chairman

Managing Director

Company Secretary

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



Ashraf Uddin & Co.
Chartered Accountants

GENERATION NEXT FASHIONS LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2018

Particulars	Notes	Amount in Taka	
		30.06.2018	30.06.2017
Sales Revenue	20	4,023,783,905	3,279,614,648
Less: Cost of Goods Sold	21	3,132,843,549	2,637,141,557
Gross Profit		890,940,356	642,473,091
Less: Administrative & Selling Expenses	22	326,432,028	258,375,770
Operating Profit		564,508,328	384,097,321
Add: Other Income	23	133,752,026	90,488,907
		698,260,354	474,586,228
Less: Financial Expenses	24	163,068,174	154,254,291
Net Profit Before Tax and WPWFs		535,192,180	320,331,937
Less: Workers' Participation/Welfare Funds & Contribution to Central Fund (RMG Sector)		1,194,569	17,041,865
Net Profit Before Tax		533,997,611	303,290,072
		77,624,350	61,576,078
Less: Current Tax	25	36,070,992	29,106,971
Less: Deferred Tax	26	41,553,358	32,469,107
Net Profit After Tax		456,373,261	241,713,994
Earning Per Share (Previous Year Restated)	27	1.01	0.54

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

Chairman

Managing Director

Company Secretary

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

Ashraf Uddin & Co.
 Ashraf Uddin & Co.
 Chartered Accountants



GENERATION NEXT FASHIONS LIMITED

Statement of Changes in Equity

For the year ended June 30, 2018

(Amount in Taka)

For (01 July 2017 to 30 June 2018):

Particulars	Share Capital	Share Premium	Retained	Revaluation	Total
Balance at July 01, 2017	4,090,698,810	236,779,111	465,346,811	421,237,582	5,214,062,313
Depreciation on Revaluation Surplus	-	-	8,397,154	(8,397,154)	-
Net Profit during the year	-	-	456,373,261	-	456,373,261
Issue of Bonus Shares	409,069,880	-	(409,069,880)	-	-
Balance at June 30, 2018	4,499,768,690	236,779,111	521,047,345	412,840,428	5,670,435,574

For (01 July 2016 30 June 2017):

Particulars	Share Capital	Share Premium	Retained	Revaluation	Total
Balance at July 01, 2016	3,718,817,100	236,779,111	569,989,089	429,951,498	4,955,536,798
Depreciation on Revaluation Surplus	-	-	8,713,916	(8,713,916)	-
Net Profit during the year	-	-	241,713,994	-	241,713,994
Issue of Bonus Shares	371,881,710	-	(371,881,710)	-	-
Excess provision for Income Tax	-	-	12,080,217	-	12,080,217
Deferrance AIT between CAIT & DCT Assessment	-	-	4,731,304	-	4,731,304
Balance at June 30, 2017	4,090,698,810	236,779,111	465,346,811	421,237,582	5,214,062,313

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

Chairman

Managing Director

Company Secretary

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



Ashraf Uddin & Co.
Ashraf Uddin & Co.
 Chartered Accountants

GENERATION NEXT FASHIONS LIMITED

Statement of Cash Flows
For the year ended June 30, 2018

Particulars	Amount in Taka	
	30.06.2018	30.06.2017
A. CASH FLOWS FROM OPERATING ACTIVITIES:	39,799,267	421,217,355
Cash Received from Customers and Other Income	3,869,300,774	3,359,863,771
Cash Paid for Materials, Expenses and Services	(3,788,868,275)	(2,910,170,238)
Income Tax Paid/(Deducted)	(40,633,232)	(28,476,178)
B. CASH FLOWS FROM INVESTING ACTIVITIES:	(618,614,867)	(486,431,004)
Acquisition of Fixed Assets	(663,656,699)	(885,256,986)
Expenditures for Capital Work-in-Progress	45,041,832	398,825,982
C. CASH FLOWS FROM FINANCING ACTIVITIES:	262,697,018	33,975,133
Bank Overdraft Received/(Repaid)	5,381,691	19,115,165
Short Term Bank Credit Received/(Repaid)	(7,082,946)	(169,467,086)
Long Term Loan Received/(Repaid)	264,176,801	167,517,012
Excess provision for Income Tax	-	12,080,217
Deffirence AIT between CAIT & DCT Assessment	-	4,731,304
Share Money Deposit (Refunded)/Adjusted	221,472	(1,479)
D. Net Increase/(Decrease) in cash & cash equivalents (A+B+C)	(316,118,582)	(31,238,516)
E. Cash & Cash equivalents at the beginning of the year	373,927,379	405,165,895
F. Cash & Cash equivalents at the end of the year (D+E)	57,808,796	373,927,379
Net Operating Cash Flow Per Share(Previous Year Restated)	0.09	0.94

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

Chairman

Managing Director

Company Secretary

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



Ashraf Uddin & Co.
Chartered Accountants

GENERATION NEXT FASHIONS LIMITED

Schedule of Property, Plant & Equipment

As on June 30, 2018

Annexure-1

(Amount in Taka)

Particulars	Cost or Valuation			Rate of Dep. (%)	Depreciation			Written down value as on 30.06.2018
	Balance as on 01.07.2017	Addition or valuation during the	Balance as on 30.06.18		Balance as on 01.07.2017	Charged during the period	Balance as on 30.06.2018	
Land & Land Development	249,687,532	-	249,687,532	0%	-	-	-	249,687,532
Building	2,808,257,089	377,819,685	3,186,076,774	2%	170,171,690	56,741,943	226,913,633	2,959,163,141
Plant & Machinery	1,022,446,684	260,536,582	1,282,983,266	5%	310,534,457	44,438,121	354,972,578	928,010,688
Vehicles	80,203,266	-	80,203,266	10%	17,150,133	6,305,313	23,455,447	56,747,819
Other Assets	53,323,332	25,300,432	78,623,764	10%	21,290,449	3,968,794	25,259,243	53,364,521
Total as on June 30, 2018	4,213,917,903	663,656,699	4,877,574,602		519,146,729	111,454,171	630,600,900	4,246,973,702
Total as on June 30, 2017	3,328,660,917	885,256,986	4,213,917,903		437,003,597	82,143,132	519,146,729	3,694,771,174

Particulars	Amount in Taka	
	30.06.2018	30.06.2017

Depreciation charge during the year

111,454,171	82,143,132
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Head of Accounts:

Factory Overhead (Note: 21.2)	105,881,462	78,035,975
Administrative & Selling Expenses (Note: 22)	5,572,709	4,107,157
Total	111,454,171	82,143,132



GENERATION NEXT FASHIONS LIMITED

Notes to the Financial Statements
For the Year Ended 30th June, 2018

1. INCORPORATION AND BUSINESS ACTIVITIES

1.1. Reporting Entity:

Generation Next Fashions Limited was incorporated in Bangladesh under the Companies Act 1994 vide Registration No-C-53966(661)/2004 as a Private Limited Company on August 19, 2004. Later the company converted from private company into public limited company on September 19, 2010. The principal place of business and registered office of the company is located at Building # 348, Road# 05, DOHS Baridhara, Dhaka-1206, Bangladesh.

1.2 Nature of business

The principal activities of the company are Spinning, weaving, manufacturing of textile, various types of ready-made garments of international standard and design.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1. Statement of Compliance:

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994 and other relevant local laws as applicable and in accordance with Bangladesh Financial Reporting Standards (BFRSs) including Bangladesh Accounting Standards (BASs), Securities and Exchange Rules 1987 (amended in 2015) adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IASs) and International Financial Reporting standards (IFRSs).

2.2. Measurements of the elements of financial statements:

These financial statements have been prepared based on going concern, consistency and accrual concepts and such other convention as required by BAS-1 for fair presentation of financial statements.

2.3. Components of Financial Statements:

The financial Statements of the company consist of the following components:

- a) Statement of Financial Position;
- b) Statement of Profit or Loss and Other Comprehensive Income;
- c) Statement of Changes in Equity;
- d) Statement of Cash flows and;
- e) Accounting Policies & Explanatory Notes to the Financial Statements.

2.4. Functional and presentation currency:

The financial statements are presented in Bangladesh Taka (BDT/Tk.) except where indicated otherwise, which is both functional currency and presentation currency of the company. The figures of financial statements have been rounded off to the nearest BDT/Tk. Figures in brackets indicate deductions.

2.5. Use of estimates and judgments:

The preparation of the financial statements in conformity with Bangladesh Financial Reporting Standards requires measurements to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses and disclosure requirements of contingent assets and liabilities during and at the date of financial statements.

Actual results may differ from these 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.

In Particular, significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect of the amounts recognized in the financial statements include depreciation, inventory valuation, accrued expenses and tax provision.

2.6. Reporting period:

These financial statements of the company cover a period of one year from 1st July 2017 to 30th June, 2018.

2.7. Comparative information and rearrangements thereof:

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

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

2.8. Going Concern:

The company has adequate resources to continue in operation for the foreseeable future. For this reason the Directors continue to adopt Going Concern Basis in preparing the accounts. The current credit facilities and resources of the company provides sufficient fund to make the present requirement of its existing business. Neither the management nor any other authority of the company has the intension to cease or liquidate the company in near future. During the year the company has achieved a good of profit of Tk. 456,373,261/- net to which significantly indicates the company's ability to run as a going concern in the foreseeable future.

2.9. Accrual Basis of Accounting:

An entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting. When the accrual basis of accounting is used, an entity recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the framework.

2.10. Offsetting:

An entity shall not offset assets and liabilities or income and expenses, unless required or permitted by a BFRS.

2.11. Events after reporting Period:

According to BAS- 10: "Events after Reporting Period", events after the reporting period are those events, favorable or unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

Adjusting Events: Those that provide evidence of conditions that existed at the end of the reporting period;

Non-adjusting Events: Those are indicative of conditions that arose after the reporting period.

There was no events after reporting period of such importance for which accounting or disclosure is required to be adjusted except stock dividend at 10% (2016-2017: 10%) as recommended in the meeting of Board of Directors held on October 08, 2018 (2016-2017: October 28, 2017).

2.12. Date of Authorization for Issue of The Financial Statements:

On October 08, 2018 the Board of Directors reviewed the financial statements and authorized them for issue.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation used in preparation of financial statements for the year ended 30th June, 2018 are consistent with the policies and methods adopted in preparing the financial statements for the year ended 30th June, 2017.

3.1. PROPERTY, PLANT & EQUIPMENT:

Recognition and measurement

Property, plant and equipment are recognized at cost amount less accumulated depreciation in compliance with Bangladesh Accounting Standard (BAS)-16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price including import duties and non-refundable taxes and any direct attributable cost of bringing the assets to its working condition for its intended use.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that future benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial year in which they incurred.

Addition during the year

Name of Property, plant and equipment	(Amount in Tk.) 2018	(Amount in Tk.) 2017
Land and Land Development	-	-
Building	377,819,685	755,425,168
Plant and Machinery	260,536,582	85,926,167
Vehicles	-	36,600,000
Other Assets	25,300,432	7,305,651
Total	663,656,699	885,256,986

There is no intangible asset during the period and the fixed assets do not include any assets held under lease. On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the income statement which is determined with reference to the net book value of assets and net sales proceeds. However there is no disposal or retirement of fixed asset during the current period.

3.2. Depreciation:

The Property, Plant & Equipment acquired during the year from different head of assets were available for use and were capable of operating in a manner intended by the management and generating revenue.

Depreciation has been charged on a Reducing Balance method starting from the dates when the asset were available for use and capable of generating revenue as intended by the management. However, no asset has been classified or was intended to classify as 'Held for sale' under BFRS 5 during the year.

3.3. Impairment:

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is recorded on judgmental basis, for which provision may differ in the future years based on the actual experience. An impairment loss is recognized whenever the carrying amount of the asset exceeds recoverable amount. Impairment losses, if any, are recognized in the statements of profit and loss and other comprehensive income. It was confirmed that no such fixed asset has been impaired during the period and therefore no provision has been made for that for the asset.

3.4. Advances, deposits and prepayments:

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions or adjustments. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to Statement of Profit of Loss and Other Comprehensive Incomes.

3.5. Cash & Cash Equivalents:

Cash and cash equivalents comprise cash in hand and cash at bank which are held and available for use by the company without any restriction. Cash at bank again comprises of –

On current/ Short notice Deposit Accounts with the following banks:-

- | | |
|------------------------|----------------------------|
| 1. EXIM Bank Ltd. | 5. Social Islami Bank Ltd. |
| 2. National Bank Ltd. | 6. IFIC Bank Ltd. |
| 3. Prime Bank Ltd. | 7. Jamuna Bank Ltd. |
| 4. Southeast bank Ltd. | 8. BRAC Bank Ltd. |

And FDR Accounts with Southeast Bank Ltd. and Social Islami Bank Ltd.

3.6. Receivables:

Accounts receivables are recognized and stated at original invoiced amounts and carried at anticipated realizable values in which goods are exported. Bad debts are written off when it is established that they are irrecoverable.

3.7. Accrued Expense and Other Payables:

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

3.8. Borrowing Costs:

Interest bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs. Borrowing costs directly attributable to the acquisition and construction of plant and equipment are capitalized as part of the cost of those assets, until such time as the assets are ready for their intended use. All other borrowing costs incurred during the period was recognized as revenue expenses in accordance with BAS-23: Borrowing Costs.

3.9. 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 Statements issued by the International Accounting Standards Board (IASB). Accordingly the management has fulfilled the above provision.

3.10. Provisions and Accruals:

Provisions

Provision are recognized when Generation Next Fashions Limited has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If a transfer of economic benefit is no longer probable the provision should be reversed. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure required to settle the obligation.

Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but the financial impact of the event will only be confirmed by the outcome of some future event not wholly within the entity's control.

3.11. Effects of changes in Foreign Exchange Rates:

Foreign currencies are translated into BDT at the rates ruling on the transaction dates. Monetary assets and liabilities are reconverted at the rates prevailing at the balance sheet date. Non-monetary assets and liabilities are reported using the exchange rate at the date of respective transactions. Differences arising on conversion are charged to statement of profit and loss and other comprehensive income which is shown under note 22.

3.12. Taxation:

The expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit and loss except to the extent that it relates to a business combination or items recognized directly in equity.

Current tax

Current tax is, as per BAS- 12: Income Taxes, the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date and any adjustment to the tax payable in respect of the previous year. Provision for current income tax has been made on 12% on business income as per Finance Act 2018 and SRO for Garments industries and also made 25% on other income for public limited company as prescribed on the Income Tax Ordinance 1984. The calculation has been shown in the note 25.

Deferred Tax:

The provision for deferred tax has also been made based on the temporary difference amount between Accounting depreciation and tax depreciation of property, plant and equipment calculated by the tax authority in the assessment year 2009-10. The rate of deferred tax has been applied as per Income Tax Ordinance, 1984.

The calculation has been shown in note 26.

3.13. Revenue recognition:

Revenue is recognized when goods are delivered from factory godown and delivery challans are issued as per BAS-18 "Revenue Recognition".

3.14. Finance expense:

Finance expense comprises interest expenses on term loan, overdraft, and bank charges. All finance expenses are recognized in the statement of profit or loss and other comprehensive income except those are capitalized in accordance with BAS-23: Borrowing Costs.

3.15. Earnings per share:

This has been calculated in compliance with the requirements of BAS 33: Earnings per Share by dividing the basics earnings by the weighted average number of ordinary shares outstanding during the period.

Basic Earnings:

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

Weighted Average Number of Shares:

The basis of computation of number of shares is in line with the provisions of BAS-33: Earnings Per Share. Therefore the total number of shares outstanding at the end of the period multiplied by a time weighting factor which is the number of days the specific shares were outstanding as proportion of total number of days in the period. Generation Next fashions Limited has issued bonus shares of Tk. 409,069,880 during the year and has been accounted for in calculating the EPS in accordance with BAS-33.

3.16. Compliance with Financial Standards as applicable in Bangladesh:

The following BAS is applicable to the financial statements for the period under review:

BAS	TITLE	REMARKS
1	Presentation of Financial Statement	Complied
2	Inventories	Complied
7	Statement of Cash Flows	Complied
8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
10	Events after the Reporting Period	Complied
12	Income Taxes	Complied
16	Property, Plant & Equipment	Complied
18	Revenue	Complied
19	Employee Benefits	Complied
21	The Effects of Changes in Foreign Exchange Rates	Complied

23	Borrowing Costs	Complied
24	Related Party Disclosures	Complied
33	Earnings per Share (EPS)	Complied
37	Provisions, Contingent Liabilities and Contingent Assets	Complied

3.17. Related party Disclosure:

During the year ended 30th June, 2018 the company has purchased Office space at Pearl Trade Centre (PTC), Cha- 90/3, Progoti Saroni, Uttar Badda, Dhaka amounting Tk. 187,140,735/- from owner M/s A.J Corporation Limited, a first class developer and a shareholder.

3.18. Long Term loan:

Long term loan consists of loans and financial obligations lasting over one year. The long term loan outstanding of Generation Next Fashions Limited, as on 30th June, 2018 are fully secured by first charge on the fixed assets of the company.

Nature of Security of Loans :

Bank Overdraft	Fully secured by 1 (one) undated cheque to cover the entire the limit along with a letter of authority to insert date on the cheque and personal guarantee of the Directors of the Company.
Long Term Loan	Fully secured by first charge on the fixed assets of the Company.
Packing Credit & Bill Purchase	Lien on Master/Export L/C
Time Loan	Fully secured by first charge on the fixed assets of the Company.

Interest on Bank Loan:

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

Bank Overdraft	12.75% p.a. with Quarterly rests subject to revision from time to time.
Long Term Loan	12.75% p.a. with Quarterly rests subject to revision from time to time.

Time Loan , Packing Credit & Bill Purchase	Time Loan: 12.75 % p.a. with Quarterly rests subject to revision from time to time. Packing Credit: 7.00% p.a. with Quarterly rests subject to revision from time to time. Bill Purchase: 12.75 % p.a. with Quarterly rests subject to revision from time to time.
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3.19.Short Term Loan:

Short term loan refers to a loan scheduled to be repaid in less than a year. The company obtains short term loan from various sources to finance the temporary working capital needs.

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

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

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

3.20.Capital Expenditure Aailed:

There was no Capital expenditure contracted but not incurred or provided for as on 30.06.2018.

There was no material capital expenditure authorized by the Board but not contracted for as on 30.06.2018.

3.21.Contingent Liabilities And Contingent Assets:

Contingent liabilities

A contingent liability arises where a past event may lead to an entity having a liability in the future but the financial impact of the event will only be confirmed by the outcome of some future event will only be confirmed by the outcome of some future event not wholly within the entity's control. A contingent liability should be disclosed in the financial statements unless the possible outflow of resources is thought to be remote.

Contingent Asset

A contingent asset is a potential asset that arise from past events but whose existence can only be confirmed by the outcome of future events not wholly within an entity's control. A contingent asset should be disclosed in the financial statements only when the expected inflow of economic benefits is probable.

The company does not have any contingent liability or contingent assets as on 30.06.2018.

3.22.Claims not Acknowledged:

There was no claim against the Company not acknowledged as debt as on 30.06.2018.

3.23.Credit Facilities Aailed:

Credit facilities available to the Company were from banks as on 30.06.2018 and Trade credit available in the ordinary course of business. No other credit facilities were available to the company as on 30.06.2018.

3.24. Commission, Brokerage or Discount Against Sales:

No other commission, brokerage or discount was incurred or paid by the company against sales during the year ended June 30, 2018.

3.25. Employees:

Number of employees whose salary was below Tk. 6,000 is 642 as on 30.06.2018

Number of employees whose salary was above Tk. 6,000 is 3,762 as on 30.06.2018.

3.26. Capacity utilization:

Particulars	Capacity	Actual Production	Percentage
Garments*	4,076,000 Dozens	3,750,000 Dozens	92%
Fabrics	11,000 MT	9,350 MT	85%
Dyeing	11,000 MT	9,350 MT	85%

Reason: Actual production as per market demand

*Based on present product mix.

3.27. Managerial Remuneration

3.27.1 Total remuneration of managers aggregates during the year ended June 30, 2018 at Tk. 39,174,500 (2016-2017; Tk. 36,441,395).

3.27.2 Total remuneration of Managing Director for the year ended June 30, 2018 stood at Tk. 2,400,000 (2016-2017; Tk. 2,400,000).

3.28. Risk Factors and Management's Perceptions about the Risks

The Company is operating in an industry involving both external and internal risk factors having direct as well as indirect effects on its business, result of its operations and financial condition, as follows:

(a) Interest rate risks:

Interest rate is concerned with borrowed funds of short term & long-term maturity. Interest rate risk is the risk that the company faces due to unfavorable movements in the interest rates. Volatility in money market & increased demand for loans/ investment funds raise the rate of interest. A change in the government's policy also tends to increase the interest rate. High rate of interest enhances the cost of fund of a company. Such rises in interest rates however mostly affect companies having floating rate loans.

Management perception:

The Company maintains a reasonable debt/ equity ratio; and accordingly, adverse impact of interest rate fluctuation will not adversely affect the Company's performance as the Company emphasizes on equity base financing to reduce the dependency on borrowing. Therefore, management perceives that the fluctuation of interest rate on borrowing would have little impact upon the performance of the Company.

(b) Exchange rate risks:

If exchange rate increases against local currency opportunity is created for getting more revenue against sale in local currency. On the other hand, if exchange rate goes down, margin is squeezed in local currency.

Management perception:

The products of the company are sold in foreign currency and payment for raw materials are made mostly in foreign currency. Therefore, volatility of exchange rate will have little impact on profitability of the Company.

(c) Industry risks:

Industry risks refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and result of operation.

Management perception:

The Company has established its brand name in the market with its quality products, range of products and customer services. Therefore, industry risks will be limited.

(d) Market and technology-related risks:

i) Market risks:

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the Company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. On the other hand, strong marketing and brand management would help the company to increase their customer base.

Management perception:

Market for the Company's products is growing at an exponential rate with growth of urbanization and incremental income level of consumers along with their preference to convenience. Therefore, market risks will be minimal.

ii) Technology-related Risks:

Technology always plays a vital role for the existence of any industrial concern, ensuring better service to the customers and minimizing the cost in various aspects. Any invention of new and more cost involving technology may cause technological obsolescence and negative operational efficiency. Any serious defects in the plant and machinery may affect production and profitability calling for additional investment for replacement.

Management perception:

The Company utilizes its Market Research Team that is continuously working for in-depth understanding of the customer needs and preferences and accordingly, arranging its technology.

(e) Potential or existing government regulations risks:

The Company operates under Companies Act, 1994, Income Tax Rules, 1984; Value Added tax (VAT) Act, 1991 and Value Added Tax (VAT) Rules, 1991. Any abrupt changes of the policies made by the regulatory authorities may affect its activities.

Management perception:

Unless any policy change that may negatively and materially affect the industry as a whole, the business of the Company is expected not to be affected significantly. It is highly unlikely that the Government will initiate any fiscal measure that may have adverse effect on the growth of the industry.

(f) Potential changes in global or national policies:

The performance of the Company may be affected by the political and economical instability, both in Bangladesh and worldwide. Any instance of political turmoil and disturbance in the country may adversely affect the economy in general.

Management perception:

The Company can prosper in a situation of political stability and a congenial business environment. Political turmoil and disturbance are bad for the economy and so also for this sector. The Company is always aware of all types of turmoils and if the smooth supply of material is hampered or faces any kind of disruptions, it will supply it in future and try to keep its operation smooth.

(g) Operational Risks:

Operational risks refer to the possibility of plant shut down due to disruption in supply of gas, technological failure, natural calamities, human errors and other unforeseen events. Such incidences may lead to non operation, large overhauling costs and financial losses.

Management perception:

Bangladesh Government is meeting this challenge by opening the energy generation to private sector; and also making massive investment, which is expected to ensure availability of energy for uninterrupted operation. The Company perceives that allocation of its resources properly with contingency approaches can reduce this risk factor to great extent.

(h) Input Cost Risks:

Input cost risk is the risk of a business when procuring materials or commodities in high global demand. Increasing demand and supply shortages create volatility in these commodity values; and therefore, the timing, quantity and price of purchase must be closely planned.

Management perception:

Management of the Company would hedge their exposure to input price volatility by adjusting its selling price.

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04 Capital Works-in-Progress

Buildings

Total

Opening Works-in-Progress

Add: Addition during the year

Less: Adjustment during the period

Closing Balance during the period

Amount in Taka	
30 June 2018	30 June 2017

258,172,151	303,213,983
-------------	-------------

258,172,151	303,213,983
--------------------	--------------------

303,213,983	702,039,965
-------------	-------------

145,637,118	-
-------------	---

448,851,101	702,039,965
--------------------	--------------------

190,678,950	398,825,982
-------------	-------------

258,172,151	303,213,983
--------------------	--------------------

05 InventoriesRaw Materials (**Note-5.1**)

Work-in-Process (658,361 Kgs; 2016-2017: 534773 Kgs)

Finished Goods (2,631,195 Dozens; 2016-2017: 190,585 Dozens)

Materials in Transit

Total

400,650,846	359,063,402
-------------	-------------

329,180,543	264,712,500
-------------	-------------

458,617,306	375,452,708
-------------	-------------

39,329,967	41,842,530
------------	------------

1,227,778,662	1,041,071,140
----------------------	----------------------

05.1 Raw Materials

Yarn (869,630 Kgs; 2016-2017: 801,535 Kgs)

Fabrics (234,864 Kgs; 2016-2017: 211,891 Kgs)

Chemicals (284,333 Kgs; 2016-2017: 234,766 Kgs)

Accessories

Total

224,364,474	203,910,507
-------------	-------------

68,110,644	61,024,508
------------	------------

44,071,593	35,906,340
------------	------------

64,104,135	58,222,046
------------	------------

400,650,846	359,063,402
--------------------	--------------------

06 Accounts Receivables

Cromo Diffusion INC

Distra Warenhandeksges. MBH

Fashion Link

G. Enpfenning GMBH

G. Pfenning

Jeans Fritz

KIK TEXTILIEN UND NON-FOOD GMBH

Miles Fashions GMBH

Other Receivables (**Note: 06.1**)

Primark Stores Limited

Total

808,296	4,317,713
---------	-----------

62,964,561	83,084,709
------------	------------

-	9,570,131
---	-----------

100,919,854	122,133,399
-------------	-------------

150,464,658	-
-------------	---

-	928,287
---	---------

47,821,003	18,932,042
------------	------------

25,189,652	26,503,009
------------	------------

15,179,800	43,806,643
------------	------------

768,326,743	574,163,477
-------------	-------------

1,171,674,567	883,439,410
----------------------	--------------------

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

Dues upto 6 months

Dues above 6 months

Total

632,704,266	583,070,011
-------------	-------------

538,970,301	300,369,399
-------------	-------------

1,171,674,567	883,439,410
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06.1 Other Receivables

Fashions FX Limited
JMS Composite Knitware Ltd.
Korooni Knit Composite Ltd.
Niagara Textile Ltd.
Rahman Composite
Redom Composite
SA Sourcing Ltd.
Sadma Fashions Ltd.
Scandex Textile Ltd.
Summit Dye-Chem Ltd.
Cash Subsidy from the Government.
Total

Amount in Taka	
30 June 2018	30 June 2017
225,276	225,276
317,226	317,226
20,016	20,016
-	4,951
11,951	11,951
-	7,260
2,043,049	2,043,049
-	15,312
99,682	99,682
-	8,320
12,462,600	41,053,600
15,179,800	43,806,643

07 Advances, Deposit and Prepayments

Advances (Note: 07.1)
Deposits
Total

130,473,603	100,294,198
1,250,800	625,704
131,724,403	100,919,902

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

Dues upto 6 months
Dues above 6 months
Total

45,665,761	33,303,568
84,807,842	67,616,334
130,473,603	100,919,902

07.1 Advances

Advance against Salary
Advance Income Tax Note: 07.1(a)
Advance against Purchase / Expenses Note: 07.1(b)
Advance against House Rent
Advance for Construction & Others Note: 07.1(c)
Gas Line and Other Installation
Total

547,500	856,000
90,026,188	56,392,956
16,751,313	22,091,432
3,875,122	3,875,122
15,103,730	17,078,688
4,169,750	-
130,473,603	100,294,198

07.1(a) Advance Income Tax

Opening Balance
Add: Addition During the Year

56,392,956	59,341,309
33,633,232	27,976,178
90,026,188	87,317,487

Less: Remaining Advance for the Assessment year upto 2015-2016 which adjusted by the assessment value

-	31,424,531
90,026,188	55,892,956
-	500,000
90,026,188	56,392,956

Add: Deposit by payment order/ Challan for Assessment year 2016-2017

07.1(b) Advance against Purchase / Expenses

Dhaka Traders
Mr. Munir (Procurement)
Mr. Ainal Haque
Mr. Basek Hossen
Hi Tech Coloor Chem
Tutun Agency
Word of Techonology
Khan Enterprise
Total

-	54,200
-	90,570
3,024,131	14,130,935
2,512,500	3,950,708
7,364,682	-
-	15,019
2,500,000	2,500,000
1,350,000	1,350,000
16,751,313	22,091,432



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07.1(c) Advance for Construction & Others

Azim Engineering Workshop & Thai Aluminum
 Brothers Builders
 Hasib Thai
 M/S. Happy Enterprise
 Prepaid Insurance
 Millenium Enterprise
 Boiler Soltions Point
 Genesis Technologies Ltd.
 Source International Ltd.
 Bangladesh Power Development Board (BPDB)
Total

Amount in Taka	
30 June 2018	30 June 2017
3,045,300	5,784,603
912,460	1,768,049
2,506,090	690,026
641,150	641,150
5,265,780	-
517,200	517,200
1,050,000	-
766,750	-
399,000	-
-	7,677,660
15,103,730	17,078,688

08 Cash & Cash Equivalents

Cash in Hand (**Note-08.1**)
 Cash at Banks (**Note-08.2**)
Total

245,408	270,686
57,563,388	373,656,693
57,808,796	373,927,379

08.1 Cash in Hand

Balance in Central Cash
 Balance in Factory Cash
Total

197,845	247,124
47,563	23,562
245,408	270,686

08.2 Cash at Banks

On Current/Short Notice Deposit Accounts **Note: 08.2(a)**
 On Fixed Deposit Receipt (FDR) Accounts **Note: 08.2(b)**
Total

16,393,388	57,314,815
41,170,000	316,341,878
57,563,388	373,656,693

08.2(a) On Current/Short Notice Deposit Accounts

Bank Name	A/c Number	Branch Name
EXIM Bank Ltd.	711100038467	Gulshan Br.
National Bank Ltd.	00036000534	Gulshan Br.
Prime Bank Ltd.	11831020024366	Gulshan Br.
Southeast Bank Ltd.	101110011987	Gulshan Br.
Southeast Bank Ltd.	1015600000040	Gulshan Br.
Southeast Bank Ltd.	10155000000256	Gulshan Br.
Southeast Bank Ltd.	10152000000041	Gulshan Br.
Southeast Bank Ltd.	154000000003	Gulshan Br.
Social Islami Bank Ltd.	0181360001416	Foreign Ex. Br
IFIC Bank Ltd.	1002390905001	Gulshan Br.
Jamuna Bank Ltd.	00060210017279	Dilkusha Br.
BRAC Bank Ltd.	1501201918541001	Gulshan Br.
BRAC Bank Ltd.	1501201918541002	Gulshan Br.
BRAC Bank Ltd.	1501201918541003	Gulshan Br.
BRAC Bank Ltd.	1501201918541004	Gulshan Br.
BRAC Bank Ltd.	1501201918541006	Gulshan Br.
BRAC Bank Ltd.	1501201918541007	Gulshan Br.
Total		

76,028	77,408
20,953	21,427
7,524	8,674
4,361,927	1,111,147
5,302,389	372,677
-	806,902
3,461,100	2,749,321
104,756	-
252,444	149,889
51,343	49,327,726
93,478	93,478
2,304,544	2,266,667
236,137	221,912
4,370	4,308
4,645	4,712
69,112	70,262
42,638	28,305
16,393,388	57,314,815

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



ASHRAF UDDIN & CO.

Chartered Accountants

Amount in Taka	
30 June 2018	30 June 2017

08.2(b) On Fixed Deposit Receipt (FDR) Accounts

<u>Bank Name</u>	<u>A/c Number</u>	<u>Branch Name</u>
Brac Bank Limited	1526303797247001	
Brac Bank Limited	1526303797247002	
Brac Bank Limited	1526303797247003	
Brac Bank Limited	1526303797247004	
Southeast Bank Ltd.	24300052000	Gulshan Br.
Social Islami Bank Ltd.	0185310048597	Foreign Ex. Br
Social Islami Bank Ltd.	0185310048586	Foreign Ex. Br
Total		

10,292,500	-
10,292,500	-
10,292,500	-
10,292,500	-
-	111,361,250
-	102,490,314
-	102,490,314
41,170,000	316,341,878

09 Accounts & Other Payables

Global Way
M/s Hasina Enterprise
Chemitex
Chowdhury Trading
City Chemical
Impressive Textile
Shepherd Textile (BD) Ltd.
Delta Spinning Mills Ltd.
Akbar Cotton Mills Ltd.
Metro Spinning Mills Ltd.
BSB Spinning Mills Ltd.
Jaba Textile Mills Ltd.
Tamijuddin Textile Mills Ltd.
Other Payables (Note: 9.1)
Total

3,759,244	2,421,760
58,336	58,336
3,585,440	2,398,956
3,540,650	9,416,180
2,859,230	2,369,727
-	643,500
-	589,481
3,046,364	3,062,709
-	44,460
-	2,594,670
-	5,863,092
-	5,656,264
7,661,636	-
7,781,930	1,706,766
32,292,830	36,825,901

These are unsecured, payable within one year.

09.1 Other Payables

KM Serviceing Center
Shimanta Paribahan
The Daily New Age
The Daily Somokal
Total

965,260	918,520
6,474,957	461,157
159,840	111,700
181,873	215,389
7,781,930	1,706,766

10 Accrued Expenses

Audit fee
Salaries and Wages Payable
Gas Bill
Electricity Bill
G4S Secure Solutions Bangladesh (Pvt.) Ltd.
Telephone Bill and Others Utilities
Workers' Participation/Welfare Funds (Note: 10.1)
Provision for tax (Note: 10.2)
Provision for deferred tax
Total

550,000	500,000
49,874,828	58,861,416
9,971,577	9,095,000
639,121	174,937
593,175	313,059
313,236	99,973
70,800,287	87,805,891
146,806,735	117,735,743
74,022,465	32,469,107
353,571,424	307,055,126

10.1 Workers' Participation/Welfare Funds

Opening Balance
Add: During the year Workers' Participation/Welfare Funds

87,805,891	84,271,709
-	16,016,597
87,805,891	100,288,306
17,005,604	12,482,415
70,800,287	87,805,891

Less: Adjustment during the year

These are unsecured, falling due within one year.

No interest has been provided on, and payments made from, Workers' Participation/Welfare Funds.

ASHRAF UDDIN & CO.

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Amount in Taka	
30 June 2018	30 June 2017

10.2 Provision for tax

<u>Accounting Year</u>	<u>Assessment Year</u>	<u>Amount</u>	<u>Status</u>
July 2017 to June 2018	2018-2019	36,070,992	Return not yet due.
July 2016 to June 2017	2017-2018	29,106,971	Return submitted.
Jan 2016 to June 2016	2016-2017	16,131,959	Under appeal
2015	2016-2017	26,033,710	Under appeal
Amount after Adjustment up to assessment year upto 2015-2016		46,463,103	Assessment Complited/ Agreed.
		153,806,735	
Less: Tax Paid		7,000,000	
		146,806,735	

11 Bank Overdraft

<u>Bank Name</u>	<u>Br Name</u>		
Southeast Bank Ltd. CC A/c 01073300000167	Gulshan Br.	41,968,033	36,586,342
Total		41,968,033	36,586,342

Fully secured by 1 (one) undated cheque to cover the entire the limit along with a letter of authority to insert date on the cheque and personal guarantee of the Directors of the Company.

12 Short Term Bank Credits :

<u>Southeast Bank Ltd.:</u>			
Time Loan		71,517,658	-
Packing Credit		66,703,909	105,532,209
Bill Purchase		80,502,024	104,095,875
Other Loans		78,690,710	94,869,163
Total		297,414,301	304,497,247

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

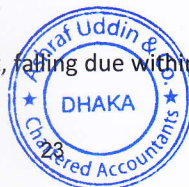
Time Loans are fully secured by first charge on the fixed assets of the Company.

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

13 Deferred L/C Liabilities

AIR Apperals Ltd.	1,252,500	1,632,000
Alim Printing	5,635,184	4,808,506
Basic Thread Industries Ltd.	1,291,211	3,372,679
Chemitex	4,861,800	6,042,240
Corus Knit Composite Ltd.	5,016,000	3,254,000
Dalas Fashion	4,616,165	5,528,328
I. M. CHEMICAL	3,452,500	1,439,400
Moral Fashions Ltd.	1,675,000	1,626,000
Nassa Taipei Spinners Ltd.	3,661,225	7,657,431
Other Deferred L/C Liabilities	4,752,632	-
Pakiza Cotton Mills Ltd	3,598,015	-
Taipei Knit and Composite Ltd.	598,455	-
Tamijuddin Textile Mills Ltd.	4,775,574	5,334,615
BIANCO SPA	-	27,510,959
Allam Marine Ltd.	-	11,009,039
EHWA GIOTECH. CO. LTD.	-	30,235,275
	45,186,260	109,450,472

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



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Amount in Taka	
30 June 2018	30 June 2017

14 Share Money Refundable

These have been deposited against public issue of capital approved by SEC vide SEC letter no.SEC/CI/IPO-138/2010-1488 dated August 08, 2012 and BSEC/CI/RI-90/2013/93 dated February 04, 2014.

Bank Name	A/C No.	Branch		
BRAC Bank Ltd	1501201918541001	Gulshan Br.	2,304,544	2,114,706
BRAC Bank Ltd	1501201918541002	Gulshan Br.	236,137	219,067
BRAC Bank Ltd	1501201918541003	Gulshan Br.	4,370	4,560
BRAC Bank Ltd	1501201918541004	Gulshan Br.	4,645	4,224
BRAC Bank Ltd	1501201918541007	Gulshan Br.	42,638	28,305
Total			2,592,334	2,370,862

15 Long Term Bank Loans (Current Portion)

Current portion of Long Term Bank Loans Tk.17,136,000 (2016-2017; Tk.3,906,000) has been shown under the head Current Liabilities which is payable within June -2019.

17,136,000	3,906,000
17,136,000	3,906,000

16 Share Capital**16.1 Authorised Capital**

500,000,000 Ordinary shares of Tk.10/- each

5,000,000,000 **5,000,000,000**

16.2 Issued, Subscribed, Called-up & Paid-up Capital

224,363,400 Ordinary Shares of Tk. 10/- each issued for cash
225,613,469 Bonus Shares of Tk.10/- each

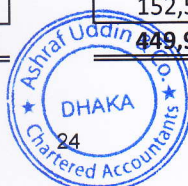
2,243,634,000 2,243,634,000
2,256,134,690 1,847,064,810

4,499,768,690 **4,090,698,810**

The Shareholding position of the Company are as under :

Name of Shareholders	No. of Shares	Percentages (%)	Amount (Tk.)
Tauhidul Islam Chaudhury	23,099,110	5.13	230,991,100
Alavee Azfar Chaudhury	9,528,580	2.12	95,285,800
Shaheen Akhter Chaudhury	173,575	0.04	1,735,750
AJ Corporation Limited	20,375,062	4.53	203,750,620
Rajiv Sethi	8,999,536	2.00	89,995,360
Others	387,801,006	86.18	3,878,010,060
Total	449,976,869	100	4,499,768,690

Particulars	No. of Shareholders	No. Of Shares	Percentage	Amount in Taka
Less than 500 Shares	6,111	1,224,830	0.27	12,248,300
501 to 5,000 Shares	13,728	27,662,373	6.15	276,623,730
5,001 to 10,000 Shares	3,517	25,584,296	5.68	255,842,960
10,001 to 20,000 Shares	2,781	39,135,327	8.70	391,353,270
20,001 to 30,000 Shares	1,117	27,329,174	6.07	273,291,740
30,001 to 40,000 Shares	557	19,423,157	4.32	194,231,570
40,001 to 50,000 Shares	374	17,176,443	3.82	171,764,430
50,001 to 100,000 Shares	675	47,050,892	10.46	470,508,920
100,001 to 1,000,000 Shares	420	92,821,076	20.63	928,210,760
Above 1,000,000 Shares	24	152,569,301	33.90	1,525,693,010
Total	29,304	449,976,869	100	4,499,768,690



17 Revaluation Surplus

Land & Land Development
Building
Plant & Machinery

Less: Depreciation on Revaluation Surplus

Total

Amount in Taka	
30 June 2018	30 June 2017
136,740,234	136,740,234
194,257,128	198,221,559
90,240,220	94,989,705
421,237,581	429,951,498
8,397,154	8,713,916
412,840,428	421,237,581

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

18 Retained Earnings

Opening Balance
Add: Current Period Profit

Add: Depreciation on Revaluation Surplus

Less: Bonus Share Issue

Add: Excess provision for Income Tax

Add: Difference AIT between CAIT & DCT Assessment

465,346,811	569,989,089
456,373,261	241,713,994
921,720,072	811,703,083
8,397,154	8,713,916
930,117,225	820,417,000
409,069,880	371,881,710
521,047,345	448,535,290
-	12,080,217
521,047,345	460,615,507
-	4,731,304
521,047,345	465,346,811

19 Long Term Loans

Term Loan Southeast Bank Ltd.
Office Space LankaBangla Finance Ltd.
Office Space IPDC Bangladesh Ltd.
Car Loan IPDC Bangladesh Ltd.

Total

330,134,694	175,562,331
142,193,571	150,000,000
142,335,315	-
18,871,945	21,896,393
633,535,525	347,458,724

20 Sales Revenue

Export Sales Revenue is recognised for 23,085,392 Dozens at USD 48,479,324.16 @ average Tk.83.00 equivalent to Tk.4,023,783,905 (2016-2017: 1,660,564 Dozens at USD 40,995,183.1 @ average Tk.80 equivalent to Tk. 3,279,614,648) when delivery challan is issued.

4,023,783,905	3,279,614,648
4,023,783,905	3,279,614,648



21 Cost of Goods Sold

Opening Stock of Raw Materials

Add: Purchases (Note : 21.1)

Less: Closing Stock of Raw Materials (Note : 05.1)

Material Consumed

Add: Direct Labour

Prime Cost

Add: Factory Overhead (Note : 21.2)

Cost of Manufacturing

Add: Opening Work-In-Process (Note: 05.00)

Less: Closing Work-In-Process (Note: 05.00)

Cost of Goods Manufactured

Add: Opening Stock of Finished Goods (Note: 05.00)

Less: Closing Stock of Finished Goods (Note: 05.00)

Cost of Goods Sold

Amount in Taka	
30.06.2018	30.06.2017

359,063,402	374,317,443
2,547,849,213	1,934,798,571
400,650,846	359,063,402
2,506,261,769	1,950,052,612
545,139,808	499,729,625
3,051,401,577	2,449,782,237
229,074,613	189,703,756
3,280,476,190	2,639,485,993
264,712,500	278,909,647
329,180,543	264,712,500
3,216,008,147	2,653,683,140
375,452,708	358,911,125
458,617,306	375,452,708
3,132,843,549	2,637,141,557

21.1 Purchases of Raw Materials

Yarn (4,540,944 Kgs; 2016-2017: 4,605,202 Kgs)

Fabrics (799,822 Kgs; 2016-2017: 805,376 Kgs)

Chemicals (1,490,552 Kgs; 2016-2017: 931,595 Kgs)

Accessories

Total

1,529,077,825	1,171,563,428
305,543,683	231,948,276
311,742,090	231,035,536
401,485,614	300,251,331
2,547,849,213	1,934,798,571

21.2 Factory Overhead

Rent

Security Service

Depreciation

Utility Charges

Transport

Repair and Maintenance

Fuel & Lubricant

Carriage Inward

Labour Bill

Entertainment

Inspection Charge

Insurance Premium

Other Expenses

Total

7,245,321	5,053,766
7,521,183	7,080,675
105,881,463	78,035,975
59,177,602	52,043,741
9,015,765	9,612,790
11,519,678	7,506,321
8,163,280	7,946,273
10,567,680	6,920,982
-	884,247
2,754,556	2,072,981
3,589,538	4,694,009
3,026,233	5,746,372
612,314	2,105,624
229,074,613	189,703,756

21.3 CIF costs of imported items from abroad aggregated

356,698,890	384,250,996
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ASHRAF UDDIN & CO.

Chartered Accountants

Amount in Taka	
30.06.2018	30.06.2017

22 Administrative & Selling Expenses

Staff Salaries	
Directors' Remuneration	
Bonus	
Freight Charge	
Buying House Expenses	
Utility Charge	
Entertainment	
C & F Charges	
Courier & Postage	
Telephone and Other	
Office Rent	
Service Charges	
Car Rent and Other Expenses	
Car Repair and Maintenance	
Depreciation	
Insurance Premium	
Annual Audit Fee	
Professional, Consultancy and Other Audit fee	
Traveling & Conveyance	
Stationeries	
Fuel & Lubricant	
Carriage Outward	
Sample Expenses	
Advertisement	
License & Renewals	
Commercial Expenses	
Business Development Expenses	
AGM and EGM Expenses	
Bond Expenses	
Compliance Expenses	
Fire Extinguisher & Fire Fighting	
Exchange Loss/Gain	
Donation	
Other Expenses	

149,140,179	115,440,182
9,600,000	9,600,000
36,626,670	29,059,942
33,335,607	18,083,549
1,723,800	9,285,323
1,014,682	976,066
2,131,117	1,618,930
17,192,527	10,723,552
3,318,978	4,085,975
2,550,723	2,089,174
2,188,800	2,257,000
22,570	69,000
-	699,400
8,283,949	-
5,572,709	4,107,157
33,660	550,101
750,000	700,000
2,125,500	1,915,000
2,301,717	6,147,005
1,149,627	754,343
522,365	975,287
24,559,203	17,445,528
1,247,506	-
2,081,360	2,817,720
216,985	543,220
7,442,548	6,279,003
-	2,529,374
1,592,757	1,765,998
1,010,000	-
2,023,192	1,696,019
-	64,960
4,512,684	2,947,853
105,000	1,579,000
2,055,613	1,570,109
326,432,028	258,375,770

23 Other Income

Income from Cash Incentive	
Other Revenues	
Interest on Bank Deposits	
Total	

115,186,200	67,855,702
2,181,535	3,231,127
16,384,291	19,402,078
133,752,026	90,488,907

24 Financial Expenses

Bank Charges & Commission	
Interest on Time Loan	
Interest on Packing Credit	
Interest on Term Loan	
Interest on Bill Purchase	
Interest on Other Loans	
Total	

20,762,199	17,386,672
8,943,782	304,745
8,210,843	9,529,981
51,577,112	16,358,451
39,427,933	66,047,203
34,146,306	44,627,239
163,068,174	154,254,291



25 Provision for Current Tax

Particulars	Amount	Rate	Amount
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Tax on Non-operating Income

Other Revenues	2,181,535	25.00%	545,384
Income from Cash Incentives	115,186,200	3.00%	3,455,586
Interest on Investment and Deposits	16,384,291	25.00%	4,096,073
	133,752,026		8,097,043

Tax on Operating Income:

Business Income Tax			27,973,949
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The Provision for business income has been made after add back of disallowed amount on estimation basis as per Income Tax Ordinance, 1984 and the Finance Act, 2018.

Total Provision for Current Income Tax			36,070,992
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26 Provision for Deferred Tax:

Carrying amount as Accounting Base:		4,246,973,701
Property, Plant & Equipment		
Carrying amount as Tax Base:		3,630,119,824
Property, Plant & Equipment		616,853,877
Difference		12%
Applicable Tax rate		74,022,465
Deferred tax liabilities at year end		32,469,107
Opening balance		41,553,358
Deferred Tax Expenses/ (Income)		


27 Earning Per Share (EPS)


EPS for the year ended 30th June, 2018

$$\text{Earning Per Share (EPS)} = \frac{\text{Earnings attributable to shareholders}}{\text{No. of Shares}} = \frac{456,373,261}{449,976,869} = 1.01$$

EPS (Restated) for the year ended 30th June, 2017

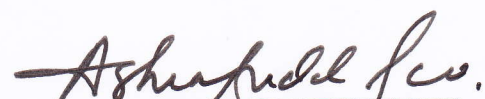
$$\text{Earning Per Share (EPS)} = \frac{\text{Earnings attributable to shareholders}}{\text{No. of Shares}} = \frac{241,713,994}{449,976,869} = 0.54$$


Chairman


Managing Director


Company Secretary




Ashraf Uddin & Co.
Chartered Accountants