

Auditors' Report

Generation Next Fashions Limited

For The Year Ended 30th June, 2019

**MANAGING PARTNER:**MD. ASHRAF UDDIN AHMED
ELB, CFC, FCA**PARTNERS:**ENAMUL KABIR, FCA
MD. MOHIUDDIN AHMED, FCA, CFC**Corporate Address :** 142/B, Green Road (3rd & 4th Floor)
Dhaka- 1215, Bangladesh.**Registered Address :** Rahman Chamber (5th Floor)
12-13, Motijheel Commercial Area, Dhaka, Bangladesh.

**Independent Auditors' Report
To the Shareholders Generation Next Fashions Limited
Report on the Audit of the Financial Statements**

Opinion

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, 2019 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and a summary of significant accounting policies and other Explanatory Notes to the Financial Statement.

In our opinion, the financial statements prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) give a true and fair view of the financial position of **Generation Next Fashions Limited** as of 30th June, 2019 and results of its financial performance and its cash flows for the year then ended & comply with the Companies Act 1994, & other applicable laws & regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgments, were of most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Recognition of Revenue**Ref: Note 20**

Key audit matters	How our audit address the matter
Export Sales Revenue is recognized for 3,957,509 Dozens at USD 61,737,153 @ average Tk.84.00 equivalent to Tk. 5,185,920,854; (2017-2018: 23,085,392 Dozens at USD 48,479,324.16 @ average Tk.83.00 equivalent to Tk. 4,023,783,905) when delivery challan is issued.	-Our procedures included, among others, obtaining an understanding of the project execution processes and relevant controls relating to the accounting for customer contracts.
Revenue recognition have significant and widespread influence over the financial statements and plays a vital role in calculating Corporate Tax.	-We tested the completeness of journal entries compared to financial statements and make sure that there are no unusual items.

Since, revenue recognition is one of the performance indicator in almost all sector, there always exist risk of revenue smoothing or window dressing.	-On sample basis, we tested the export proceed documents and other supporting like bill of lading, bill of export, challan and also check some receivables balances of material figure to match against balance sheet date. We also review the sales contract agreements with different buyer.
Under IFRS 15 revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service.	<p>-We further performed testing for to verify valuation of WIP balances. This included reconciling accounting entries to supporting documentation. When doing this, we specifically put emphasis on those transactions occurring close before or after the balance sheet date to obtain sufficient evidence over the accuracy of cut-off.</p> <p>-We call for a bank confirmation from Southeast Bank (Gulshan Avenue, Dhaka) to verify that appropriate deductions were made on account of Advance Income Tax (AIT) on revenue from export.</p>
2. Significant Deviation in Gross Profit, Operating profit and Profit before Tax Ref: Note 31	
Key audit matters	How our audit address the matter
<p>In the analysis of financial statements, it was revealed that there occurred significant deviation in profit margin of the company. The Gross Profit margin has come to 15.44% from 22.14% last year which is a 30% decrease. Net profit margin comes to 8.50% by falling almost 40% (last year 14.03%).</p> <p>Significant deviation in profit margin also decreases the earning capacity of Equity Shares. It may also have an impact over the economic decision of stakeholders.</p>	<p>-We carefully reviewed the amount of Cost of Goods sold by confirming that ,the correct amount of current year purchase is carried forward and actual figure was transferred as opening inventory. We collect the purchase documents, BTB L/C and make sure those are supported by authorized purchase order, goods received from approved supplier and payments are made through L/C or added to payables.</p> <p>-We collect information from published sources about the raw material prices in foreign and local market of that particular period and compare the results with last year. We also monitor the industry averages to verify the reliability of price increment shown in financial statements.</p> <p>-We collect the salary statements of employee and payments to workers, to compare the total number of manpower utilized the increments in salary/wages/bonus and verify that the operating expenditure increased compared to last year.</p>

	-We review the utility bills and current year finance cost and recalculates the amounts to confirm the substantial increment in expenditure.
3. Restatement of EPS , NAVPS , NOCFPS Ref : Note 28,29 & 30	
Key audit matters	How our audit address the matter
<p>In the previous year(2017-2018) FS,NAVPS for year ended 30th June,2018 was 12.60 , EPS was 1.01 but in current year (2018-2019) FS NAVPS is 11.46 and EPS is 0.92 for the year ended 30th June, 2019.</p> <p>Changes in earning capacity of shares and the net value of assets of equity shares are very important for investors for making financial decisions. We call for management presentation on this restatement and found that this because of issue of Bonus Shares at the year end.</p>	<p>-We collect the Board meeting resolution where the decision for Bonus Share issue was taken.</p> <p>-We recalculate the number of share allotted, the total amount transferred to share capital, increased position of shareholding due to bonus issue.</p> <p>-We verify the method used in calculating weighted average number of shares.</p> <p>-We further verified that ,the disclosures are appropriately made and restated figures are accurately calculated</p>
4.Valuation of Inventory Ref: Note 05 & 21	
Key audit matters	How our audit address the matter
<p>Closing inventory of Tk. 1,856,873,123/- represents 43% of current assets and almost 21% of total assets .The closing inventory figure have significant impact in determining the cost of goods sold.</p> <p>Inventories are usually carried in financial statements at the lower of cost and net realizable value. Since frequent changes in customer demand is unavoidable in manufacturing industry and a large quantity of raw material is held. As a result, there is risk that the carrying value of inventory exceeds net realizable value.</p>	<p>Our audit procedures were designed to challenge the adequacy of the company's provisions against inventory includes :</p> <p>-Corroborating on a sample basis that items on the stock aging listing by items were classified in the appropriate bracket.</p> <p>-Assessed the appropriateness of the provision percentages applied to each item and challenged the assumptions made by the Directors on the extent to which old inventory can be sold through various channels.</p> <p>-Considered the historical accuracy of provisioning and using the information obtained as evidence for evaluating the appropriateness of the assumptions made in the current year; and</p> <p>-We have also considered the adequacy of the company's disclosures in respect of the levels of provisions against inventory.</p>

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events

or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

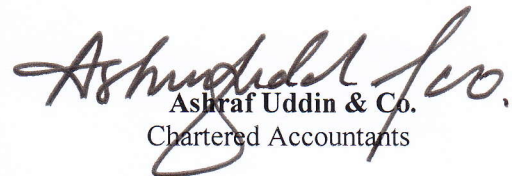
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- 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 accounts as required by law have been kept by the Group and the Company so far as it appeared from our examination of these books;
- c) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) The expenditure incurred was for the purposes of the Company's business.

Place : Dhaka
Date : 27/10/2019


Ashraf Uddin & Co.
Chartered Accountants

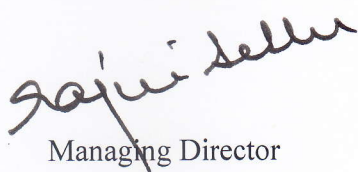


GENERATION NEXT FASHIONS LIMITED
Statement of Financial Position
As at June 30, 2019

Particulars	Notes	Amount in Taka	
		30.06.2019	30.06.2018
A. NON-CURRENT ASSETS		4,558,636,500	4,505,145,853
Property, Plant & Equipment	Annexure-1	4,264,145,243	4,246,973,702
Capital Works-in-Progress	04	294,491,257	258,172,151
B. CURRENT ASSETS		4,287,726,216	2,588,986,428
Inventories	05	1,856,873,123	1,227,778,662
Accounts Receivable	06	1,757,541,912	1,171,674,567
Advances, Deposits and Pre-Payments	07	152,941,823	131,724,403
Cash & Cash Equivalents	08	520,369,358	57,808,796
C. CURRENT LIABILITIES & PROVISIONS		1,766,007,330	790,161,182
Accounts & Other Payables	09	94,689,622	32,292,830
Accrued Expenses	10	447,189,926	353,571,424
Bank Overdraft	11	46,360,125	41,968,033
Short Term Bank Credits	12	835,973,142	297,414,301
Deferred L/C Liabilities	13	62,374,642	45,186,260
Share Money Refundable	14	2,641,876	2,592,334
Current Maturity of Long Term Loans	15	276,777,997	17,136,000
D. NET CURRENT ASSETS (B-C)		2,521,718,886	1,798,825,246
E. NET ASSETS (A+D)		7,080,355,386	6,303,971,099
F. SHAREHOLDERS' EQUITY		5,883,875,942	5,670,435,574
Share Capital	16	4,949,745,550	4,499,768,690
Share Premium		236,779,111	236,779,111
Revaluation Surplus	17	404,746,577	412,840,428
Retained Earnings	18	292,604,704	521,047,345
G. LONG TERM LOAN	19	1,196,479,444	633,535,525
H. LIABILITIES & SHAREHOLDERS' EQUITY (F+G)		7,080,355,386	6,303,971,099
Net Assets Value Per Share (NAVPS) (Previous period restated)		11.89	11.46

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.

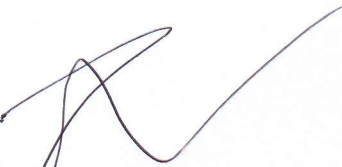
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Place: Dhaka

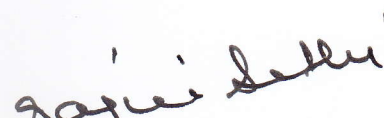

Ashraf Uddin & Co.
Chartered Accountants

GENERATION NEXT FASHIONS LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2019

Particulars	Notes	Amount in Taka	
		30.06.2019	30.06.2018
Sales Revenue	20	5,185,920,854	4,023,783,905
Less: Cost of Goods Sold	21	4,368,046,250	3,132,843,549
Gross Profit		817,874,604	890,940,356
Less: Administrative & Selling Expenses	22	359,744,320	326,432,028
Operating Profit		458,130,284	564,508,328
Add: Other Income	23	123,021,752	133,752,026
		581,152,036	698,260,354
Less: Financial Expenses	24	274,805,141	163,068,174
Net Profit Before Tax and WPWFs		306,346,895	535,192,180
Less: Contribution to Central Fund (RMG Sector)	25	1,444,943	1,194,569
Net Profit Before Tax		304,901,952	533,997,611
		91,461,583	77,624,350
Less: Current Year Tax Expenditure	26	24,028,862	36,070,992
Deferred Tax Expenditure	27	67,432,721	41,553,358
Net Profit After Tax		213,440,369	456,373,261
Earning Per Share (EPS) (Previous period restated)	28	0.43	0.92

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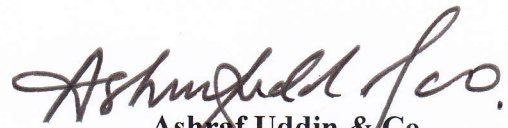

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Managing Director


Company Secretary

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Date : 27/10/2019
Place : Dhaka


Ashraf Uddin & Co.
Chartered Accountants



GENERATION NEXT FASHIONS LIMITED
Statement of Changes in Equity
For the year ended June 30, 2019

(Amount in Taka)

For (01 July 2018 to 30 June 2019):

Particulars	Share Capital	Share Premium	Retained Earnings	Revaluation Surplus	Total
Balance at July 01, 2018	4,499,768,690	236,779,111	521,047,345	412,840,428	5,670,435,574
Depreciation on Revaluation Surplus	-	-	8,093,851	(8,093,851)	-
Net Profit during the year	-	-	213,440,369	-	213,440,369
Issue of Bonus Shares	449,976,860	-	(449,976,860)	-	-
Balance at June 30, 2019	4,949,745,550	236,779,111	292,604,704	404,746,577	5,883,875,942

For (01 July 2017 to 30 June 2018):

Particulars	Share Capital	Share Premium	Retained Earnings	Revaluation Surplus	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

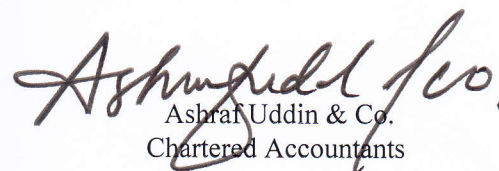
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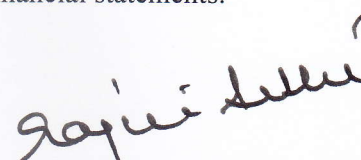


GENERATION NEXT FASHIONS LIMITED
Statement of Cash Flows
For the year ended June 30, 2019

Particulars	Amount in Taka	
	30.06.2019	30.06.2018
A. CASH FLOWS FROM OPERATING ACTIVITIES:	(723,595,453)	44,311,951
Cash Received from Customers	4,587,590,909	3,735,548,748
Received from Other Income	135,484,352	133,752,026
Paid Suppliers	(4,917,680,537)	(3,388,348,354)
Paid for Operating Expenses	(505,003,675)	(403,007,237)
Income Tax Paid/(Deducted)	(23,986,503)	(33,633,232)
B. CASH FLOWS FROM INVESTING ACTIVITIES:	(174,252,898)	(618,614,867)
Acquisition of Fixed Assets	(137,933,792)	(663,656,699)
Expenditures for Capital Work-in-Progress	(36,319,106)	45,041,832
C. CASH FLOWS FROM FINANCING ACTIVITIES:	1,365,586,391	262,697,018
Bank Overdraft (Adjusted)/Received	4,392,092	5,381,691
Short Term Bank Credit (Adjusted)/Received	538,558,841	(7,082,946)
Long Term Loan (Adjusted)/Received	822,585,916	264,176,801
Share Money Deposit (Adjusted)/ Received	49,541	221,472
D. Net Increase/(Decrease) in cash & cash equivalents (A+B+C)	467,738,039	(311,605,899)
E. Cash & Cash equivalents at the beginning of the year	57,808,796	373,927,379
Effect of foreign exchange rate change on cash and cash equivalent	(5,177,478)	(4,512,684)
F. Cash & Cash equivalents at the end of the year (D+E)	520,369,358	57,808,796
Net Operating Cash Flow Per Share(NOCFPS) (Previous period restated)	(1.46)	0.09

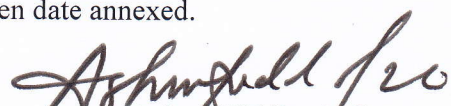
The annexed notes form an integral part of these financial statements.


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 and Equipment

As at June 30, 2019

Annexure : 1

Particulars	Cost or Valuation			Rate of Dep. (%)	Depreciation			Written down value as on 30.06.2019
	Balance as on 01.07.2018	Addition or valuation during the period	Balance as on 30.06.19		Balance as on 01.07.2018	Charged during the period	Balance as on 30.06.2019	
Land & Land Development	249,687,532		249,687,532	-	-		-	249,687,532
Building	3,186,076,774	102,516,500	3,288,593,274	2%	226,913,633	59,756,232	286,669,865	3,001,923,409
Plant & Machinery	1,282,983,267	580,000	1,283,563,267	5%	354,972,578	46,419,523	401,392,101	882,171,166
Vehicles	80,203,266	-	80,203,266	10%	23,455,447	5,674,782	29,130,229	51,073,037
Other Assets	78,623,764	34,837,292	113,461,056	10%	25,259,243	8,911,714	34,170,957	79,290,099
Total	4,877,574,603	137,933,792	5,015,508,395	-	630,600,901	120,762,251	751,363,152	4,264,145,243
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

Particulars	Amount in Taka	
	30.06.2019	30.06.2018

Charge during the year

120,762,251	111,454,171
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Head of Accounts:

Factory Overhead (Note: 21.2)	114,724,139	105,881,462
Administrative & Selling Expenses (Note: 22)	6,038,113	5,572,709
Total	120,762,251	111,454,171



GENERATION NEXT FASHIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2019

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 International Financial Reporting Standards (IFRSs), Securities and Exchange Rules 1987 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 IAS-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 2018 to 30th June, 2019.

2.7. Comparative information and rearrangements thereof

In accordance with the provisions of IAS-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. 213,440,369/- 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 IFRS.

2.11. Events after reporting Period

According to IAS- 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.

2.12. Date of Authorization for Issue of The Financial Statements

On October 27, 2019 the Board of Directors reviewed the financial statements and authorized them for issue.

2.13 Revenue Recognition

In compliance with the requirements of IFRS-15 "Revenue from Contracts with Customers", an entity shall account for a contract with a customer only when all of the following criteria are met:

- a) The parties to the contract have approved the contract (in writing , orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
- b) The entity can identify each party's right regarding the goods or services to be transferred;
- c) The entity can identify the payment terms for the goods or service to be transferred ;
- d) The contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
- e) It is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or service that will be transferred to the customer.

2.14 Fair Values

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of trade and other short-term receivables are taken to approximate their carrying value. The fair value of financial assets and liabilities approximate their carrying value.

2.15 IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non financial items. This standard replaces IAS 39 *Financial Instruments*.

2.16 IFRS 12 Interest in Other Entities

IFRS 12 requires all disclosures that were previously required by IAS 27 Consolidated Financial Statements, IAS 31 Interest in Joint Ventures and IAS 28 Investment in Associates. The company neither have any subsidiary or associate, nor does it possess any joint agreement with any unconsolidated structured entity.

2.17 Operating Segment

IFRS 8 *Operating Segments* requires particular classes of entities (essentially those with publicly traded securities) to disclose information about their operating segments, products and services, the geographical areas in which they operate, and their major customers. Information is based on internal management reports, both in the identification of operating segments and measurement of disclosed segment information.

The company not yet went for segmented operations and thus no such information is available now.

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, 2019 are consistent with the policies and methods adopted in preparing the financial statements for the year ended 30th June, 2018.

3.1. PROPERTY, PLANT & EQUIPMENT**Recognition and measurement**

Property, plant and equipment are recognized at cost amount less accumulated depreciation in compliance with International Accounting Standard (IAS)-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.) 2019	(Amount in Tk.) 2018
Land and Land Development	0	0
Building	102,516,500/-	377,819,685/-
Plant and Machinery	580,000/-	260,536,582/-
Vehicles	-	-
Other Assets	34,873,292/-	25,300,432/-
Total	137,933,792/-	663,656,699/-

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.

Depreciation:

Depreciation on Property, plant and equipment has been charged on Reducing balance method at the following rates:

Name of Property, plant and equipment	Depreciation Rate (%)
Land and Land Development	-
Building	2%
Plant and Machinery	5%
Vehicles	10%
Other Assets	10%

3.2. 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.

3.3. 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.

3.4. 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. |
| 9. Agroni Bank Ltd. | 10. Premier Bank Ltd. |

And FDR Accounts with Social Islami Bank Ltd.

3.5. 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.

3.6. 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.

3.7. 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 IAS-23: Borrowing Costs.

3.8. 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.

3.9. 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.

3.10. Foreign Currency

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.

3.11. 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 2017 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 26.

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 27.

As per reference to the tribunal order I.T.A. NO.4391 OF 2018-2019, difference in between tax base and accounting base is considered to be permanent in nature and no temporary. Thus, following the order of the Honorable Tribunal, we did not consider for any Income Tax effect in the preparation of accounts.

3.12. 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 IAS-23: Borrowing Costs.

3.13. Earnings per share

This has been calculated in compliance with the requirements of IAS 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.

3.14 Weighted Average Number of Shares

The basis of computation of number of shares is in line with the provisions of IAS-33: Earnings Per Share. Therefore the total number of shares outstanding at the end of the 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. 449,976,860/- during the year and has been accounted for in calculating the EPS in accordance with IAS-33.

2.15 Diluted Earnings per Share

Diluted earnings per share are calculated by dividing the earning attributable to the ordinary shareholders of the Company by the number of ordinary share outstanding during the year as per IAS-33 Anti-Dilution Para.

2.16 Employee Benefits

The Company maintains defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds. The Company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19: Employee Benefits. The cost of employee benefit is charged off as revenue expenditure in the period to which the contributions relate.

Short Term Employee Benefits

Short-term employee benefits include wages, salaries, festival bonuses etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

Contribution to central depository scheme Workers' Welfare Participation Funds

As per Government rule, an amount representing 0.03% of total export revenue of one financial year has been deducted at source for the purpose of welfare fund of RMG sector.



3.17 Compliance with Financial Standards as applicable in Bangladesh

The following IAS & IFRS are applicable to the Financial Statements for the period under review:

IAS	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
IFRS	TITLE	
7	Financial Instruments	Complied
8	Operating Segment	Complied
12	Interest in Other Entities	Complied
13	Fair Value Measurement	Complied
15	Revenue from Contracts with Customer	Complied

3.18 Related party Disclosure

For the financial year ended 30th June, 2019 the company did not enter into any financial transactions that require separate disclosure except the remuneration paid to directors.

3.19 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, 2019 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	13.50% p.a. with Quarterly rests subject to revision from time to time.
Long Term Loan	13.00% p.a. with Quarterly rests subject to revision from time to time.
Time Loan , Packing Credit & Bill Purchase	Time Loan: 13.50 % 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: 13.50 % p.a. with Quarterly rests subject to revision from time to time.

3.20 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.

3.21 Capital Expenditure Availed

There was no Capital expenditure contracted but not incurred or provided for as on 30.06.2019.

There was no material capital expenditure authorized by the Board but not contracted for as on 30.06.2019

3.22 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 30.06.2019.

3.23 Claims not Acknowledged

There was no claim against the Company not acknowledged as debt as on 30.06.2019.

3.24 Credit Facilities Availed

Credit facilities available to the Company were from banks as on 30.06.2019 and Trade credit available in the ordinary course of business. No other credit facilities were available to the company as on 30.06.2019.

3.25 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, 2019.

3.26 Employees

Number of employees whose salary was below Tk. 8,000 is 2,328 as on 30.06.2019.

Number of employees whose salary was above Tk. 8,000 is 2,834 as on 30.06.2019.

3.27 Capacity utilization

Particulars	Capacity	Actual Production	Percentage
Garments*	50,00,000 Dozens	44,61,600 Dozens	89%
Fabrics/ Knitting	11,500 MT	9,775 MT	85%
Dyeing	12,000 MT	10,800 MT	85%

Reason: Actual production as per market demand

*Based on present product mix.

3.28 Managerial Remuneration

3.28.1 Total remuneration of managers aggregates during the year ended June 30, 2019 at Tk. 41,133,225/- (2017-2018; Tk. 39,174,500/-).

3.28.2 Total remuneration of Managing Director for the year ended June 30, 2019 stood at Tk. 2,400,000/- (2017-2018; Tk. 2,400,000/-).

3.29 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. One 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.

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 2019	30 June 2018
294,491,257	258,172,151
294,491,257	258,172,151
258,172,151	303,213,983
36,319,106	145,637,118
294,491,257	448,851,101
-	190,678,950
294,491,257	258,172,151

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

Work-in-Process

Finished Goods

(411,052 Dozens; 2017-2018: Dozens 272,986)

Materials in Transit

Total

703,163,427	400,650,846
440,639,225	329,180,543
662,944,166	458,617,306
50,126,305	39,329,967
1,856,873,123	1,227,778,662

05.1 Raw Materials

Yarn

(1,487,461 Kgs; 2017-2018: 869,630 Kgs)

Fabrics

(402,136 Kgs; 2016-2017: 211,891 Kgs)

Chemicals

(505,399 Kgs; 2016-2017: 234,766 Kgs)

Accessories

Total

386,739,885	224,364,474
123,053,600	68,110,644
80,863,794	44,071,593
112,506,148	64,104,135
703,163,427	400,650,846

06 Accounts Receivables

Cromo Diffusion INC

Distra Warenhandeksges. MBH

NKD Services GMBH

G. Enpfenning GMBH

G. Pfenning

NTD Apparel Inc.

KIK TEXTILIEN UND NON-FOOD GMBH

Miles Fashions GMBH

Veront Teddy Bear Company Inc.

Other Receivables (**Note: 06.1**)

Primark Stores Limited

Total

-	808,296
36,529,658	62,964,561
9,276,017	-
13,781,388	100,919,854
-	150,464,658
8,639,617	-
22,603,327	47,821,003
10,573,055	25,189,652
47,226,100	-
2,229,861	15,179,800
1,606,682,889	768,326,743
1,757,541,912	1,171,674,567

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

Dues upto 6 months

Dues above 6 months

Total

790,893,860	632,704,266
966,648,052	538,970,301
1,757,541,912	1,171,674,567

06.1 Other Receivables

Fashions FX Limited
JMS Composite Knitware Ltd.
Korooni Knit Composite Ltd.
Rahman Composite
SA Sourcing Ltd.
Scandex Textile Ltd.
Cash Subsidy from the Government.
Total

Amount in Taka	
30 June 2019	30 June 2018
186,812	225,276
-	317,226
-	20,016
-	11,951
2,043,049	2,043,049
-	99,682
-	12,462,600
2,229,861	15,179,800

07 Advances, Deposit and Prepayments

Advances (Note: 07.1)
Deposits
Total

151,691,023	130,473,603
1,250,800	1,250,800
152,941,823	131,724,403

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

Dues upto 6 months
Dues above 6 months
Total

73,412,075	59,275,981
79,529,748	72,448,422
152,941,823	131,724,403

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)
Gass Line and Other Instalation
Total

911,205	547,500
114,012,691	90,026,188
13,851,313	16,751,313
2,375,122	3,875,122
16,370,942	15,103,730
4,169,750	4,169,750
151,691,023	130,473,603

07.1(a) Advance Income Tax

Opening Balance
Add: Addition During the Year

90,026,188	56,392,956
23,986,503	33,633,232
114,012,691	90,026,188

Total

07.1(b) Advance against Purchase / Expenses

Mr. Ainal Haque
 Mr. Basek Hossen
 Hi Tech Coloor Chem
 Word of Techonology
 Khan Enterprise
Total

Amount in Taka	
30 June 2019	30 June 2018
2,524,131	3,024,131
1,812,500	2,512,500
6,164,682	7,364,682
2,500,000	2,500,000
850,000	1,350,000
13,851,313	16,751,313

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
 360 Total Solution Ltd
 Genesis Technologies Ltd.
 Source International Ltd.
Total

1,745,300	3,045,300
-	912,460
4,006,090	2,506,090
-	641,150
5,725,865	5,265,780
-	517,200
1,665,020	1,050,000
1,361,917	-
1,866,750	766,750
-	399,000
16,370,942	15,103,730

08 Cash & Cash Equivalents

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

206,317	245,408
520,163,041	57,563,388
520,369,358	57,808,796

08.1 Cash in Hand

Balance in Central Cash
 Balance in Factory Cash
Total

138,502	197,845
67,815	47,563
206,317	245,408

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

490,163,041	16,393,388
30,000,000	41,170,000
520,163,041	57,563,388

08.2(a) On Current/Short Notice Deposit Accounts

Bank Name	A/c Number	Branch Name	Amount in Taka	
			30 June 2019	30 June 2018
EXIM Bank Ltd.	711100038467	Gulshan Br.	74,878	76,028
National Bank Ltd.	00036000534/106700	Gulshan Br.	20,599	20,953
Prime Bank Ltd.	11831020024366/211	Gulshan Br.	6,374	7,524
Southeast Bank Ltd.	101110011987	Gulshan Br.	1,288,046	4,361,927
Southeast Bank Ltd.	1015200000041	Gulshan Br.	3,775,941	3,461,100
Southeast Bank Ltd.	1015400000003	Gulshan Br.	54,813,951	104,756
Southeast Bank Ltd.	1015400000041	Gulshan Br.	419,210	-
Southeast Bank Ltd.	1015400000043	Gulshan Br.	4,417,257	-
Southeast Bank Ltd.	1015400000044	Gulshan Br.	1,653,539	-
Southeast Bank Ltd.	1015400000045	Gulshan Br.	2,877,984	-
Southeast Bank Ltd.	1015400000046	Gulshan Br.	875,159	-
Southeast Bank Ltd.	1015400000049	Gulshan Br.	2,669,263	-
Southeast Bank Ltd.	1015400000051	Gulshan Br.	50,922,291	-
Southeast Bank Ltd.	1015400000056	Gulshan Br.	2,954,634	-
Southeast Bank Ltd.	1015400000058	Gulshan Br.	206,825	-
Southeast Bank Ltd.	1015400000063	Gulshan Br.	755,462	-
Southeast Bank Ltd.	1015400000075	Gulshan Br.	4,175,635	-
Southeast Bank Ltd.	1015400000082	Gulshan Br.	935,400	-
Southeast Bank Ltd.	1015400000086	Gulshan Br.	215,375	-
Southeast Bank Ltd.	1015400000095	Gulshan Br.	303,853	-
Southeast Bank Ltd.	1015400000097	Gulshan Br.	957,617	-
Southeast Bank Ltd.	1015400000119	Gulshan Br.	11,358,412	-
Southeast Bank Ltd.	1015400000120	Gulshan Br.	355,876	-
Southeast Bank Ltd.	1015400000122	Gulshan Br.	84,763,742	-
Southeast Bank Ltd.	1015400000132	Gulshan Br.	726,986	-
Southeast Bank Ltd.	1015400000134	Gulshan Br.	21,265	-
Southeast Bank Ltd.	1015400000139	Gulshan Br.	2,430,982	-
Southeast Bank Ltd.	1015400000143	Gulshan Br.	2,406,865	-
Southeast Bank Ltd.	1015400000152	Gulshan Br.	20,330,019	-
Southeast Bank Ltd.	1015400000154	Gulshan Br.	2,870,681	-
Southeast Bank Ltd.	1015400000187	Gulshan Br.	1,994,985	-
Southeast Bank Ltd.	1015400000188	Gulshan Br.	14,356,724	-
Southeast Bank Ltd.	1015400000201	Gulshan Br.	16,483,900	-
Southeast Bank Ltd.	1015400000202	Gulshan Br.	1,624,856.52	-
Southeast Bank Ltd.	1015400000203	Gulshan Br.	11,543,903	-
Southeast Bank Ltd.	1015400000204	Gulshan Br.	3,626,088	-
Southeast Bank Ltd.	1015400000212	Gulshan Br.	8,191,137	-
Southeast Bank Ltd.	1015400000216	Gulshan Br.	7,772,969	-
Southeast Bank Ltd.	1015400000218	Gulshan Br.	10,985,666	-
Southeast Bank Ltd.	1015400000249	Gulshan Br.	2,142,584	-
Southeast Bank Ltd.	1015400000250	Gulshan Br.	4,308,552	-
Southeast Bank Ltd.	1015400000251	Gulshan Br.	1,501,162	-
Southeast Bank Ltd.	1015400000269	Gulshan Br.	9,711,686	-
Southeast Bank Ltd.	1015400000288	Gulshan Br.	4,696,343	-
Southeast Bank Ltd.	1015400000289	Gulshan Br.	1,062,352	-
Southeast Bank Ltd.	1015400000290	Gulshan Br.	15,823,228	-
Southeast Bank Ltd.	1015400000291	Gulshan Br.	70,721,086	-
Southeast Bank Ltd.	1015400000327	Gulshan Br.	5,470,102	-
Southeast Bank Ltd.	1015400000328	Gulshan Br.	9,689,229	-
Southeast Bank Ltd.	1015500000256	Gulshan Br.	176,763	-
Southeast Bank Ltd.	1015600000040	Gulshan Br.	47,028	5,302,389
Southeast Bank Ltd.	1015600000100	Gulshan Br.	39,415	-
Social Islami Bank Ltd.	0181360001416	Foreign Ex. Br	154,333	252,444

IFIC Bank Ltd.	1002390905001	Gulshan Br.	33,755	51,343
Jamuna Bank Ltd.	00060210017279	Dilkusha Br.	93,478	93,478
Agrani Bank Limited	0200012747551	Banani Corporate Br.	2,853,953	-
Premier Bank Limited	018911100000067	Gulshan Br.	22,763,232	-
BRAC Bank Ltd.	1501201918541001	Gulshan Br.	2,343,691	2,304,544
BRAC Bank Ltd.	1501201918541002	Gulshan Br.	238,830	236,137
BRAC Bank Ltd.	1501201918541003	Gulshan Br.	4,200	4,370
BRAC Bank Ltd.	1501201918541004	Gulshan Br.	4,512	4,645
BRAC Bank Ltd.	1501201918541006	Gulshan Br.	68,537	69,112
BRAC Bank Ltd.	1501201918541007	Gulshan Br.	50,643	42,638
Total			490,163,041	16,393,388

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

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		-	10,292,500
Brac Bank Limited	1526303797247002		-	10,292,500
Brac Bank Limited	1526303797247003		-	10,292,500
Brac Bank Limited	1526303797247004		-	10,292,500
Social Islami Bank Ltd.	0185310071694	Foreign Ex. Br	5,000,000	-
Social Islami Bank Ltd.	0185310071705	Foreign Ex. Br	5,000,000	-
Social Islami Bank Ltd.	0185310071716	Foreign Ex. Br	5,000,000	-
Social Islami Bank Ltd.	0185310071727	Foreign Ex. Br	5,000,000	-
Social Islami Bank Ltd.	0185310071738	Foreign Ex. Br	5,000,000	-
Social Islami Bank Ltd.	0185310071749	Foreign Ex. Br	5,000,000	-
Total			30,000,000	41,170,000

09 Accounts & Other Payables

M/s Hasina Enterprise	-	58,336
Chemitex	-	3,585,440
Chowdhury Trading	19,775,660	3,540,650
City Chemical	767,845	2,859,230
Gulshan Spinning Mills Ltd.	4,076,000	-
Delta Spinning Mills Ltd.	3,485,040	3,046,364
Israq Spinning Mills Ltd.	3,673,165	-
Metro Spinning Mills Ltd.	9,258,607	-
Gumti Textile Limited	4,576,742	-
Jaba Textile Mills Ltd.	1,144,238	-
Tamijuddin Textile Mills Ltd.	-	7,661,636
Other Payables (Note: 9.1)	47,932,325	11,541,174
Total	94,689,622	32,292,830

These are unsecured, payable within one year.

09.1 Other Payables

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

Amount in Taka	
30 June 2019	30 June 2018
1,940,980	965,260
24,296,597	6,474,957
21,058,078	3,759,244
294,225	159,840
342,445	181,873
47,932,325	11,541,174

10 Accrued Expenses

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

500,000	550,000
74,325,132	49,874,828
7,799,591	9,971,577
897,976	639,121
813,447	593,175
166,144	313,236
3,056,452	-
47,846,900	70,800,287
170,329,097	146,806,735
141,455,186	74,022,465
447,189,926	353,571,424

10.1 Workers' Participation/Welfare Funds

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

70,800,287	87,805,891
-	-
70,800,287	87,805,891
22,953,387	17,005,604
47,846,900	70,800,287

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.

10.2 Provision for tax

<u>Accounting Year</u>	<u>Assessment Year</u>	<u>Amount</u>	<u>Status</u>
July 2018 to June 2019	2019-2020	24,028,862	Return not yet due.
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.
		177,835,597	
Less: Tax Paid		7,506,500	
Total		170,329,097	



11 Bank Overdraft

Bank Name	Br Name	Amount in Taka	
		30 June 2019	30 June 2018
Southeast Bank Ltd. CC A/c 01073300000167	Gulshan Br.	46,360,125	41,968,033
Total		46,360,125	41,968,033

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 :

Southeast Bank Ltd.:			
Time Loan	536,898,668	71,517,658	
Packing Credit	141,048,485	66,703,909	
Bill Purchase	2,217,285	80,502,024	
Other Loans	155,808,704	78,690,710	
Total	835,973,142	297,414,301	

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.	1,234,169	1,252,500
Alim Printing	2,539,099	5,635,184
Basic Thread Industries Ltd.	1,065,335	1,291,211
Akbar Cotton Mills Ltd	8,384,000	-
Chemitex	4,633,920	4,861,800
Saiham Cotton Miles Ltd	6,929,000	-
Corus Knit Composite Ltd.	2,490,000	5,016,000
Bengal Lavel & Accessories	1,837,224	-
Dalas Fashion	2,076,037	4,616,165
Alrazee Spinning Mills Ltd	11,605,938	-
I. M. CHEMICAL	2,466,450	3,452,500
Allplast Bangladesh Limited	2,188,308	-
Moral Fashions Ltd.	-	1,675,000
Nassa Taipei Spinners Ltd.	4,201,680	3,661,225
Other Deferred L/C Liabilities	3,824,682	4,752,632
Pakiza Cotton Mills Ltd	2,865,000	3,598,015
Taipei Knit and Composite Ltd.	-	598,455
Tamijuddin Textile Mills Ltd.	4,033,800	4,775,574
Total	62,374,642	45,186,260

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

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 Febuary 04, 2014.

Bank Name	A/C No.	Branch	Amount in Taka	
			30 June 2019	30 June 2018
BRAC Bank Ltd	1501201918541001	Gulshan Br.	2,343,691	2,304,544
BRAC Bank Ltd	1501201918541002	Gulshan Br.	238,830	236,137

BRAC Bank Ltd	1501201918541003	Gulshan Br.
BRAC Bank Ltd	1501201918541004	Gulshan Br.
BRAC Bank Ltd	1501201918541007	Gulshan Br.

4,200	4,370
4,512	4,645
50,643	42,638
2,641,876	2,592,334

Total**15 Current Maturity of Long Term Loans**

Current portion of Long Term Bank Loans Tk. 276,777,997 (2017-2018; Tk.17,136,000) has been shown under the head Current Liabilities which is payable within June -2020.

276,777,997	17,136,000
276,777,997	17,136,000

Total**16 Share Capital****16.1 Authorised Capital**

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

5,000,000,000	5,000,000,000
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16.2 Issued, Subscribed, Called-up & Paid-up Capital

224,363,400 Ordinary Shares of Tk. 10/- each issued for cash
270,611,155 Bonus Shares of Tk.10/- each

2,243,634,000	2,243,634,000
2,706,111,550	2,256,134,690
4,949,745,550	4,499,768,690

Total

The Shareholding position of the Company are as under :

<u>Name of Shareholders</u>	<u>No. of Shares</u>	<u>Percentages (%)</u>	<u>Amount (Tk.)</u>
Tauhidul Islam Chaudhury	25,409,021	5.13	254,090,210
Alavee Azfar Chaudhury	10,481,438	2.12	104,814,380
Shaheen Akhter Chaudhury	190,932	0.04	1,909,320
AJ Corporation Limited	22,412,568	4.53	224,125,680
Rajiv Sethi	9,899,489	2.00	98,994,890
Others	426,581,107	86.18	4,265,811,070
Total	494,974,555	100	4,949,745,550

<u>Particulars</u>	<u>of Shareholders</u>	<u>No. Of Shares</u>	<u>Percentage</u>	<u>Amount in Taka</u>
Less than 500 Shares	5,218	993,371	0.20	9,933,710
501 to 5,000 Shares	13,043	26,190,753	5.29	261,907,530
5,001 to 10,000 Shares	3,465	25,140,654	5.08	251,406,540
10,001 to 20,000 Shares	2,890	40,886,048	8.26	408,860,480
20,001 to 30,000 Shares	1,124	27,726,536	5.60	277,265,360
30,001 to 40,000 Shares	593	20,709,574	4.18	207,095,740
40,001 to 50,000 Shares	393	17,931,691	3.62	179,316,910
50,001 to 100,000 Shares	763	53,342,404	10.78	533,424,040
100,001 to 1,000,000 Shares	463	98,537,860	19.91	985,378,600
Above 1,000,000 Shares	29	183,515,664	37.08	1,835,156,640
Total	27,981	494,974,555	100.00	4,949,745,550

17 Revaluation Surplus

Land & Land Development
Building
Plant & Machinery

Less: Depreciation on Revaluation Surplus

Total

Amount in Taka	
30 June 2019	30 June 2018
136,740,234	136,740,234
190,371,985	194,257,128
85,728,209	90,240,220
412,840,428	421,237,581
8,093,851	8,397,154
404,746,577	412,840,428

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

Total

521,047,345	465,346,811
213,440,369	456,373,261
734,487,713	921,720,072
8,093,851	8,397,154
742,581,564	930,117,225
449,976,860	409,069,880
292,604,704	521,047,345

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

897,964,344	330,134,694
144,675,395	142,193,571
138,536,122	142,335,315
15,303,583	18,871,945
1,196,479,444	633,535,525



20 Sales Revenue

Export Sales Revenue is recognised for 3,957,509 Dozens at USD 61,737,153 @ average Tk.84.00 equivalent to Tk. 5,185,920,854; (2017-2018: 23,085,392 Dozens at USD 48,479,324.16 @ average Tk.83.00 equivalent to Tk. 4,023,783,905) when delivery challan is issued

Total
21 Cost of Goods Sold

Amount in Taka	
30.06.2019	30.06.2018
5,185,920,854	4,023,783,905
5,185,920,854	4,023,783,905

Opening Stock of Raw Materials	400,650,846	359,063,402
Add: Purchases (Note : 21.1)	3,933,833,674	2,547,849,213
Less: Closing Stock of Raw Materials (Note : 05.1)	703,163,427	400,650,846
Material Consumed	3,631,321,093	2,506,261,769
Add: Direct Labour	731,712,338	545,139,808
Prime Cost	4,363,033,431	3,051,401,577
Add: Factory Overhead (Note : 21.2)	320,798,361	229,074,613
Cost of Manufacturing	4,683,831,792	3,280,476,190
Add: Opening Work-In-Process (Note: 05.00)	329,180,543	264,712,500
Less: Closing Work-In-Process (Note: 05.00)	440,639,225	329,180,543
Cost of Goods Manufactured	4,572,373,110	3,216,008,147
Add: Opening Stock of Finished Goods (Note: 05.00)	458,617,306	375,452,708
Less: Closing Stock of Finished Goods (Note: 05.00)	662,944,166	458,617,306
Cost of Goods Sold	4,368,046,250	3,132,843,549

21.1 Purchases of Raw Materials

Yarn	(8,926,777 Kgs; 2017-2018: 5,996,384 Kgs)	2,320,961,868	1,529,077,825
Fabrics	(1,928,350 Kgs; 2017-2018: 1,053,599 Kgs)	590,075,051	305,543,683
Chemicals	(3,442,104 Kgs; 2017-2018: 2,011,239 Kgs)	550,736,714	311,742,090
Accessories		472,060,041	401,485,614
Total		3,933,833,674	2,547,849,213

21.2 Factory Overhead

	Amount in Taka	
	30.06.2019	30.06.2018
Rent	3,934,870	7,245,321
Security Service	7,503,899	7,521,183
Depreciation	114,724,139	105,881,463
Utility Charges	72,963,310	59,177,602
Transport	9,412,050	9,015,765
Repair and Maintenance	6,662,865	11,519,678
Fuel & Lubricant	16,890,500	8,163,280
Carriage Inward	13,572,568	10,567,680
C & F Charge Import	58,836,056	
Entertainment	3,419,335	2,754,556
Lab Test & Inspection Charge	5,003,043	3,589,538
Insurance Premium	7,174,402	3,026,233
Other Expenses	701,324	612,314
Total	320,798,361	229,074,613

21.3 CIF costs of imported items from aboard aggregated

550,736,714	356,698,890
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22 Administrative & Selling Expenses

Staff Salaries	177,636,709	149,140,179
Directors' Remuneration	9,600,000	9,600,000
Bonus	18,781,218	36,626,670
Freight Charge	54,230,570	33,335,607
Buying House Expenses	1,476,939	1,723,800
Utility Charge	1,098,432	1,014,682
Entertainment	873,267	2,131,117
C & F Charges	17,576,719	17,192,527
Courier & Postage	3,394,838	3,318,978
Telephone and Other	2,425,004	2,550,723
Office Rent	2,361,600	2,188,800
Service Charges	-	22,570
Car Repair and Maintenance	305,485	8,283,949
Depreciation	6,038,113	5,572,709
Insurance Premium	-	33,660
Annual Audit Fee	550,000	750,000
Professional, Consultancy, Listing and Other Fee	3,709,162	2,125,500
Traveling & Conveyance	3,572,952	2,301,717
Stationeries	1,161,590	1,149,627
Fuel & Lubricant	3,221,706	522,365
Carriage Outward	28,297,487	24,559,203
Sample Expenses	5,185,921	1,247,506
Advertisement	1,778,257	2,081,360
License & Renewals	160,350	216,985
Commercial Expenses	7,556,070	7,442,548
AGM and EGM Expenses	903,178	1,592,757
Bond Expenses	-	1,010,000
Compliance Expenses	1,483,382	2,023,192
Exchange Loss/Gain	5,302,478	4,512,684
Donation	30,000	105,000
Other Expenses	1,032,894	2,055,613
	359,744,320	326,432,028

23 Other Income

	Amount in Taka	
	30.06.2019	30.06.2018
Income from Cash Incentive	118,930,600	115,186,200
Other Revenues	794,805	2,181,535
Interest on Bank Deposits	3,296,347	16,384,291
Total	123,021,752	133,752,026

24 Financial Expenses

Bank Charges & Commission	20,770,320	20,762,199
Interest on Time Loan	25,104,886	8,943,782
Interest on Packing Credit	-	8,210,843
Interest on Term Loan	143,974,427	51,577,112
Interest on Bill Purchase	29,955,920	39,427,933
Interest on Other Loans	54,999,588	34,146,306
Total	274,805,141	163,068,174

25 WPWFs/ Contribution to Central Fund (RMG Sector)

As per Government Order & Circulars Bangladesh Bank vide FEPD (Raptani Nitee) 220/2016-18. The concern Bank deduct @ 0.03% from 100% export oriented Garments Business as Central Fund (RMG Sector) which will deposit to Sonali Bank Limited, Ramna Corporate Branch, A/c: 0442636001018.

26 Current Year Tax Expenditure (Provision)

Particulars	Amount	Rate	Amount
Other Than Business Income:			
Other Revenues	794,805	25.00%	198,701
Income from Cash Incentive	118,930,600	3.00%	3,567,918
Interest on Investment and Dep	3,296,347	25.00%	824,087
	123,021,752		4,590,706

Tax on Business Income:

Business Income Tax	19,438,156
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Total Provision for Income Tax

24,028,862

27 Provision for Deferred Tax:

Amount

Deferred Tax for Property Plant & Equipment Note: 27.1

1,178,793,221

1,178,793,221

Particulars	Rate	Amount	Tax Provision
Deferred Tax	12%	1,178,793,221	141,455,186
Less: Opening Balalce			74,022,465
			67,432,721

27.1 Deferred Tax for Property Plant & Equipment

Written down Value as per Accountion Policy	4,264,145,243
Less: Written down Value as per Third Schedule	3,085,352,022
	1,178,793,221

- 27.2** As per reference to the tribunal order I.T.A. N0.4391 OF 2018-2019, difference in between tax base and accounting base is considered to be parmanent in nature and no temporary. Thus, following the order of the Honourable Tribunal, we did not consider for any Income Tax effect in the preperation of accounts.

		Amount in Taka	
		30.06.2019	30.06.2018
28	Earning Per Share (EPS)		
	Profit attributable to Ordinary Shareholders	213,440,368	456,373,261
	Total Weighted Average Number of Ordinary Shares	494,974,555	494,974,555
	Earnings per share - Basic	<u>0.43</u>	<u>0.92</u>

28.1 Earning Per Share (EPS) -Diluted

No diluted earnings per share is required to be calculated for the year as there is no scope for dilution during these years.(e,g no preference shareholders or loan note holder or employees/directors are not entitled to any equity share option.)

28.2 Weighted Average Number of Ordinary Share:

Opening No. of Share in existence	494,974,555	224,363,400
Share Allotment from Opening Share Money Deposit	-	-
Share Allotment from New Share Money Deposit	-	-
Issuance of Bonus Share	-	270,611,155
Weighted Average Share Money Deposits (in share)	-	-
Total Weighted Average Number of Ordinary Shares	<u>494,974,555</u>	<u>494,974,555</u>

29 Net Assets Value per Share (NAV)

Net Asset Value (NAV)	5,883,875,942	5,670,435,574
Total Weighted Average Number of Ordinary Shares	494,974,555	494,974,555
Net Asset Value per Share (NAV) (a/b)	<u>11.89</u>	<u>11.46</u>

30 Net Operating Cash Flows per Share (NOCFPS) - Basic

Net Operating Cash Flows	(723,595,453)	44,311,951
Weighted Average Number of ordinary shares	494,974,555	494,974,555
Net Operating Cash Flows per Share (NOCFPS) (a/b) - Basic	<u>(1.46)</u>	<u>0.09</u>

30.1 Net Operating Cash Flows per Share (NOCFPS) - Diluted

No diluted earnings per share is required to be calculated for the year as there is no scope for dilution during these years.(e,g no preference shareholders or loan note holder or employees/directors are not entitled to any equity share option.)

30.2 Restatement of EPS , NAV & NOCFPS

According to company policy, declaration for the issue of Bonus share is made on AGM date. It is assumed that all the newly allotted bonus shares were in existence throughout the relevant year. Thus, EPS, NAV & NOCFPS require restatement in the prior year financial statements.

31 Significant Deviation in Gross Profit Margin, Net Profit Margin & Profit Before Tax

	30.06.2019	30.06.2018
Gross Profit Margin	15 %	22 %
Net Profit Margin	8 %	14 %
Profit Before Tax	6 %	13 %
Operating Cash Flow Per Share	(1.46)	0.09

Higher raw material price in international & local market in comparison with previous years, incremental salary & bonus, higher wages & interest rates impose a combined effect on the financial performance of the company. The Operating Cash Flows incurred negative due to concentrating on increasing sales rather than lessor effort in collecting receivables.

32 Reconciliation of Net Income or Net Profit with Cash Flows from Operating Activities
(Indirect Method) the requirement of Bangladesh Securities and Exchange
Commission notification no. BSEC/CMRRCD/2006-158/308/Admin/81, Dated 08

Particulars	Amount in Taka	
	30.06.2019	30.06.2018
Net Profit before Tax		
Adjustments to reconcile net income to net cash provided	304,901,952	533,997,611
Depreciation on Property, Plant and Equipment	520,034,087	409,468,940
Financial Expenses	120,762,251	111,454,171
Other Income	274,805,141	163,068,174
Contribution to Central Fund (RMG Sector)	123,021,752	133,752,026
	1,444,943	1,194,569
Changes in Operating Activities:	(1,371,316,659)	(835,010,651)
Less: Decrease in Advance, Deposit & Prepayments	(21,217,420)	(30,804,501)
Less: Increase in Accounts Receivable	(585,867,345)	(288,235,157)
Less: Increase in Inventories	(937,435,570)	(493,690,008)
Add: Increase in Trade and Other Payables	62,396,792	(4,533,071)
Add: Increase in Deferred L/C Liabilities	17,188,382	(64,264,212)
Add: Increase in Accrual Expenses	93,618,502	46,516,298
	(177,214,835)	(64,143,949)
Financial Expenses	(274,805,141)	(163,068,174)
Other Income	123,021,752	133,752,026
Income Tax Paid	(23,986,503)	(33,633,232)
Contribution to Central Fund (RMG Sector)	(1,444,943)	(1,194,569)
Net Cash Generated from Operating Activities	(723,595,453)	44,311,951