

Generation Next Fashions Limited

Building # 348, Road# 05

DOHS Baridhara, Dhaka-1206

For the year ended 30 June, 2020



**Independent Auditor's Report
To the Shareholders of 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 2020 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended 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, 2020 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 2,425,951 Dozens at USD 37,844,842.51 equivalent to Tk. 3,178,966,771; (2018-2019: 3,957,509 Dozens at USD 61,737,153.16 equivalent to Tk. 5,185,920,854) when delivery challan is issued. Revenue recognition have significant and widespread influence over the financial statements and plays a vital role in calculating Corporate Tax. Since, revenue recognition is one of the performance indicators in almost all sector, there always exist risk of revenue smoothing or window dressing.	-Our procedures included, among others, obtaining an understanding of the project execution processes and relevant controls relating to the accounting for customer contracts. -We tested the completeness of journal entries compared to financial statements and make sure that there are no unusual items. -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.]

REF: GKC/20-21/A/054

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<p>Under IFRS 15 revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service.</p>	<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. Information Technology System and Control (IT Controls)	
Key audit matters	How our audit address the matter
<p>The Company's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated. The Company uses several systems for it overall financial reporting.</p> <p>All insurance companies are highly dependent on technology due to the significant number of transactions that are processed daily. A significant part of the Company's financial processes is heavily reliant on IT systems with automated processes and controls over the capturing, valuing and recording of transactions. Thus, there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.</p>	<p>Our audit approach relies on automated controls and therefore procedures are designed to test control over IT systems, segregation of duties, interface and system application controls over key financial accounting and reporting systems.</p> <ul style="list-style-type: none"> • Test the General IT Controls for design and operating effectiveness for the audit period over the in-scope systems; • Understand IT application controls covering: <ul style="list-style-type: none"> • user access and roles, segregation of duties; and • key interfaces, reports, reconciliations and system processing; • Test the IT application controls for design and operating effectiveness for the audit period • Sample testing of key control over IT systems having impact on financial accounting and reporting; • Assessed the IT system processes for effectiveness of some of the key controls with respect to financial accounting and reporting records by sample testing; and • Reviewed the report of independent information system auditors which has further confirmed the various system control measures adopted by the Company.



3. Deferred Tax Liability

Ref: Note 10 & 27

Key audit matters	How our audit address the matter
<p>As per IAS 12 Income Taxes, the two components of the company's estimated tax is Current Tax & Deferred Tax. There is a deferred tax liability of 179,190,583/- which is almost equivalent to 2% compared to total assets of the company.</p> <p>The temporary difference of deferred tax consists critical calculation and forecast. The uncertainty in forecasting or lack of expertise may results in material misstatements which may have an impact on corporate tax.</p>	<p>-We verified that right opening balances are carried forward in deferred tax account.</p> <p>-We made sure that ,the tax base is according to 3rd schedule of ITO 1984 and the accountant of the company have clear understanding of posting the associated journal entries.</p> <p>- We recalculated the figures presented in the financial statements and made sure they are in agreement with general ledger.</p> <p>-We reviewed the amount of provision created for Deferred Tax in current year and the relevant adjustment against revaluation reserve.</p> <p>-We ensure that the correct rate of Tax is used to calculate the provisions for deferred tax.</p> <p>-We evaluated the adequacy of financial statement disclosures including key assumptions, judgments and sensitivities.</p>

4.Valuation of Inventory

Ref: Note 05 & 21

Key audit matters	How our audit address the matter
<p>Closing inventory of Tk. 2,578,734,896/- represents 56% of current assets and almost 28% 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

The company had carried out a revaluation on its fixed assets in the year 2008 by an independent valuer. A total amount of BDT. 506,889,888/- was reported as revaluation surplus in that year and subsequently depreciated in following years till date. Considering the overall economic, financial and political environment of Bangladesh, the company did not carried out any further revaluation since then. It is hard to determine the actual position of the company's reserve and fixed asset position depending on a revaluation process took place a decade ago.

Aggregate holding by all directors as on 30 June 2020 are 13.82%. Whereas as per notification of Bangladesh Securities and Exchange Commission (BSEC) published in 2011, the minimum collective holding is to be 30%. This is a departure of from this regulatory requirement.

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 October 2020

G. Kibria & Co.


Sultan Moheuddin FCA
G. KIBRIA & CO.
Chartered Accountants




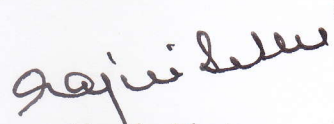
GENERATION NEXT FASHIONS LIMITED
Statement of Financial Position
As at June 30, 2020


Particulars	Notes	Amount in Taka	
		30-Jun-2020	30-Jun-2019
A. NON-CURRENT ASSETS		4,625,699,275	4,558,636,500
Property, Plant & Equipment	Annexure-1	4,188,713,410	4,264,145,243
Capital Works-in-Progress	04	436,985,865	294,491,257
B. CURRENT ASSETS		4,601,479,769	4,287,726,216
Inventories	05	2,578,734,896	1,856,873,123
Accounts Receivable	06	1,712,151,838	1,757,541,912
Advances, Deposits and Pre-Payments	07	173,685,566	152,941,823
Cash & Cash Equivalents	08	136,907,468	520,369,358
C. CURRENT LIABILITIES & PROVISIONS		1,695,441,827	1,766,007,330
Accounts & Other Payables	09	72,238,084	94,689,622
Accrued Expenses	10	477,859,204	447,189,926
Bank Overdraft	11	46,775,468	46,360,125
Short Term Bank Credits	12	571,160,749	835,973,142
Deferred L/C Liabilities	13	95,736,030	62,374,642
Share Money Refundable	14	2,682,934	2,641,876
Current Maturity of Long Term Loans	15	428,989,358	276,777,997
D. NET CURRENT ASSETS (B-C)		2,906,037,942	2,521,718,886
E. NET ASSETS (A+D)		7,531,737,217	7,080,355,386
F. SHAREHOLDERS' EQUITY		5,889,423,873	5,883,875,942
Share Capital	16	4,949,745,550	4,949,745,550
Share Premium		236,779,111	236,779,111
Revaluation Surplus	17	396,943,196	404,746,577
Retained Earnings	18	305,956,016	292,604,704
G. LONG TERM LOAN	19	1,642,313,344	1,196,479,444
H. LIABILITIES & SHAREHOLDERS' EQUITY (F+G)		7,531,737,217	7,080,355,386
Net Assets Value Per Share (NAVPS)	29	11.90	11.89

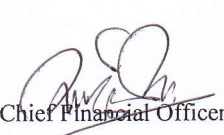
The annexed notes form an integral part of these financial statements.


Chairman


Company Secretary

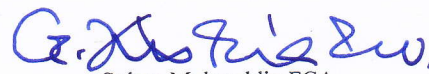

Managing Director


Director


Chief Financial Officer

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

Dhaka, 27 October 2020


Sultan Moheuddin FCA
G. Kibria & Co..
Chartered Accountants



GENERATION NEXT FASHIONS LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2020

Particulars	Notes	Amount in Taka	
		2019-2020	2018-2019
Sales Revenue	20	3,178,966,771	5,185,920,854
Less: Cost of Goods Sold	21	2,657,640,474	4,368,046,250
Gross Profit		521,326,297	817,874,604
Less: Administrative & Selling Expenses	22	293,558,232	359,744,320
Operating Profit		227,768,065	458,130,284
Add: Other Income	23	126,599,979	123,021,752
		354,368,044	581,152,036
Less: Financial Expenses	24	280,224,289	274,805,141
Net Profit Before Tax and WPFs		74,143,755	306,346,895
Less: Contribution to Central Fund (RMG Sector)	25	1,076,688	1,444,943
Net Profit Before Tax		73,067,067	304,901,952
		67,519,136	91,461,583
Less: Current Year Tax Expenditure	26	28,847,334	24,028,862
Deferred Tax Expenditure	27	38,671,803	67,432,721
Net Profit After Tax		5,547,931	213,440,369
<u>Other Comprehensive Income</u>			
DTI on Depreciation of Revalued Assets	35	936,406	-
Other Comprehensive Income for this year		936,406	
Total Comprehensive Income		6,484,336	213,440,369
Earning Per Share (EPS)	28	0.01	0.43

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

Chairman

Managing Director

Director

Company Secretary

Chief Financial Officer

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

Dhaka, 27 October 2020

G. Kibria & Co.

Sultan Moheuddin FCA
G. Kibria & Co.
Chartered Accountants



GENERATION NEXT FASHIONS LIMITED

Statement of Changes in Equity

For the year ended June 30, 2020

(Amount in Taka)

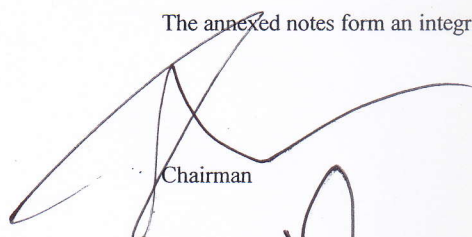
For (01 July 2019 to 30 June 2020):

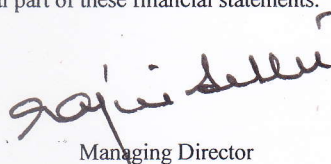
Particulars	Share Capital	Share Premium	Retained Earnings	Revaluation Surplus	Total
Balance at July 01, 2019	4,949,745,550	236,779,111	292,604,704	404,746,577	5,883,875,942
Depreciation on Revaluation Surplus	-	-	-	(7,803,381)	(7,803,381)
Depreciation on Revaluation Surplus (Net of Tax)	-	-	6,866,975	-	6,866,975
Other Comprehensive Income	-	-	936,406	-	936,406
Net Profit during the year	-	-	5,547,931	-	5,547,931
Balance at June 30, 2020	4,949,745,550	236,779,111	305,956,016	396,943,196	5,889,423,873

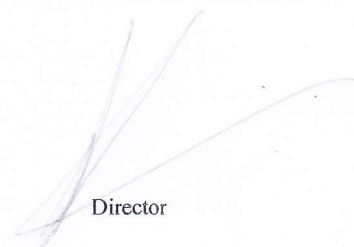
For (01 July 2018 to 30 June 2019):

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

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


Chairman


Managing Director


Director


Company Secretary


Chief Financial Officer

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

Dhaka, 27 October 2020



Sultan Moheuddin FCA
G. Kibria & Co.
Chartered Accountants



GENERATION NEXT FASHIONS LIMITED
Statement of Cash Flows
For the year ended June 30, 2020

Particulars	Notes	Amount in Taka	
		2019-2020	2018-2019
A. CASH FLOWS FROM OPERATING ACTIVITIES:		(559,592,576)	(723,595,453)
Cash Received from Customers	32	3,224,015,614	4,587,590,909
Received from Other Income		126,599,979	135,484,352
Cash Paid to Suppliers	33	(2,436,766,671)	(4,917,680,537)
Paid for Operating Expenses	34	(1,444,843,200)	(505,003,675)
Income Tax Paid/ (Deducted)		(28,598,297)	(23,986,503)
B. CASH FLOWS FROM INVESTING ACTIVITIES:		(155,154,191)	(174,252,898)
Acquisition of Fixed Assets		(12,659,583)	(137,933,792)
Expenditures for Capital Work-in-Progress		(142,494,608)	(36,319,106)
C. CASH FLOWS FROM FINANCING ACTIVITIES:		333,689,269	1,365,586,391
Bank Overdraft (Adjusted)/Received		415,343	4,392,092
Short Term Bank Credit (Adjusted)/Received		(264,812,393)	538,558,841
Long Term Loan (Adjusted)/Received		598,045,261	822,585,916
Share Money Deposit (Adjusted)/ Received		41,058	49,541
D. Net Increase/(Decrease) in cash & cash equivalents (A+B+C)		(381,057,498)	467,738,040
E. Cash & Cash equivalents at the beginning of the year		520,369,358	57,808,796
Effect of foreign exchange rate change on cash and cash equivalent		(2,404,392)	(5,177,478)
F. Cash & Cash equivalents at the end of the year (D+E)		136,907,468	520,369,358
Net Operating Cash Flow Per Share	30	(1.13)	(1.46)

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

Chairman

Managing Director

Director

Company Secretary

Chief Financial Officer

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

Dhaka, 27 October 2020

G. Kibria & Co.
Sultan Moheuddin FCA
G. Kibria & Co.
Chartered Accountants



GENERATION NEXT FASHIONS LIMITED

Notes to the Financial Statements For the Year Ended 30th June, 2020

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 company was introduced in capital market through Initial public Offering (IPO) in 28th September, 2012 and listed in both Dhaka and Chittagong Stock Exchange. Current category of the company as per capital market listing is "Z".

This company is a member of Bangladesh Knitwear Manufacturers & Exporters Association (BKMEA), Bangladesh Garments Manufacturers & Exporters Association (BGMEA) and Dhaka Chamber of Commerce & Industry (DCCI). It is also registered with Board of Investment (BoI) which is currently known as Bangladesh Investment Development Authority (BIDA).

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

This company is 100% export oriented garments manufacturer. The principal activities of the company are knitting, dying, manufacturing of textile and making various types of ready-made garments of international standard and design and exporting the same.

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, Securities and Exchange Rules 1987 and other relevant local laws as applicable and in accordance with International Financial Reporting Standards (IFRSs) including International Accounting Standards (IASs) as 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 International 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 IAS 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 2019 to 30th June, 2020.

2.7. Comparative information and rearrangements thereof:

In accordance with the provisions of IAS-1: "Presentation of Financial Statements", Comparative information that is available 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 of profit of Tk. 5,889,162/- which is a significant fall in comparison with the previous periods and which is due to disruption in business activity for the pandemic situation of COVID-19. However, the company's current ratio is 2.7 : 1 and quick ratio is 1.19 : 1 which is still assumed good to go. The total current liability of the company is only 18.37% of its total assets which is another indicator that the directors considered in measuring the potentials of the entity as a going concern.

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 to be adjusted.

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

On October 27, 2020 the Board of Directors reviewed the financial statements and authorized them for issue.

Changes in Accounting Policy, Estimates and Judgment



2.13. Revenue Recognition

An entity shall recognize revenue to depict the transfer of promise goods or service to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange of those goods and services. As per IFRS-15 Revenue from Contracts with Customers, an entity shall account a contract with a customer under the scope of this standard subject to the following criteria has been meet:

- a) the parties to the contract have approve the contract and committed to perform their respective obligation;
- b) the entity can identify each party's rights regarding the goods or services to be transferred;
- c) identification of payment terms for goods and services;
- d) existence of commercial substance;
- e) probability of collection of the consideration to which the entity is entitled with(for the exchange of goods or services).

2.14. IFRS 9 Financial Instruments

At initial recognition as per IFRS-9 Financial Instrument, an entity shall measure a financial asset or financial liability as its fair value plus or minus (in the case of a financial asset or a financial liability not at fair value through profit or loss) the transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

After initial recognition (subsequent measurement) an entity shall measure a financial asset or financial liability in either of the following subject to specific circumstance specified in the standard (sec 4.1.1-4.1.5) & (4.2.1-4.2.2):

- i. amortized cost;
- ii. fair value through other comprehensive income;
- iii. fair value through profit or loss.

The entity shall recognize loss allowance or Expected Credit Loss (impairment requirement). At each reporting date the entity account for the impairment of financial assets or financial liability in the following manner:

- I. an amount equal to the lifetime expected credit loss (if the credit risk of the instrument has increased significantly since initial recognition)
- II. an amount equal to the 12 (twelve) month expected credit loss (if the credit risk of the instrument has not increased significantly since initial recognition)

The company did not carry out an impairment review because in spite of COVID-19 pandemic the production facility was in operation and the management assumed financial instrument as good.

2.15. IFRS 16 Lease

An entity shall assess a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In line with IFRS-16 Leases, an entity shall determine the lease term as the non-cancellable period of a lease together with both:

- I. Period covered by the option to extend the lease and;
- II. Period covered by the option to terminate the lease.



Initial measurement of right of use asset shall be measured at cost and subsequently either by fair value or follow revaluation model.

The company does not hold any such right of use of asset for non-cancellable period of time in exchange for any consideration.

2.16. Operating Segment

All entities shall disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environment in which it operates. As per IFRS-8 Operating Segments, an operating segments is a component of an entity;

- i. that engaged in business, earns revenue & incur expenses;
- ii. economic results and performance evaluated by chief operating decision maker on regular basis and;
- iii. for which discrete financial information is available.

In line with clause 3 (three) of IFRS-8 Operating Segment, the company is not required to apply this IFRS as it has no such segmented operation that comply with the requirements of IFRS 8.

2.17. Depreciation on Revaluation

In accordance with the provision of IAS-16 "Property, Plant and Equipment", the company has recognized depreciation on revalued amount of assets and charged the same as expenses in Income Statement. As per requirement of para 41 of IAS-16 It recognized Depreciated amount from revaluation surplus less tax thereon as realized income with Retain Earning under the Statement of Changes in Equity.

The company calculated and adjust the depreciation on revaluation surplus with retained earnings in line with the order of the order of honorable Tribunal (reference Tribunal Order no: I.T.A. 4391 & 4392 against appeal no 1113/1114/Circle-29/2017-2018 dated: 22.10.2018).

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, 2020 are consistent with the policies and methods adopted in preparing the financial statements for the year ended 30th June, 2019.

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 (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.) 2020	(Amount in Tk.) 2019
Building	-	102,516,500
Plant and Machinery	36,566,413	580,000
Other Assets	6,824,494	34,837,292
Total	43,390,907	137,933,792

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.

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 IFRS 5 during the year.

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. | 6. Social Islami Bank Ltd. |
| 2. National Bank Ltd. | 7. IFIC Bank Ltd. |
| 3. Prime Bank Ltd. | 8. Jamuna Bank Ltd. |
| 4. Southeast bank Ltd. | 9. BRAC Bank Ltd. |
| 5. Agrani Bank Ltd. | |

And FDR Accounts with Agrani 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

Provisions 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 Other Comprehensive Income or items recognized directly in equity.

Current tax

Current tax is, as per IAS- 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 2020 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:

Deferred tax arises due to temporary difference deductible or taxable for the events or transactions which is recognized in the statement of profit or loss and other comprehensive income. A temporary difference is the difference between the tax base of an asset or liability and its carrying amount / reported amount in the statement of financial position. Deferred tax assets or liability is the amount of income tax recoverable or payable in the future periods recognized in the current year as per IAS 12: Income Tax.

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.

3.15. Diluted Earnings per Shares

There is neither any share option available for relevant parties nor there is any potential transaction that may took effect to increase the total number of outstanding shares. No calculation as per IAS-33 Earnings Per Share is required.

3.16. 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.

The company's employee benefits include the following:

Short Term Employee Benefits

These includes better working conditions in line with overseas customer's requirement, Day care center, Health care facility, Transportation for admin and management employee, Advance against salary, Festival bonus 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 Worker's Welfare Participation Funds

The company is a 100% export oriented garments industry and member of Bangladesh Garment manufacturer and Exporters Association (BGMEA). As per Sub-Section 3 of Section 232 of Bangladesh Labour Act 2006 re-placed by the Act No 30, Para 63 of the year 2013 as follows:



"in case of a 100% export-oriented industrial sector or for any industry investing 100% foreign exchange, the Government, through enactment of Rule, shall adopt required provisions with regard to formation of sector-based central fund comprising of buyers and owners, from a Board to execute that fund, determine contributions and their realization procedure and provisions for utilizations of the money for the welfare of the beneficiaries in the sector."

The company participates in central fund known as 'Workers Profit Participation Fund' as per the rate applicable for RMG sector (0.03%) on realized revenue which is deducted at source by banks.

3.17. Compliance with Financial Standards as applicable in Bangladesh:

The following IAS & IFRS is applicable to the financial statements for the period under review:

IASs	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
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
IFRSs		
5	Non Current Asset Held for sale and Discontinued Operation	Complied
7	Financial Instrument :Disclosure	Complied



8	Operating Segment	Complied
9	Financial Instruments	Complied
15	Revenue from Contracts with Customers	Complied
16	Leases	Complied

3.18. Related party Disclosure:

For the financial year ended 30th June, 2020 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	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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From April 01, 2020 all interest rate is calculated @ 9.00% as per recent changes in finance bill.
Up to 31st March, 2020 the above mentioned rates were applicable.

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 Aailed:

There was no Capital expenditure contracted but not incurred or provided for as on 30.06.2020.

There was no material capital expenditure authorized by the Board but not contracted for as on 30.06.2020.

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 30.06.2020.

3.23. Claims not Acknowledged:

There was no claim against the Company not acknowledged as debt as on 30.06.2020.

3.24. Credit Facilities Aailed:

Credit facilities available with COVID -19 facilities to the Company were from banks as on 30.06.2020 and Trade credit available in the ordinary course of business. No other credit facilities were available to the company as on 30.06.2020.



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, 2020.

3.26. Employees:

Number of employees whose salary was below Tk. 8,000 is 2197 as on 30.06.2020

Number of employees whose salary was above Tk. 8,000 is 2747 as on 30.06.2020.

3.27. Capacity utilization:

Particulars	Capacity	Actual Production	Percentage
Garments*	50,00,000 Dozens	3,850,000 Dozens	77%
Fabrics	11,500 MT	9,430 MT	82%
Dyeing	12,000 MT	9,840 MT	82%

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, 2020 is Tk. 39,867,852/- (For the year 2018-2019 it was Tk. 41,133,225/-).

3.28.2 Total remuneration of Managing Director for the year ended June 30, 2020 stood at Tk. 2,400,000 (For the year 2018-2019 it was 2018-2019; 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. On the other hand, strong marketing and brand management would help the company to increase their customer base.

Management perception:

With the exception of this reporting period due to pandemic situation of COVID-19, 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 Ordinance-1984; VAT and Supplementary Duties Act, 2012 and VAT and Supplementary Duties Rules, 2016. 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.

3.30 Significant Deviation in EPS

The Earning Per Share of the company falls significantly for the year ended 30th June, 2020 and come to Tk.0.01 which were Tk.0.43 for the year ended 30th June, 2019.

During the early phase of the outbreak of COVID-19 pandemic, the company had to reclassify significant number of work order as 'Call on Hold' from its major customer PRIMARK. As a result, the reported revenue is 38.7% lower in current year. Since the operation of production facility was in force complying COVID-19 health regulation, operating expenditure incurred as usual. The financial expenditure was also due and paid on time. All this issue together, imposes an adverse effect on reported Earnings Per Share (EPS) for the year ended 30th June, 2020.



3.31

Implications of COVID-19 on our business:

The COVID-19 pandemic has developed rapidly in 2020. The resulting impact of the virus on the operations and measures taken by Bangladesh Government to contain the virus has negatively affected the group's results in the reporting period.

COVID-19 is not expected to have a longtime significant impact on the entity. Management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern. It expects that COVID-19 might have some impact, though not significant, for example, in relation to expected future performance, or the effects on some future asset valuations.

The currently known impacts of COVID-19 on the company are:

1. A 38.7% decline in total revenues for the year ended 30th June, 2020 compared with the year ended 30th June, 2019.
2. Closure of the group's production facilities and export activities from Chittagong port in the month of April, 2020.
3. Unwanted stoppage of Capital Work in Progress.
4. Number of work Orders from major customer PRIMARK reclassified as "Call on Hold".
5. Redundancy cost of temporary workforce.

These developments result in approximately BDT. 2007 mn loss of sales which results in 97% decline in Net Profit in comparison with previous period (2019).

There was no significant difficulties in meeting loan covenants based on the aroused COVID-19 situation and the company managed to meet all obligations for the reporting period.

In response to these matters, the entity has taken the following actions:

- I. We avail the COVID-19 loan initiative by Government of Bangladesh.
- II. We downsize the workforce to cut down cost at a tolerable level.
- III. We renegotiate with our customers to rearrange the export schedule and took confirmation for not cancel the "Call on Hold" orders.
- IV. We stop considering any dividend payment for the year ended 30th June, 2020.

Although it is not certain that these efforts will be successful, management has determined that the actions that it has taken are sufficient to mitigate the uncertainty and has therefore prepared the financial reporting on a going concern basis.



		Amount in Taka	
		30 June 2020	30 June 2019
04 Capital Works-in-Progress		436,985,865	294,491,257
Buildings		436,985,865	294,491,257
Total		436,985,865	294,491,257
Opening Works-in-Progress		294,491,257	258,172,151
Add: Addition during the year		142,494,608	36,319,106
		436,985,865	294,491,257
Less: Adjustment during the period		-	-
Closing Balance during the period		436,985,865	294,491,257
05 Inventories			
Raw Materials (Note-5.1)		866,972,295	703,163,427
Work-in-Process		713,887,129	440,639,225
Finished Goods	892,177 Dozens (2018-2019: Dozens 411,052)	993,742,824	662,944,166
Materials in Transit		4,132,648	50,126,305
Total		2,578,734,896	1,856,873,123
Detail of the above are disclosed (Annexure-2)			
05.1 Raw Materials			
Yarn	1,881,369 Kgs (2018-2019: 1,487,461 Kgs)	489,155,887	386,739,885
Fabrics	593,359 Kgs; (2018-2019: 402,136 Kgs)	175,142,416	123,053,600
Chemicals		106,328,329	80,863,794
Accessories		96,345,663	112,506,148
Total		866,972,295	703,163,427
06 Accounts Receivables			
Blue Ribbon International (HK) Limited		26,481,103	-
Boohoo.Com UK Limited		14,698,710	-
Distra Warenhandeksges. MBH		31,029,016	36,529,658
Deltex Handelsgesellschaft		1,296,543	-
NKD Services GMBH		-	9,276,017
Fashion Link		554,728	-
G. Enpfenning GMBH		-	13,781,388
Hago		9,529,114	-
IQ Apparel LLC		3,600,053	-
Jansen Fashion Group GMBH		5,317,544	-
NTD Apparel Inc.		19,002,600	8,639,617
KIK TEXTILIEN UND NON-FOOD GMBH		4,309,575	22,603,327
Lowlan Fashion International		8,511,473	-
LPP S. A.		8,337,653	-
MAD ENGINE LLC		3,491,667	-
Miles Fashions GMBH		-	10,573,055
PEPKOR UK RETAIL LIMITED		1,436,405	-
Takko Holding GMBH		2,255,690	-
Target Australia PTY Limited		4,391,721	-
Veront Teddy Bear Company Inc.		-	47,226,100
Other Receivables (Note: 06.1)		3,129,884	2,229,861
Primark Stores Limited		1,535,876,387	1,606,682,889
Wing Fat Enterprises Limited		11,166,621	-
ZAK CORP. LIMITED		17,735,351	-
Total		1,712,151,838	1,757,541,912
These are unsecured, considered good. No amount is due from any directors or related parties.			
Dues upto 6 months		821,832,882	790,893,860
Dues above 6 months		890,318,956	966,648,052
Total		1,712,151,838	1,757,541,912



		Amount in Taka	
		30 June 2020	30 June 2019
06.1 Other Receivables			
Fashions FX Limited	-	186,812	
Gimex Clothing Limited	619,953	-	
Gumiti Textile Limited	149,656	-	
JMS Composite Knitware Ltd.	317,226	-	
SA Sourcing Ltd.	2,043,049	2,043,049	
Total	3,129,884	2,229,861	
07 Advances, Deposit and Prepayments			
Advances (Note: 07.1)	172,135,666	151,691,023	
Deposits	1,549,900	1,250,800	
Total	173,685,566	152,941,823	
These are unsecured, considered good. No amount is due from any directors or related parties.			
Dues upto 6 months	83,369,072	73,412,075	
Dues above 6 months	90,316,494	79,529,748	
Total	173,685,566	152,941,823	
07.1 Advances			
Advance against Salary	1,411,205	911,205	
Advance Income Tax Note: 07.1(a)	142,610,988	114,012,691	
Advance against Purchase / Expenses Note: 07.1(b)	7,819,929	13,851,313	
Advance against House Rent	2,375,122	2,375,122	
Advance for Construction & Others Note: 07.1(c)	12,591,552	16,370,942	
Gass Line and Other Instalation	5,326,870	4,169,750	
Total	172,135,666	151,691,023	
07.1(a) Advance Income Tax			
Opening Balance	114,012,691	90,026,188	
Add: Addition During the Year	28,598,297	23,986,503	
	142,610,988	114,012,691	
		Amount in Taka	
		30 June 2020	30 June 2019
07.1(b) Advance against Purchase / Expenses			
Mr. Ainal Haque	1,932,229	2,524,131	
Mr. Basek Hossen	1,512,500	1,812,500	
Hi Tech Coloor Chem	2,525,200	6,164,682	
Word of Techonology	1,500,000	2,500,000	
Khan Enterprise	350,000	850,000	
Total	7,819,929	13,851,313	
07.1(c) Advance for Construction & Others			
Azim Engineering Workshop & Thai Aluminum	1,050,000	1,745,300	
Hasib Thai	3,845,600	4,006,090	
Prepaid Insurance	4,536,182	5,725,865	
Boiler Soltions Point	1,543,020	1,665,020	
Genesis Technologies Ltd.	1,616,750	1,361,917	
Source International Ltd.	-	1,866,750	
Total	12,591,552	16,370,942	
08 Cash & Cash Equivalents			
Cash in Hand (Note-08.1)	5,373,328	206,317	
Cash at Banks (Note-08.2)	131,534,140	520,163,041	
Total	136,907,468	520,369,358	



08.1 Cash in Hand

Balance in Central Cash
Balance in Factory Cash

Total

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

08.2(a) On Current/Short Notice Deposit Accounts

5,122,468	138,502
250,860	67,815
5,373,328	206,317
116,062,483	490,163,041
15,471,657	30,000,000
131,534,140	520,163,041
Amount in Taka	
30 June 2020	30 June 2019

Bank Name
A/c Number
Branch Name

EXIM Bank Ltd.	711100038467	Gulshan Br.
National Bank Ltd.	1067001667322	Gulshan Br.
Prime Bank Ltd.	2118313015706	Gulshan Br.
Southeast Bank Ltd.	101110011987	Gulshan Br.
Southeast Bank Ltd.	10152000000041	Gulshan Br.
Southeast Bank Ltd.	10154000000003	Gulshan Br.
Southeast Bank Ltd.	10154000000041	Gulshan Br.
Southeast Bank Ltd.	10154000000043	Gulshan Br.
Southeast Bank Ltd.	10154000000044	Gulshan Br.
Southeast Bank Ltd.	10154000000045	Gulshan Br.
Southeast Bank Ltd.	10154000000046	Gulshan Br.
Southeast Bank Ltd.	10154000000048	Gulshan Br.
Southeast Bank Ltd.	10154000000049	Gulshan Br.
Southeast Bank Ltd.	10154000000051	Gulshan Br.
Southeast Bank Ltd.	10154000000056	Gulshan Br.
Southeast Bank Ltd.	10154000000058	Gulshan Br.
Southeast Bank Ltd.	10154000000063	Gulshan Br.
Southeast Bank Ltd.	10154000000075	Gulshan Br.
Southeast Bank Ltd.	10154000000082	Gulshan Br.
Southeast Bank Ltd.	10154000000086	Gulshan Br.
Southeast Bank Ltd.	10154000000095	Gulshan Br.
Southeast Bank Ltd.	10154000000097	Gulshan Br.
Southeast Bank Ltd.	10154000000119	Gulshan Br.
Southeast Bank Ltd.	10154000000120	Gulshan Br.
Southeast Bank Ltd.	10154000000122	Gulshan Br.
Southeast Bank Ltd.	10154000000132	Gulshan Br.
Southeast Bank Ltd.	10154000000134	Gulshan Br.
Southeast Bank Ltd.	10154000000139	Gulshan Br.
Southeast Bank Ltd.	10154000000143	Gulshan Br.
Southeast Bank Ltd.	10154000000152	Gulshan Br.
Southeast Bank Ltd.	10154000000154	Gulshan Br.
Southeast Bank Ltd.	10154000000187	Gulshan Br.
Southeast Bank Ltd.	10154000000188	Gulshan Br.
Southeast Bank Ltd.	10154000000201	Gulshan Br.
Southeast Bank Ltd.	10154000000202	Gulshan Br.
Southeast Bank Ltd.	10154000000203	Gulshan Br.
Southeast Bank Ltd.	10154000000204	Gulshan Br.
Southeast Bank Ltd.	10154000000205	Gulshan Br.
Southeast Bank Ltd.	10154000000212	Gulshan Br.
Southeast Bank Ltd.	10154000000216	Gulshan Br.
Southeast Bank Ltd.	10154000000218	Gulshan Br.
Southeast Bank Ltd.	10154000000248	Gulshan Br.
Southeast Bank Ltd.	10154000000249	Gulshan Br.
Southeast Bank Ltd.	10154000000250	Gulshan Br.
Southeast Bank Ltd.	10154000000251	Gulshan Br.
Southeast Bank Ltd.	10154000000269	Gulshan Br.
Southeast Bank Ltd.	10154000000288	Gulshan Br.
Southeast Bank Ltd.	10154000000289	Gulshan Br.

74,188	20,232	5,684	1,447,111	3,620,414	16,642,015	203,338	640,165	71	-	162	82,260	1,671,165	-	31,807	577,466	28	-	215,375	6,975	-	957,617	11,358,412	355,876	84,763,742	726,986	21,265	1,146	157,520	-	-	1,446,276	43	62	19,029.00	66	44	803,651	-	8,191,137	7,772,969	10,985,666	-	2,142,584	4,308,552	1,501,162	9,711,686	4,696,343	1,062,352
74,878	20,599	6,374	1,288,046	3,775,941	54,813,951	419,210	4,417,257	1,653,539	2,877,984	875,159	-	2,669,263	50,922,291	2,954,634	206,825	755,462	4,175,635	935,400	215,375	303,853	957,617	11,358,412	355,876	84,763,742	726,986	21,265	1,146	157,520	-	-	1,446,276	43	62	19,029.00	66	44	803,651	-	8,191,137	7,772,969	10,985,666	-	2,142,584	4,308,552	1,501,162	9,711,686	4,696,343	1,062,352



Southeast Bank Ltd.	1015400000290	Gulshan Br.	2,031,658	15,823,228
Southeast Bank Ltd.	1015400000291	Gulshan Br.	1,937,431	70,721,086
Southeast Bank Ltd.	1015400000292	Gulshan Br.	5,503	-
Southeast Bank Ltd.	1015400000327	Gulshan Br.	12,735	5,470,102
Southeast Bank Ltd.	1015400000328	Gulshan Br.	-	9,689,229
Southeast Bank Ltd.	1015400000370	Gulshan Br.	1,539,672	-
Southeast Bank Ltd.	1015400000371	Gulshan Br.	45,699	-
Southeast Bank Ltd.	1015400000373	Gulshan Br.	187,749	-
Southeast Bank Ltd.	1015400000374	Gulshan Br.	4,672	-
Southeast Bank Ltd.	1015400000375	Gulshan Br.	3,186	-
Southeast Bank Ltd.	1015400000442	Gulshan Br.	300,986	-
Southeast Bank Ltd.	1015400000445	Gulshan Br.	2,041	-
Southeast Bank Ltd.	1015400000467	Gulshan Br.	3,728	-
Southeast Bank Ltd.	1015400000476	Gulshan Br.	6,707	-
Southeast Bank Ltd.	1015400000477	Gulshan Br.	137,040	-
Southeast Bank Ltd.	1015400000499	Gulshan Br.	514	-
Southeast Bank Ltd.	1015400000501	Gulshan Br.	779,457	-
Southeast Bank Ltd.	1015400000511	Gulshan Br.	316,609	-
Southeast Bank Ltd.	1015400000512	Gulshan Br.	608,315	-
Southeast Bank Ltd.	1015400000513	Gulshan Br.	2,033,887	-
Southeast Bank Ltd.	1015400000515	Gulshan Br.	431,695	-
Southeast Bank Ltd.	1015400000521	Gulshan Br.	105,704	-
Southeast Bank Ltd.	1015400000532	Gulshan Br.	77	-
Southeast Bank Ltd.	1015400000533	Gulshan Br.	214,450	-
Southeast Bank Ltd.	1015400000538	Gulshan Br.	558,687	-
Southeast Bank Ltd.	1015400000541	Gulshan Br.	51,791	-
Southeast Bank Ltd.	1015400000567	Gulshan Br.	3,674,203	-
Southeast Bank Ltd.	1015400000573	Gulshan Br.	254,225	-
Southeast Bank Ltd.	1015400000625	Gulshan Br.	602	-
Southeast Bank Ltd.	1015400000638	Gulshan Br.	3,351,921	-
Southeast Bank Ltd.	1015400000651	Gulshan Br.	1,827,385	-
Southeast Bank Ltd.	1015400000652	Gulshan Br.	1,142,219	-
Southeast Bank Ltd.	1015400000653	Gulshan Br.	50,422	-
Southeast Bank Ltd.	1015400000654	Gulshan Br.	959,571	-
Southeast Bank Ltd.	1015400000655	Gulshan Br.	168	-
Southeast Bank Ltd.	1015400000657	Gulshan Br.	2,428,723	-
Southeast Bank Ltd.	1015400000658	Gulshan Br.	702,030	-
Southeast Bank Ltd.	1015400000667	Gulshan Br.	151,105	-
Southeast Bank Ltd.	1015400000675	Gulshan Br.	981,600	-
Southeast Bank Ltd.	1015400000718	Gulshan Br.	707,637	-
Southeast Bank Ltd.	1015400000719	Gulshan Br.	449,337	-
Southeast Bank Ltd.	1015400000720	Gulshan Br.	1,250,038	-
Southeast Bank Ltd.	1015400000721	Gulshan Br.	885,793	-
Southeast Bank Ltd.	1015400000746	Gulshan Br.	680,092	-
Southeast Bank Ltd.	1015400000749	Gulshan Br.	1,772,390	-
Southeast Bank Ltd.	1015400000767	Gulshan Br.	1,347	-
Southeast Bank Ltd.	1015400000800	Gulshan Br.	33,054	-
Southeast Bank Ltd.	1015400000801	Gulshan Br.	2,751,206	-
Southeast Bank Ltd.	1015400000803	Gulshan Br.	266,782	-
Southeast Bank Ltd.	1015400000804	Gulshan Br.	233,733	-
Southeast Bank Ltd.	1015400000805	Gulshan Br.	650,223	-
Southeast Bank Ltd.	1015400000810	Gulshan Br.	2,674,618	-
Southeast Bank Ltd.	1015400000811	Gulshan Br.	378,218	-
Southeast Bank Ltd.	1015400000813	Gulshan Br.	974,758	-
Southeast Bank Ltd.	1015400000865	Gulshan Br.	3,426,731	-
Southeast Bank Ltd.	1015400000893	Gulshan Br.	3,051,287	-
Southeast Bank Ltd.	1015400000928	Gulshan Br.	2,408,777	-
Southeast Bank Ltd.	1015400000965	Gulshan Br.	578,332	-
Southeast Bank Ltd.	1015500000256	Gulshan Br.	539,880	176,763
Southeast Bank Ltd.	1015600000040	Gulshan Br.	9,358,155	47,028
Southeast Bank Ltd.	1015600000100	Gulshan Br.	2,160,443	39,415



Southeast Bank Ltd.	1015600000103	Gulshan Br.	3,174,386	-
Social Islami Bank Ltd.	0181360001416	Foreign Ex. Br	90,685	154,333
IFIC Bank Ltd.	1002390905001	Gulshan Br.	160,749	33,755
Jamuna Bank Ltd.	00060210017279	Dilkusha Br.	93,133	93,478
Agrani Bank Limited	0200012747551	Banani Corporate Br.	18,133,057	2,853,953
Premier Bank Limited	018911100000067	Gulshan Br.	749,417	22,763,232
BRAC Bank Ltd.	1501201918541001	Gulshan Br.	2,383,213	2,343,691
BRAC Bank Ltd.	1501201918541002	Gulshan Br.	233,512	238,830
BRAC Bank Ltd.	1501201918541003	Gulshan Br.	4,104	4,200
BRAC Bank Ltd.	1501201918541004	Gulshan Br.	4,496	4,512
BRAC Bank Ltd.	1501201918541006	Gulshan Br.	67,502	68,537
BRAC Bank Ltd.	1501201918541007	Gulshan Br.	57,609	50,643
Total			116,062,483	490,163,041

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>		
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
Agrani Bank Limited	200014573585	Banani Corporate Br.	5,157,219	-
Agrani Bank Limited	200014573721	Banani Corporate Br.	5,157,219	-
Agrani Bank Limited	200014573817	Banani Corporate Br.	5,157,219	-
Total			15,471,657	30,000,000

09 Accounts & Other Payables

Alim Printing	4,089,698	-
Chemitex	1,424,570	-
Chowdhury Trading	8,533,790	19,775,660
City Chemical	1,596,864	767,845
Gulshan Spinning Mills Ltd.	-	4,076,000
The Delta Spinning Mills Ltd.	3,485,040	3,485,040
Israaq Spinning Mills Ltd	-	3,673,165
Metro Spinning Mills Ltd.	5,860,293	9,258,607
Gumti Textile Limited	5,718,493	4,576,742
Jaba Textile Mills Ltd.	-	1,144,238
Other Payables (Note: 9.1)	41,529,336	47,932,325
Total	72,238,084	94,689,622

These are unsecured, payable within one year.

09.1 Other Payables

	Amount in Taka	
	30 June 2020	30 June 2019
KM Serviceing Center	2,227,810	1,940,980
Shimanta Paribahan	25,388,162	24,296,597
Global Way	13,177,689	21,058,078
The Daily New Age	385,230	294,225
The Daily Somokal	350,445	342,445
Total	41,529,336	47,932,325

10 Accrued Expenses

Audit fees	500,000	500,000
Salaries and Wages Payable	63,323,120	74,325,132
Gas Bill	6,850,139	7,799,591
Electracity Bill	519,154	897,976
G4S Secure Solutions Bangladesh (Pvt.) Ltd.	117,134	813,447
Telephone Bill and Others Utilities	435,481	166,144
Annual Listing Fees & Other	3,004,452	3,056,452



Workers' Participation/Welfare Funds (Note: 10.1)
Provision for tax (Note: 10.2)
Deferred Tax Liability (DTL)
Total

24,692,710	47,846,900
199,176,431	170,329,097
179,190,583	141,455,186
477,859,204	447,189,926

10.1 Workers' Participation/Welfare Funds

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

47,846,900	70,800,287
-	-
47,846,900	70,800,287
23,154,190	22,953,387
24,692,710	47,846,900

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 2019 to June 2020	2020-2021	28,847,334	Return Not Yet Due.
July 2018 to June 2019	2019-2020	24,028,862	Return Submitted.
July 2017 to June 2018	2018-2019	36,070,992	Return Submitted.
July 2016 to June 2017	2017-2018	29,106,971	Under Assessment.
Jan 2016 to June 2016	2016-2017	16,131,959	Under Tribunal.
2015	2016-2017	26,033,710	Under Tribunal.
Amount after Adjustment up to assessment year upto 2015-2016		46,463,103	Assessment Completed/ Agreed.
		206,682,931	
Less: Tax Paid		7,506,500	
		199,176,431	

<u>Amount in Taka</u>	
30 June 2020	30 June 2019

11 Bank Overdraft

<u>Bank Name</u>	<u>Br Name</u>
Southeast Bank Ltd. CC A/c 01073300000167	Gulshan Br.
Total	

46,775,468	46,360,125
46,775,468	46,360,125

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
Covid Loan
Packing Credit
Bill Purchase
Other Loans
Total

241,687,074	536,898,668
80,643,893	-
-	141,048,485
6,998,382	2,217,285
241,831,400	155,808,704
571,160,749	835,973,142

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:

Deferred L/C Liabilities against Purchase (13.1)
Deferred Liabilities against Assets (13.2)

65,004,706	62,374,642
30,731,324	-
95,736,030	62,374,642



13.1 Deferred L/C Liabilities against Purchase:

AIR Apperals Ltd.	-	1,234,169
Alim Printing	-	2,539,099
Basic Thread Industries Ltd.	-	1,065,335
Akbar Cotton Mills Ltd	5,775,000	8,384,000
Chemitex	-	4,633,920
Changzhou Baoxin	3,956,820	-
Saiham Cotton Miles Ltd	12,888,330	6,929,000
Corus Knit Composite Ltd.	-	2,490,000
Bengal Lavel & Accessories	729,662	1,837,224
Dalas Fashion	-	2,076,037
Gulshan Spinning Mills Ltd.	4,136,580	-
Alraze Spinning Mills Ltd	4,114,320	11,605,938
I. M. CHEMICAL	3,441,950	2,466,450
Allplast Bangladesh Limited	1,205,820	2,188,308
Nassa Taipei Spinners Ltd.	2,766,960	4,201,680
Other Deferred L/C Liabilities	4,003,104	3,824,682
Pakiza Cotton Mills Ltd	18,236,400	2,865,000
Tara Spinning	3,749,760	-
Tamijuddin Textile Mills Ltd.	-	4,033,800
	65,004,706	62,374,642

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

13.2 Deferred Liabilities against Assets:

Brother Machine (Asia) Limited	10,697,400	-
Pegasus Sewing Machine Pte Ltd.	20,033,924	-
	30,731,324	-

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.

<u>Bank Name</u>	<u>A/C No.</u>	<u>Branch</u>		
BRAC Bank Ltd	1501201918541001	Gulshan Br.	2,383,213	2,343,691
BRAC Bank Ltd	1501201918541002	Gulshan Br.	233,512	238,830
BRAC Bank Ltd	1501201918541003	Gulshan Br.	4,104	4,200
BRAC Bank Ltd	1501201918541004	Gulshan Br.	4,496	4,512
BRAC Bank Ltd	1501201918541007	Gulshan Br.	57,609	50,643
Total			2,682,934	2,641,876

15 Current Maturity of Long Term Loans

Current portion of Long Term Bank Loans Tk. 428,989,358/- (2018-2019; Tk. 276,777,997) has been shown under the head Current Liabilities which is payable within June -2021.

428,989,358	276,777,997
428,989,358	276,777,997

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	2,243,634,000	2,243,634,000
270,611,155 Bonus Shares of Tk.10/- each	2,706,111,550	2,706,111,550
	4,949,745,550	4,949,745,550



The Shareholding position of the Company are as under :

Name of Shareholders	No. of Shares	Percentages (%)	Amount (Tk.)
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

Particulars	No. of Shareholders	No. Of Shares	Percentage	Amount in Taka
Less than 500 Shares	4,708	889,866	0.18	8,898,660
501 to 5,000 Shares	12,121	24,612,705	4.97	246,127,050
5,001 to 10,000 Shares	3,161	23,062,735	4.66	230,627,350
10,001 to 20,000 Shares	2,644	37,662,671	7.61	376,626,710
20,001 to 30,000 Shares	1,109	27,462,698	5.55	274,626,980
30,001 to 40,000 Shares	572	20,014,839	4.04	200,148,390
40,001 to 50,000 Shares	358	16,317,276	3.30	163,172,760
50,001 to 100,000 Shares	726	51,116,738	10.33	511,167,380
100,001 to 1,000,000 Shares	530	115,622,990	23.36	1,156,229,900
Above 1,000,000 Shares	31	178,212,037	36.00	1,782,120,370
Total	25,960	494,974,555	100.00	4,949,745,550

Amount in Taka	
30 June 2020	30 June 2019

17 Revaluation Surplus

Land & Land Development	136,740,234	136,740,234
Building	186,564,545	190,371,985
Plant & Machinery	81,441,798	85,728,209
	404,746,577	412,840,428
Less: Depreciation on Revaluation Surplus	7,803,381	8,093,851
Total	396,943,196	404,746,577

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	292,604,704	521,047,345
Add: Current Period Profit	5,547,931	213,440,369
	298,152,635	734,487,714
Add: Depreciation on Revaluation Surplus (Net of Tax)	6,866,975	8,093,851
Add : Other Comprehensive Income	936,406	
	305,956,016	742,581,564
Less: Bonus Share Issue	-	449,976,860
	305,956,016	292,604,704

19 Long Term Loans

Term Loan	Southeast Bank Ltd.	1,403,142,300	897,964,344
Office Space	LankaBangla Finance Ltd.	121,508,568	144,675,395
Office Space	IPDC Bangladesh Ltd.	110,564,573	138,536,122
Car Loan	IPDC Bangladesh Ltd.	7,097,903	15,303,583
Total		1,642,313,344	1,196,479,444



		Amount in Taka	
		2019-2020	2018-2019
20	Sales Revenue	3,178,966,771	5,185,920,854
		<u>3,178,966,771</u>	<u>5,185,920,854</u>

Above sales revenue are recognized against export of readymade knit garments.

21	Cost of Goods Sold		
	Opening Stock of Raw Materials	703,163,427	400,650,846
	Add: Purchases (Note : 21.1)	2,462,938,854	3,933,833,674
	Less: Closing Stock of Raw Materials (Note : 05.1)	866,972,295	703,163,427
	Material Consumed	<u>2,299,129,986</u>	<u>3,631,321,093</u>
	Add: Direct Labour	712,957,109	731,712,338
	Prime Cost	<u>3,012,087,095</u>	<u>4,363,033,431</u>
	Add: Factory Overhead (Note : 21.2)	249,599,941	320,798,361
	Cost of Manufacturing	<u>3,261,687,036</u>	<u>4,683,831,792</u>
	Add: Opening Work-In-Process (Note: 05.00)	440,639,225	329,180,543
	Less: Closing Work-In-Process (Note: 05.00)	713,887,129	440,639,225
	Cost of Goods Manufactured	<u>2,988,439,132</u>	<u>4,572,373,110</u>
	Add: Opening Stock of Finished Goods (Note: 05.00)	662,944,166	458,617,306
	Less: Closing Stock of Finished Goods (Note: 05.00)	993,742,824	662,944,166
	Cost of Goods Sold	<u>2,657,640,474</u>	<u>4,368,046,250</u>

21.1 Purchases of Raw Materials

Yarn	5,304,791 Kgs (2018-2019: 8,926,777 Kgs)	1,379,245,758	2,320,961,868
Fabrics	1,456,950 Kgs (2018-2019: 1,662,183 Kgs)	517,217,159	590,075,051
Chemicals	1,847,204 Kgs (2018-2019: 3,442,104 Kgs)	295,552,662	550,736,714
Accessories		270,923,274	472,060,041
Total		<u>2,462,938,854</u>	<u>3,933,833,674</u>



21.2 Factory Overhead

Rent
Security Service
Depreciation
Utility Charges
Transport
Repair and Maintenance
Fuel & Lubricant
Carriage Inward
C & F Charge Import
Entertainment
Lab Test & Inspection Charge
Insurance Premium
Other Expenses

Total**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
Repair and Maintenance
Depreciation
Annual Audit Fees
Professional, Consultancy, Listing and Other Fee
Traveling & Conveyance
Stationeries
Fuel & Lubricant
Carriage Outward
Sample Expenses
Advertisement
License & Renewals
Commercial Expenses
AGM and EGM Expenses
Compliance Expenses
Realised Exchange Loss/(Gain)
Unrealised Exchange Loss/(Gain)
Donation
Other Expenses

23 Other Income

Income from Cash Incentive
Other Revenues
Interest on Bank Deposits
Total

Amount in Taka		
30.06.2020		30.06.2019

840,000	3,934,870
7,706,256	7,503,899
112,881,603	114,724,139
76,088,559	72,963,310
7,394,430	9,412,050
3,372,148	6,662,865
6,095,252	16,890,500
11,391,000	13,572,568
5,942,765	58,836,056
1,215,062	3,419,335
8,681,337	5,003,043
7,237,925	7,174,402
753,604	701,324
249,599,941	320,798,361

175,621,127	177,636,709
9,600,000	9,600,000
17,725,128	18,781,218
15,589,861	54,230,570
5,601,352	1,476,939
894,885	1,098,432
936,094	873,267
9,135,932	17,576,719
1,644,063	3,394,838
2,343,131	2,425,004
2,346,000	2,361,600
429,688	305,485
5,941,137	6,038,113
550,000	550,000
1,356,000	3,709,162
3,074,627	3,572,952
502,628	1,161,590
1,787,525	3,221,706
17,060,497	28,297,487
3,178,967	5,185,921
1,249,376	1,778,257
506,367	160,350
7,873,344	7,556,070
439,807	903,178
4,666,827	1,483,382
2,404,392	5,302,478
341,231	
45,000	30,000
713,246	1,032,894
293,558,232	359,744,320

Amount in Taka		
2019-2020		2018-2019

124,272,500	118,930,600
985,474	794,805
1,342,005	3,296,347
126,599,979	123,021,752



24 Financial Expenses

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

16,663,611	20,770,320
60,072,546	25,104,886
171,961,014	143,974,427
181,487	29,955,920
31,345,631	54,999,588
280,224,289	274,805,141

25 WPWFs/ Contribution to Central Fund (RMG Sector)

1,076,688	1,444,943
1,076,688	1,444,943

As per Bangladesh Bank Circulars order by Bangladesh Government Circular Pattra No. FEPD (Raptani Nitee) 220/2016-18. The concern Bank deducte @ 0.03% on export proceeds of 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

Particulars	Amount	Rate	Amount
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Other Than Business Income:

Other Revenues	985,474	25.00%	246,369
Income from Cash Incentive	124,272,500	5% & 10%	10,294,370
Interest on Investment and Deposits	1,342,005	25.00%	335,501
	126,599,979		10,876,240

Tax on Business Income:

Provision for Business Income Tax : (Higher of following two figures) **17,971,094**

Minimum tax on Gross Receipt U/S 82C(4) 0.06% (Proportionate)

9,155,424
17,971,094

Tax Deducted at source from business income

Total Provision for Income Tax

28,847,334

27 Deferred Tax:

Amount

Segregation of opening Deferred Tax Liability (DTL) between revalued portion of assets (revaluation surplus) and carrying amount of cost base:

Opening Balance of DTL	141,455,186
DTL on revaluation surplus of Building and Plant & Machinery (12% on (186,564,545+81,441,798))	32,160,761
DTL on carrying amount of cost base:	109,294,425
	141,455,186

Computation of DT Expenses for this reporting period :

Particulars	Rate	ference on Tax base & carrying amou	DTL
DTL for cost base on 30 June 2020	12%	1,233,051,896	147,966,227.51
DTL for cost base on 30 June 2019			109,294,425
		Deferred tax Expenses for this year	38,671,803

DTL on revaluation surplus of Building and Machinery on 01 July 2019	32,160,761
Less Transferred to OCI for depreciation on revalued portion of assets (12% of Tk.7,803,381)	936,406
	31,224,355

Total DTL for Revaluation surplus and cost base of assets on 30 June 2020	179,190,583
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Carrying amount of cost based of PPE as per Accounting Policy (see PPE, Annexure-1)	3,791,770,214
Less: Writtdown Value as per Third Schedule	2,558,718,318
	1,233,051,896



		Amount in Taka	
		2019-2020	2018-2019
28 Earning Per Share (EPS)			
Profit attributable to Ordinary Shareholders		5,547,931	213,440,369
Total Weighted Average Number of Ordinary Shares	28.2	494,974,555	494,974,555
Earnings per share - Basic		0.01	0.43

28.1 Earning Per Share (EPS) -Diluted

No deluted 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	494,974,555	494,974,555

29 Net Assets Value per Share (NAV)

Net Asset Value (NAV)	5,889,423,873	5,883,875,942
Total Weighted Average Number of Ordinary Shares	28.2	494,974,555
Net Asset Value per Share (NAV) (a/b)	11.90	11.89

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

Net Operating Cash Flows	(559,592,576)	(723,595,453)
Weighted Average Number of ordinary shares	28.2	494,974,555
Net Operating Cash Flows per Share (NOCFPS) (a/b) - Basic	(1.13)	(1.46)

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

No deluted 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.)

31 Reconciliation of Net Income or Net Profit with Cash Flows from Operating Activities (Indirect Method) the

Particulars	Amount in Taka	
	30.06.2020	30.06.2019
Net Profit before Tax	73,067,067	304,901,952
Adjustments to reconcile net income to net cash provided by operating activities:		
Non-Cash Items:	461,608,952	433,749,981
Depreciation on Fixed Assets	118,822,740	120,762,251
Financial Expenses	280,224,289	274,805,141
Other Income	126,599,979	123,021,752
Contribution to Central Fund (RMG Sector)	1,076,688	1,444,943
Unrealized Foreign Exchange gain/(Loss)	-	-
Foreign Exchange Gain/ (Loss)	2,404,392	5,177,478
Income Tax Provision	(67,519,136)	(91,461,583)



Changes in Operating Activities:	(686,367,639)	(1,062,975,550)
Increase/ Decrease in Inventories	(721,861,773)	(629,094,461)
Increase/ Decrease in Trade and other Receivables	45,390,074	(585,867,345)
Increase/ Decrease in Advance, Deposits and Prepayments	(20,743,743)	(21,217,420)
Increase / Decrease in Accounts Payable & Others	(22,451,538)	62,396,792
Increase/Decrease in Deferred L/C Liabilities	2,630,064	17,188,382
Increase/ Decrease in Accrual Expenses	30,669,278	93,618,502
 Financial Expenses	 (280,224,289)	 (274,805,141)
Other Income	(126,599,979)	(123,021,752)
Contribution to Central Fund (RMG Sector)	(1,076,688)	(1,444,943)
 Net Cash Generated from Operating Activities	 <u>(559,592,576)</u>	 <u>(723,595,452)</u>
32 Cash Received from Customer :		
Sales Revenue	3,178,966,771	
Add Decrease In Accounts receivable	45,390,074	
Less: Unrealized Foreign Exchange gain/(Loss)	(341,231)	
	<u>3,224,015,614</u>	
33 Cash Paid to Suppliers		
Material Consumed	1,695,083,424	
Less Increase in Deferred Liabilities	(2,630,064)	
Add Decrease in Accounts Payable	22,451,538	
Add: Increase in inventory	721,861,773	
	<u>2,436,766,671</u>	
34 Paid for Operating Expenses		
Direct Labour	712,957,109	
Factory Overhead	249,599,941	
Office & Administrative expenses	293,558,232	
Financial Expenses	280,224,289	
Contribution to Central Fund (RMG Sector)	1,076,688	
Less : Depreciation	(118,822,740)	
Less: Realized Exchange Gain/ (Loss)	(2,404,392)	
Less: Unrealized Exchange Gain/ (Loss)	(341,231)	
Less: Increase AIT	(28,598,297)	
Tax (Current Tax + Deferred Tax)	67,519,136	
Add: Increase Advance Prepayment	20,743,743	
Less : Increase Accrued Expenses	(30,669,278)	
	<u>1,444,843,200</u>	
35 DTI transferred from DTL for depreciation on revaluation surplus		
12% on Depreciation charged this year on revalued assets	936,406	
	<u>936,406</u>	



Property, Plant & Equipment: (PPE) Tk. 4,188,713,410/-

Annexure-1

Particulars	Cost or Valuation			Rate of Dep. (%)	Depreciation			Written down value as on 30.06.2020
	Balance as on 01.07.2019	Addition or valuation during the period	Balance as on 30.06.2020		Balance as on 01.07.2019	Charged during the period	Balance as on 30.06.2020	
Land & Land Development	249,687,532		249,687,532	-	-	-	-	249,687,532
Building	3,288,593,274		3,288,593,274	2%	286,669,865	60,038,468	346,708,333	2,941,884,941
Plant & Machinery	1,283,563,267	36,566,413	1,320,129,680	5%	401,392,101	45,323,864	446,715,965	873,413,715
Vehicles	80,203,266	-	80,203,266	10%	29,130,229	5,107,304	34,237,533	45,965,733
Other Assets	113,461,056	6,824,494	120,285,550	10%	34,170,957	8,353,104	42,524,061	77,761,489
Total	5,015,508,395	43,390,907	5,058,899,302	-	751,363,152	118,822,740	870,185,892	4,188,713,410
Total as on June 30, 2019	4,877,574,603	137,933,792	5,015,508,395	-	630,600,901	120,762,251	751,363,152	4,264,145,243

Segregation of Written Down Value between revalued portion of assets (revaluation surplus) and cost based carrying value of assets:

Total Carrying value as on 30 June 2020

4,188,713,410

Revalued portion of Land, Buildings and Plant & Machineries (revaluation surplus)

396,943,196

Cost based carrying value of PPE

3,791,770,214

4,188,713,410

Particulars	Amount in Taka	
	2019-2020	2018-2019
Total Depreciation Charge during the year	118,822,740	120,762,251
Allocation of total depreciation:		
Factory Overhead (Note: 21.2)	112,881,603	114,724,139
Administrative & Selling Expenses (Note: 22)	5,941,137	6,038,113
Total	118,822,740	120,762,251



GENERATION NEXT FASHIONS LIMITED.**Inventories as on 30' June, 2020**

S/N	Items		Qty. (Doz,Kg,Yrd,)	Amount in Taka	Remarks
1	Yarn Stock	Stock	1,881,369	489,155,887	
2	Fabrics	Stock	351,250	124,693,729	
3	Grey Fabrics	Stock	142,109	50,448,687	
4	Work in Process	Garments	379,015	422,162,360	
		Knit	297,537	105,625,470	
		Dyeing	524,223	186,099,299	
5	Finished Products	Primark	785,116	874,493,685	
		Blue Ribbon Int.	35,687	39,749,713	
		Other	71,374	79,499,426	
6	Accessories			96,345,663	
7	Dyes and Chemicals	Annexure-1 & 2		106,328,329	
8	Materials in Transit			4,132,648	
	Grand Total :			2,578,734,896	



GENERATION NEXT FASHIONS LTD.

Chemicals Balance As on 30.06.2020

SL No	Name Of Agent	NAME OF CHEMICAL	CLOSING BALANCE QTY.(KGS/LTR)	Total Value (BDT)	Remarks
1	BASIC CHEMICAL	Rockly LP (Acetic Acid)	57,513	3,775,718	
2	BASIC CHEMICAL	Hydrogen Peroxide	4,650	205,735	
3	BASIC CHEMICAL	Soda Ash Light	8,332	207,479	
4	BASIC CHEMICAL	Glober Salt	1,116,537	12,281,910	
5	BASIC CHEMICAL	Caustic Soda	18,321	836,373	
6	BASIC CHEMICAL	Hydrose	39,991	4,481,007	
7	BASIC CHEMICAL	Soda ash Substitute	100,441	7,502,959	
8	Stabilizer Agent	Shuntex UFB	163	13,377	
9	Leveling Agent	Shuntex DES	442	41,546	
10	Sequestering Agent	Shuntex DBC	433	34,630	
11	Soaping Agent	Rockadye SPS	955	170,880	
12	Fixing Agent	Rockafix FXA	2,079	543,595	
13	Lubril	Lubril L- 350	398	139,270	
14	Softner	Rockanin SCP	5,131	715,407	
15	Oil Remover	Rockaoil RK	401	218,444	
16	Polyester Leveling Agent	Rockadye-PLA	490	142,705	
17		Rockapolly ASA	360	292,320	
18	Brightner	Threephor 4BK	6,527	2,221,191	
19	Brightner	IMC 4BK	1,677	612,530	
20	Wet Rubbing	Rocksafin Extrsa	236	147,313	
21	Silicon Agent	Rockasoft Extra	1,920	924,288	
22		Rocka Piling APA Con	10	5,400	
23	Enzyme	Versatex PC 300	985	354,631	
24	Detergent Agent	Rockajent -WTA	1,870	523,023	
25	Anticreasing Agent	Rocksolud-ACA	9,829	1,158,401	
26	Antifoam Agent	Versaquest 2010	1,837	442,120	
27	Anticreasing Agent	Unifoam PWD	500	622,500	
28	Leveling Agent	Commodity LE 101	11,572	2,209,001	
29	Detergent Agent	Blue LE 243	6,000	1,294,800	
30	Peroxide Killer Agent	Shunsol DRA	772	61,726	
		Total:	1,401,362	42,180,278	



GENERATION NEXT FASHIONS LTD.

Dyes Balance As on 30.06.2020

SL No	NAME OF DYES	CLOSING QTY IN KG BALANCE	Total Balance Taka
1	Corazol Red RD	854	442,884.89
2	Corazol Yellow RD	0.39	218.50
3	Corazol Blue RD	2,790	1,505,336.10
4	Corazol B/Yellow 3GL	326	162,546.70
5	Corazol T/Blue G 266%	1,198	666,073.22
6	Corazol Bri Blue RN/SPL(150%)	3,560	7,741,576.00
7	Corazol Orange RD	568	645,759.09
8	Corazol Bri.Red 3B	16	9,352.94
9	Corafix Yellow GDR	13,467	5,812,482.36
10	Corafix Red ME4B 150%	4,263	1,273,644.56
11	Corafix Red GDB	9,113	4,084,505.76
12	Corafix Navy GDG/ RFT	9,403	3,746,193.05
13	Corafix Black GDNN	27,352	8,354,439.78
14	Coralene Navy XF	250	100,176.00
15	Coralene Rubine XF	433	173,269.60
16	Coralen Yellow XF	56	28,248.00
17	Coralene Blue XF	792	427,575.78
18	Coralene Brill.Blue GR XF	107	64,251.00
19	Coralene Lumi Yellow 10G	250	335,527.50
20	Coralene Lumi Orange FCR	400	536,844.00
21	Coralene Lumi Pink RBSF	83	124,633.96
22	Coralite yellow FL2R	117	156,598.32
23	Coralite Blue FLR	482	640,357.62
24	Coralite Red FL2B	218	290,663.96
25	Jakajol Yellow DSR	8,664	3,235,903.90
26	Jakajol Navy DSG	7,427	2,835,583.17
27	Jakajol Black CELB	20,000	5,727,000.00
28	Jakazol Deep Red SLR	6,500	2,643,550.00
29	Jakazol Yellow LD	1,979	919,848.50
30	Jakazol Red ME3BL	178	94,429.83
31	Jakazol Turquoise Blue G 266%	2,931	1,544,956.95
32	Jakazol Red XS	3,091	923,682.23
33	Jakazol Blue LDN	2,224	1,199,660.25
34	Jakazol Red LDN	1,699	775,409.53



35	Dianix Blue XF	91	63,672.00
36	Dianix Rubine S2G	350	315,360.00
37	Dianix Red CBN -SF	375	224,756.40
38	Dianix Flavine XF	207	165,714.40
39	Liyuansol Brilliant Blue RSPL 150%	1,593	3,966,769.11
40	Liyuansol Black WNN	17	5,923.38
41	Corazol Red XRFT	1,000	506,300.00
42	Corazol Yellow XRFT	1,000	498,000.00
43	Corazol Navy RFT	12	4,691.81
44	Liyuansol Yellow 3RE 150%	947	322,380.48
45	Ruihuzol Red 3BS	1,182	608,525.03
46	Liyuansol Red HS-3B	500	242,775.00
	TOTAL	138,066	64,148,051

