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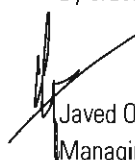
NOTICE of the 11th ANNUAL GENERAL MEETING

Notice is hereby given that the 11th Annual General Meeting (AGM) of the Shareholders of Generation Next Fashions Limited will be held on Saturday June 27, 2015 at 11:00 A.M. at the Factory premises at Dhonaid, Earpur, Ashulia, Dhaka to transact the following businesses:-

AGENDA

- 1. Report and Accounts:**
To receive, consider and adopt the Financial Statements of the Company for the year ended on December 31, 2014 together with the Reports of the Board of Directors and the Auditors thereon.
- 2. Dividend:**
To declare the dividend for the financial year ended December 31, 2014 as recommended by the Board of Directors.
- 3. Election of Directors:**
To elect/re-elect Directors as per terms of the relevant provision of the Articles of Association of the Company.
- 4. Appointment of Auditors:**
To appoint the Auditors of the Company for the term until the next Annual General Meeting and to fix their remuneration.
- 5. Rights Issue Fund:**
To consider re-allocation of Rights Issue Fund in BMRE project.
- 6. Miscellaneous:**
To transact any other related business with the permission of the Chair.
All Shareholders are requested to attend the meeting on the date, time and place mentioned above.

By order of the Board of Directors


Javed Opgenhaffen
Managing Director

Dated: Dhaka
May 27, 2015

NOTES

- a) The Board of Directors has recommended Stock Dividend @ 15% for the year ended December 31, 2014 subject to approval in the 11th Annual General Meeting (AGM).
- b) The Record Date was May 11, 2015 (Monday). The shareholders whose names appeared in the Share Register of Members of the Company or in the Depository Register (CDBL) on the Record Date are eligible to attend the meeting and qualify for Stock Dividend.
- c) A member eligible to attend and vote at the Annual General Meeting (AGM) may appoint a proxy to attend and vote on his/her behalf. The Proxy Form must be affixed with revenue stamp of Tk.20/- and must be submitted to the Registered Office of the Company not less than 48 hours before the time fixed for the Annual General Meeting.
- d) Annual Report, Attendance Slip and Proxy Form along with the notice are being sent to all Members by Courier Service/Post. The Members may also collect the "Proxy Form" from the Share Department of the Company.
- e) Admission into the Venue of the AGM will be allowed on production of the attendance slip attached with the Annual Report. Shareholders are requested to register their names in the counter at the entrance of the Venue from 8.00 A.M. to 10.30 A.M.

NB: No gift and no food shall be given for attending the 11th Annual General Meeting of the Company as per rules.

LETTER OF TRANSMITTAL

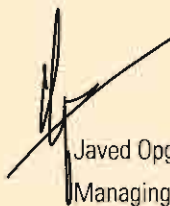
To
The Shareholders
The Bangladesh Securities Exchange Commission
The Registrar of Joint Stock Companies and Firms
The Dhaka Stock Exchange Limited
The Chittagong Stock Exchange Ltd.
The Central Depository Bangladesh Limited

Subject: Annual Report for the year ended December 31, 2014

Dear Sir(s),

We are pleased to transmit a copy of the Annual Report 2014 containing the Director's Report, the Auditor's Report and the Audited Financial Statement, which includes the Statement Financial Position, Statement of Comprehensive Income, Statement in Change in Equity and Statement of Cash Flow for the year ended December 31, 2014 along with notes for your record and necessary measures

Yours Sincerely



Javed Opgenhaffen
Managing Director





GNFL AT GLANCE

Generation Next Fashions Limited (GNFL) was incorporated in Bangladesh under the Companies Act 1994 on August 19, 2004 with an authorised capital of BDT 500.00 million and paid up capital BDT 47.20 million to carry out business of Spinning, weaving and manufacturing of various types of ready-made garments of international standard and design. At present the Paid up capital of the Company is BDT. 3,233.75 million and the authorised capital is BDT 4000.00 million.

GNFL is a 100% export oriented Textile and Apparel Company and started its commercial operation in July 30, 2006. The Company manufactures composite knit fabrics and various types of ready-made garments.

PRODUCTION



Our Products

1

T- Polo Shirt, T- Shirt, Men Polo Shirt Short Sleeve, Ladies Polo Shirt, Short Sleeve, Basic T- Shirt and Printed T- Shirt, Women's or Girls Trouser, Ladies Pant, Ladies Jacket, Men's 2PK Woven Short Trial, Basic T- Shirt , Static T- Shirt, Ladies Night Wear Set, Military Jogger, Women Flannel Trouser, Basic Drive + Fusion Tee, Ladies Tank Top etc.

World Market

2

North America & Europe.

Major Production Departments & Service

3

Knitting, Dyeing, Finishing and Garments. Production activities virtually round the clock in three shifts.

Power, Gas & Water

4

Power : As well as with the Palli Bidyut Samiti connection GNFL owns 1.3 MW

Gas generator and a 700 KW diesel generator to ensure constant power supply.

Water : Deep Tube well installed for necessary water supply.

Gas : Titas Gas Transmission & Distribution Company Ltd is the source of gas supply.



CORE VALUE

EXCELLENCE

Our relentless pursuit of performance excellence manifested in relevant, effective, and quality products and services provided.

TEAMWORK

Work unity in an environment of mutual support, collaboration, communication, and open sharing of knowledge and skills.

INTEGRITY

Honesty and morality in service produces good governance, transparency and accountability.

INNOVATION

Our thinking is beyond traditional concepts and boundaries.

CUSTOMER PRIORITY

Our customer's satisfaction, trust, and confidence are of the highest priority.

COMMITMENT

The total resolve and involvement given in everything that is our responsibility.



Chairman

Mr. Tauhidul Islam Chaudhury

Managing Director

Mr. Javed Oppenhaffen

Directors

Mr. Tauhidul Islam Chaudhury

Mr. Mohd. Akhter

Mr. Javed Oppenhaffen

Mr. Rajiv Sethi

Mr. Mark Niranjana Chowdhury
(Nominated by New England Equity Ltd)

Independent Director

Mr. Ratan Sengupta

Mr. Atiar Rahman

Chief Executive Officer

Mr. Mohammad Shirajul Islam

Chief Financial Officer

Mr. Mark Niranjana Chowdhury

Head Of Internal Audit

Mr. Md. Anwar Hossain, FCA

Company Secretary

Mr. Shambhu Chandra Pal





REGISTERED NAME OF THE COMPANY

Generation Next Fashions Limited

LEGAL FORM

Public Limited Company, listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Ltd., having incorporated in Bangladesh under Companies Act, 1994.

SHARE & CORPORATE OFFICE

Building # 348, Road # 05, DOHS Baridhara
Dhaka- 1206, Bangladesh.
Tel : 880-2-8412625, 8411623, 8419210
Fax : 880-2-8416491
web : www.gnf-bd.com
e-mail : share@gnf-bd.com

OPERATIONAL OFFICE & FACTORY

Dhonaid, Earpur, Ashulia, Dhaka.

COMPANY'S REGISTRATION NUMBER:

C-53966, August 19, 2004

LISTING RECOGNITION

Company No: 17454, Trade Code: GENNEXT

AUDITORS

ATA Khan & Co.
Chartered Accountant
67 Motijheel C/A, Dhaka 1000.

LEGAL ADVISOR

Adv. Mohsin Mojumder

Mozumder & Associates
Khan Mansion (2nd floor), 107
Motijheel C/A, Dhaka -1000,
Tel: 02-9567578 Fax : 02-9567578
Court Chamber: Room No. 02 (Ground floor)
16/3, Court House Street, Dhaka-1100
e-mail: mohsinmojumder@yahoo.com

Mr. M. Sakhawat Hossain

Barrister at Law
Advocate, Supreme Court of Bangladesh.

LISTING

Dhaka Stock Exchange Limited.
Chittagong Stock Exchange Ltd.

INSURER

Asia Insurance Limited

BANKERS

Southeast Bank Limited.
National Bank Limited.
IFIC Bank Limited.
Prime Bank Limited.
Exim Bank Limited.
Jamuna Bank Limited.
BRAC Bank Limited.
Social Islamic Bank Limited.

DIRECTORS' PROFILE



TAUHIDUL ISLAM CHAUDHURY
Chairman



RAJIV SETHI
Director



MOHD. AKHTER
Director



JAVED OPGENHAFFEN
Managing Director & Director



MARK NIRANJAN CHOWDHURY
Director



RATAN SENGUPTA
Independent Director



MR. ATIAR RAHMAN
Independent Director

Tauhidul Islam Chaudhury

Chairman

Mr. Chaudhury has 30 years of extensive entrepreneurial and business development experience in successfully steering export oriented Textiles and Clothing manufacturing Industrial and marketing Ventures and Projects in Bangladesh and in the USA. He successfully pioneered one of the first Bangladeshi Garment Import Houses in New York in since 90s and marketed clothing from Bangladesh and Kenya to US retailers and wholesalers.

He has over 21 years of leadership experience in RMG buying and marketing business in Bangladesh exporting the widest variety of woven and knitted RMG to the US and European markets. He also has about 21 years of professional knowledge in human resource management, social and ethical standards for global RMG sector.

Rajiv Sethi

Director

Mr. Sethi is an Indian national resident in Bangladesh. He has been associated with the Garment Textile sector since 1989. He has a vast experience in the field of sales, merchandising, manufacturing, sourcing of both woven and knit RMG products for exporting to United and European markets for retailers from various countries as Kenya, Jordan, Pakistan, India, UAE, Bangladesh and China, etc. After his graduation from Delhi University, Mr. Sethi has Diploma in Fashion Designing from IIFT New Delhi.

Mohd. Akhter

Director

Mr. Akhter is a well-known industrialist in Bangladesh. He has an experienced background in the textile industry for over 31 years. His experience includes the management of textile enterprises such as GMG Industrial Corporation Ltd, Palash Industrial Enterprise Ltd. and Rahim Textile. He is also very active in the real estate and trading sectors in Bangladesh.

Javed Oppenhaffen

Managing Director & Director

Mr. Javed Oppenhaffen graduated in management from Queen Mary, University of London and in Employment relations from London School of Economics and Political Science. He joined Generation Next Fashions Limited in 2008 as Chief Executive Officer. Later on he was appointed as the Managing Director of the company. He was also a director of A.J. Corporation Limited. Prior to joining GNFL, Mr. Oppenhaffen worked as a Management Trainee at Deutsche Bank GMBH, London.

Mark Niranjana Chowdhury

Director

(Nominated by New England Equity Limited.)

Mr. Mark Niranjana Chowdhury is a service holder in Generation Next Fashions Limited. He has an experience in the Banking sector for over 14 years. He has worked with Muslim Commercial Bank Limited, Dhaka Branch (a Pakistan based bank) and then he has served with Bank Asia Limited about 10 years and during the last 4 years he was a Bank Manager. Presently he is working with GNFL as a Chief Financial Officer (CFO)

Ratan Sengupta

Independent Director

Mr. Ratan Sengupta is a dynamic asset of the company.

Mr. Atiar Rahman

Independent Director

Mr. Atiar Rahman is a dynamic asset of the company.

CHAIRMAN'S MESSAGE

Dear Valued Shareholders

It is indeed a great honour and privileges for me to greet you all, once again, to this 11th annual General Meeting of your Company. It also gives me immense pleasure to place before you the Annual report along with the audited accounts of your company and auditors and directors report thereon for the year 2014.

Business Condition:

2014 experienced yet another successful year both in terms of sales and profitability despite the volatile political situation and economy of the country. We were able to overcome all odds situation prevailed during the year.

Financial aspects:

- ◆ Sales revenue has been increased by 22.10 % compared to last year;
- ◆ Net profit before tax has been increased by 36.35 % compared to last year;
- ◆ Net Assets Value Per Share has gone up to Tk.14.04 per share;
- ◆ Total assets rose up to Tk.541.36 Crore.

Human resources:

The achievement would not have been possible without the dedication and commitment of our employees who are the foundation and the backbone of our company.

Conclusion:

Here I would like to take this opportunity on behalf of the Board of Directors and express my deepest appreciation to all our valued customers for their confidence in our product, to the employees for their tireless work effort, to the suppliers for their quality goods, to the fellow honourable shareholders and most for their continuous support and interest for the welfare of the company. We however hope that the same support from all Stack Holders are to continue in the coming year.

Thank you all.



Chairman of the Board



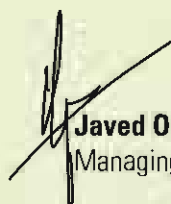
Mr. Tauhidul Islam Chaudhury
Chairman

MANAGING DIRECTOR'S MESSAGE

Dear Shareholders

It is with great pleasure that I welcome you on behalf of the Board of Directors to the 11th Annual General Meeting of your company. The Annual Report containing audited accounts and directors' and auditors reports thereon for the year ended 31st December 2014 has already been dispatched to you for your kind perusal. I am also pleased to report that your company has earned a net profit of Tk.497,770,969 against Tk.363,586,330 the previous year, constituting profit growth of 36.91%. During this period, sales revenue of the company has increased from Tk.2,133,758,830 in 2013 to 2,605,271,479 in 2014, the financial year under review. The consistent growth in sales and profits is a testament to the resolve and hard work of the management.

Looking ahead we are striving to produce more value added products in the year ahead to enhance our retention and maximize profitability. Our sector has faced various external difficulties recently with political turmoil, enhanced compliance standards from customers, new regulations in regard to building and fire safety, negative publicity due to political instability, increase in minimum wages, among others. To offset these difficulties and augmented costs, the management is striving to make operations more efficient. We thank you for your continued support and are working for further growth in coming days. I would also take this opportunity to express my gratitude to Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Ltd., Central Depository Bangladesh Limited and all regulatory bodies for the cooperation and support.



Javed Opgenhaffen
Managing Director



Javed Oppenhaffen
Managing Director

DIRECTORS' REPORT

Dear Shareholders

On behalf of the Board of Directors of Generation Next Fashions Limited, I have the pleasure to welcome you all to the 11th Annual General Meeting of the company. We are pleased to submit before you the operational activities and Audited Financial Statements for the year ended December 31, 2014 as approved by the Board of Directors.

Background

The textile sector is at the forefront of the Bangladesh industrial arena. More than 80% of the nation's export is derived from this sector. Generation Next Fashions, as vertically integrated fabric and Apparel Company, is looking to tap into the rising demand and manufacture products in a more efficient manner. We are now looking to enhance value addition to retain maximum profits and our marketing strategy is looking for better customers in the days ahead. We have all the latest technologies and machinery to manufacture for the top retailers in the world.

Business Activities and Contribution to National Economy

The company has earned Tk.2.605 billion in foreign exchange in the year 2014 as against Tk.2.134 billion in 2013. This is significant as we are a 100% export oriented firm and revenues are generated in foreign currency. We also purchase our raw materials in US dollars. The fact that we generated revenues through exports earnings is a testament to the company's contribution to the national economy.

Industry outlook and possible future developments in the industry.

The major challenges for the year 2015 will be inflation, high cost of funding and export order devastation. Despite the challenge Generation Next Fashions Limited will continue to look into its potentials and development options with its business strategy. Corporate image, professionalism and product quality growth with enhanced buyer will be priority.

Segment-wise or product-wise performance.

| Particulars | Capacity | Actual Production During 2014 | Capacity Utilization |
|-------------|------------------|-------------------------------|----------------------|
| Garments * | 1,500,000 Dozens | 1,368,946 Dozens | 91.00% |
| Fabrics | 5,000 MT | 3,750 MT | 75.00% |
| Dyeing | 5,000 MT | 3,750 MT | 75.00% |

Reason: Actual Production as per market demand.

*Based on present product mix.

Risks and Concerns.

1. Exchange Rate Risk

Exchange rate risk occurs due to changes in exchange rates. As the Company imports equipment from abroad and also earns revenue in foreign currency, unfavorable volatility or currency fluctuations may affect the profitability of the Company. If exchange rate is increased against local currency, opportunity will be created for generating more profit.



Management Perception:

The exchange rate of US Dollar against BDT in the country has traditionally witnessed upward trends, which makes ample opportunity for increasing revenue from exports. On the other hand, appreciation of local currency against US Dollar will reduce the import cost of the Company. Therefore, change in exchange rate in both ways offsets the risk of deflating profitability of GNFL.

2. Industry Risks:

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

Management Perception:

The company continuously carries out research and development (R&D) to keep pace with the customer choices and fashions. The industry has successfully coped with the post MFA (Multi-Fiber Agreement) competitive situation. The force, which is helping the sector in its strong existence, is emergence of the backward linkage industry. Backward linkage industries are supporting manufacturers in minimizing lead-time and cost of production.

3. 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 increase their customer base.

Management Perception:

The company has set its focus only on the export market. The management is trying to sell through direct contacts with the existing customers in selected regions by understanding their needs. The company also has established a relationship with potential buyers across the world and expects to find market for its capacity despite competition prevailing in the sector.

4. Technology Related Risks Potential

Technology always plays a vital role for each and every type of business. Better technology can increase productivity and reduce costs of production. Firms are exposed to technology risks when there are better technologies available in the market than the one used by the company which may cause technological obsolescence and negative operational efficiency.





Management Perception:

The Company is aware of technological changes and has adopted new technology according to its needs. Furthermore, routine and proper maintenance of equipments carried out by the company ensures longer service life for the existing equipment and facilities.

5. Potential or Existing Government Regulations

The Company operates under the Company's Act 1994 and other related regulations, Income Tax Ordinance 1984, Income Tax Rules 1984, Customs Act, 1969, Value Added Tax (VAT) Act 1991 and Value Added Tax (VAT) Rules 1991. Any abrupt changes of the policies made by the regulatory authorities may adversely affect the business of the Company.

Management Perception:

Unless any adverse policies are made, which may materially affect the industry as a whole; the business of the company will not be affected. Government emphasizes on the growth of Textile Industry to boost the export of textile products. Yet the promoters and the sponsors have to convince the policy makers for adopting favorable terms and conditions, which will eventually help the textile manufacturers of Bangladesh to compete with the low cost locations in the global arena.

6. Changes in Global or National Policies

The performance of the Company may be affected due to unavoidable circumstances both in Bangladesh and world-wide, such as war, tourism, political unrest in the country or customer countries. Changes in global or national policies may also adversely affect the economy in general.

Management Perception:

The Company has customers from various countries of the world to reduce the risk. The management of the company is always concerned about the prevailing and upcoming changes in the global and national policy and shall take any corrective actions as required in future.

Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin:

Cost of Goods sold has slightly compared to last year due to sales volume increasing, currency exchange rate and quality of raw material variance. As a result, Gross Profit in 2014 stood at Tk.72.80 crore compared to 67.14 crore in 2013

Discussion on continuity of any Extra-Ordinary gain or loss.

There is no extra-ordinary gain or loss in the financial statements under report except Tk.37,559,431/-interest from bank deposit against IPO refund amount and rights issue fund etc..

Related Party Transactions

There were no related party transactions, except regarding share capital, during the year ended December 31, 2014.

Utilization of proceeds from public issues, rights issues and/or through any others Instruments.

The Company raise up fund through rights issue 112,478,400 shares @ tk.10/- each totaling Tk.1,124,784,000/- in 2014 . The raised fund thereby has processing to utilize and has been reported to regulators quarterly.

An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.

No deterioration of financial result during the year

Significant variance between Quarterly Financial performance and Annual Financial Statements

No significant variations have occurred between Quarterly and final financial results of the Company during the year under report.

Remuneration to Directors including Independent Directors.

Remuneration paid during the year is given in notes no.36 in this Annual Report and there is no pay to Directors attendant fee regarding Board meeting.

The Financial Statements prepared by the management of Generation Next Fashions Limited fairly present its state of affairs, the result of its operations, cash flows and changes in its equity.

Proper books of account of Generation Next Fashions Limited have been maintained.



Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.

International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed.

The system of internal control is sound in design and has been effectively implemented and monitored. There are no significant doubts upon the issuer company's ability to continue as a going concern.

Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.

Net profit has increased in 2014 compared to last year due to sales volume increased, quality of raw material variance and financial expenses decreased.

FINANCIAL HIGHLIGHTS

Value in Crore Taka

| Particulars | 2014 | 2013 | 2012 | 2011 | 2010 |
|------------------------------|--------|--------|--------|--------|--------|
| Turnover | 260.53 | 213.38 | 167.41 | 139.36 | 128.95 |
| Gross Profit | 72.81 | 67.15 | 55.15 | 31.11 | 26.85 |
| Operating Profit | 63.13 | 58.30 | 46.71 | 21.60 | 16.97 |
| Net Profit/(Loss) | 49.78 | 36.36 | 28.21 | 18.24 | 9.38 |
| Earnings Per Share (in Taka) | 1.54 | 2.15 | 2.01 | 2.09 | 2.68 |
| Net Non-Current Assets | 309.56 | 298.18 | 269.77 | 226.72 | 171.80 |

FIVE YEARS' SIGNIFICANT RATIOS

| Particulars | 2014 | 2013 | 2012 | 2011 | 2010 |
|------------------------------------|------|------|------|------|------|
| Liquidity Ratios: | | | | | |
| Current Ratio | 2.86 | 1.04 | 1.06 | 1.06 | 1.12 |
| Quick Ratio | 1.92 | 0.61 | 0.61 | 0.52 | 0.67 |
| Debt Equity Ratio | 0.19 | 0.52 | 0.56 | 0.66 | 1.56 |
| Operating Ratios: | | | | | |
| Accounts Receivable Turnover Ratio | 111 | 106 | 110 | 104 | 104 |
| Inventory Turnover Ratio | 2.76 | 2.54 | 2.10 | 2.45 | 3.17 |
| Asset Turnover Ratio | 0.48 | 0.48 | 0.42 | 0.42 | 0.49 |
| Profitability Ratios: | | | | | |
| Gross Profit Margin Ratio | 0.28 | 0.31 | 0.33 | 0.22 | 0.21 |
| Operating Profit Margin Ratio | 0.24 | 0.27 | 0.28 | 0.15 | 0.13 |
| Net Profit Margin Ratio | 0.19 | 0.17 | 0.17 | 0.13 | 0.07 |
| Return on Assets Ratio | 0.09 | 0.08 | 0.07 | 0.05 | 0.04 |
| Return on Equity Ratio | 0.11 | 0.12 | 0.11 | 0.09 | 0.09 |
| Earnings Per Share | 1.54 | 2.15 | 2.01 | 2.09 | 2.68 |
| Earning Per Share – Diluted | 1.54 | 1.12 | 0.87 | 0.56 | 0.29 |

If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.

The Board of Directors of the company has recommended stock dividend of 15% for the year ended December 31, 2014.

The number of Board meetings held during the year and attendance by each director shall be disclosed.

The Board of Directors had 19 meetings during the year ended December 31, 2014. Name of the Directors and number of meetings attended are given below:

| | |
|--|----|
| Mr. Tauhidul Islam Chaudhury | 18 |
| Mr. Javed Opgenhaffen | 19 |
| Mr. Rajiv Sethi | 17 |
| Mr. Mohd Akhter | 18 |
| Mr. Mark Niranjan Chowdhury (Nominated by New England Equity Limited) | 17 |
| Mr. Ratan Sengupta | 16 |
| Mr. Atiar Rahman | 16 |

Whenever Directors could not attend the meetings, they were granted leave of absence.

Shareholding Pattern

| Pattern of Shareholding as at 31 December 2014 | | |
|--|---|-------------------|
| Sl. No. | Shareholder's Group | No. of Share Held |
| i) | Share held by Parent/Subsidiary/Associated Company etc. | Nil |
| ii) | Shares held by Directors: | |
| | Mr. Tauhidul Islam Chaudhury, Chairman | 16,600,152 |
| | Mr. Javed Opgenhaffen, Managing Director | 17,994,340 |
| | Mr. Mohd. Akhter, Director | 22,490,222 |
| | Mr. Rajiv Sethi, Director | 6,467,508 |
| | New England Equity Limited, Director | 35,807,500 |
| iii) | Executives | NIL |
| iv) | Shareholders who are holding 10% or more voting right: | |
| | New England Equity Limited | 35,807,500 |

Directors' Election and Re-Appointment

Mr. Javed Opgenhaffen and Mr. Mohd. Akhter retired by rotation at this AGM and being eligible offered themselves for re-election under Article 128 of the company's Articles of Association. Mr. Ratan Sengupta, Independent Director, shall retire on November 17, 2015 and being eligible offered himself for renewal for another term, i.e., upto November 17, 2018.

Financial Results

The company's financial results for the year ended December 31, 2014 with recommendation of appropriations are as follows:

| | |
|--|-------------------|
| Net Profit for the year 2014 : | Tk. 497,770,969 |
| Profit Brought Forwarded: | Tk. 528,709,485 |
| Depreciation on Revaluation Surplus: | Tk. 9,567,118 |
| Bonus Share Issued for the year 2013 : | Tk. (421,794,000) |
| Profit Available for Appropriation : | Tk. 614,253,572 |
| Appropriations: | |
| Proposed Stock Dividend: | Tk. 485,063,100 |
| Transferred to Retained Earnings: | Tk. 129,190,472 |





BOARD OF DIRECTORS

Mr. Tauhidul Islam Chaudhury
 Mr. Javed Opgenhaffen
 Mr. Mohd. Akhter
 Mr. Mark Niranjana Chowdhury (nominee of New England Equity Ltd.)
 Mr. Rajiv Sethi
 Mr. Ratan Sengupta
 Mr. Atiar Rahman

AUDITORS

The present auditors, Ata Khan & Co., will retire at this Annual General Meeting and being eligible, offered themselves for re-election for the year to December 31, 2015.

BUSINESS EXPANSION

The company plans to use its already expanded capacity to enhance turnover and profitability during the years 2015 and 2016.

INSURANCE COVERAGE

The company has comprehensive insurance covering all risks including fire, business interruption, natural disaster, third party liability, etc.

HUMAN RESOURCES

The company employed a total of 3203 people as of December 31, 2014. Currently, the management believes that it can reduce manpower and enhance exports in future and is taking necessary steps in this regard.

RE-ALLOCATION OF RIGHTS ISSUE FUND

The Company earlier raised Rights Issue Fund, Amongst others, for Building and Other Civil Construction at Tk. 30.00 crore. The Company needs land for constructing valuing Tk 3.20 crore. approximately. Shareholders' approval is needed for such re-allocation of Rights Issue Fund from Building and other Civil Construction to Land and Land Development at Tk 3.20 crore.

ACKNOWLEDGEMENT

The Board of Directors would like to thank all the shareholders for their continued support over the past year. I would also like to express gratitude to the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, RJSC&F, CDBL and other business associates for their valuable suggestions, continuous support and co-operation extended during the period in the company. We would like to thank our auditor ATA Khan & Co. Chartered Accountants for their efforts for timely completion of the audit. We also like to thank our bankers, customers, and suppliers for providing the necessary support to enhance our growth and profitability. Lastly, I would like to say that the Board, with the support of the shareholders, would continue to strive to improve the company's operation and profitability in the upcoming year.

With Best Wishes

Tauhidul Islam Chaudhury
 Chairman

S. F. AHMED & CO

Chartered Accountants and Valuers

House # 51(2nd Floor), Road # 09, Block # F, Banani, Dhaka-1213, Bangladesh

Telephones: (8802): 9894346, 9870957, 9894026 and 09610998048

Fax: (8802) 8825135

Email: sfaco@dhaka.net

AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE GUIDELINES BY GENERATION NEXT FASHIONS LIMITED

We, based on our examination of the books, records, systems and procedures of GENERATION NEXT FASHIONS LIMITED, certify in terms of Condition 7 the Commission's Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 that the Company complies with the conditions specified in the aforesaid Notification, as can be noted below:

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|---|---|--------------|------------------|
| | | Complied | Not complied | |
| 1.1 | BOARD OF DIRECTORS: Board's Size: The number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty). | ✓ | | |
| 1.2 | Independent Directors | | | |
| 1.2(i) | At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors. | ✓ | | |
| 1.2 (ii) (a) | Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company. | ✓ | | |
| 1.2 (ii) (b) | Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company. | ✓ | | |
| 1.2 (ii) (c) | Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies. | ✓ | | |
| 1.2 (ii) (d) | Who is not a member, director or officer of any stock exchange. | ✓ | | |
| 1.2 (ii) (e) | Who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market. | ✓ | | |
| 1.2 (ii) (f) | Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm. | ✓ | | |
| 1.2 (ii) (g) | Who shall not be an independent director in more than 3 (three) listed Companies. | ✓ | | |
| 1.2 (ii) (h) | Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI). | ✓ | | |
| 1.2 (ii) (i) | Who has not been convicted for a criminal offence involving moral turpitude. | ✓ | | |
| 1.2 (iii) | The Independent Director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM). | ✓ | | |



CERTIFICATE ON COMPLIANCE

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|---|---|--------------|------------------|
| | | Complied | Not complied | |
| 1.2 (iv) | The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; | ✓ | | |
| 1.2 (v) | The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded. | ✓ | | |
| 1.2 (vi) | The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only. | ✓ | | |
| 1.3 | Qualification of Independent Director (ID) | | | |
| 1.3 (i) | Independent Director shall be acknowledged as an individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business. | ✓ | | |
| 1.3 (ii) | The person should be a Business Leader/Corporate Leader/Bureaucrat/ University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences. | ✓ | | |
| 1.3 (iii) | In special cases the above qualifications may be relaxed subject to prior approval of the Commission | | | Not Applicable |
| 1.4 | Chairman of the Board and Chief Executive Officer (CEO): The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer. | ✓ | | |
| 1.5 | The Directors' Report to Shareholders | | | |
| 1.5 (i) | Industry outlook and possible future developments in the industry. | ✓ | | |
| 1.5 (ii) | Segment-wise or product-wise performance. | ✓ | | |
| 1.5 (iii) | Risk and concerns. | ✓ | | |
| 1.5 (iv) | A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit. | ✓ | | |
| 1.5 (v) | Discussion on continuity of any Extra-Ordinary gain or loss. | ✓ | | |
| 1.5 (vi) | Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report. | ✓ | | |
| 1.5 (vii) | Utilization of proceeds from public issues, rights issues and/or through any others Instruments. | ✓ | | |
| 1.5 (viii) | An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc. | | | Not Applicable |
| 1.5 (ix) | If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report. | | | Not Applicable |
| 1.5 (x) | Remuneration to directors including independent directors. | ✓ | | |
| 1.5 (xi) | The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity. | ✓ | | |
| 1.5 (xii) | Proper books of account have been maintained. | ✓ | | |



| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|--|---|--------------|--|
| | | Complied | Not complied | |
| 1.5 (xiii) | Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment. | ✓ | | |
| 1.5 (xiv) | International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed. | ✓ | | |
| 1.5 (xv) | The system of internal control is sound in design and has been effectively implemented and monitored. | ✓ | | |
| 1.5(xvi) | There are no significant doubts upon the company's ability to continue as a going concern. | ✓ | | |
| 1.5 (xvii) | Significant deviations from the last year's operating results of the company shall be highlighted and the reasons thereof should be explained | ✓ | | |
| 1.5 (xviii) | Key operating and financial data of at least preceding 5 (five) years are summarized. | ✓ | | |
| 1.5 (xix) | If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given. | ✓ | | Not Applicable, as the Company declared stock dividend @ 15% for the year 2014 |
| 1.5 (xx) | The number of Board meetings held during the year and attendance by each director. | ✓ | | |
| 1.5 (xxi) | The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:- | | | |
| 1.5 (xxi) a) | Parent/Subsidiary/Associated Companies and other related parties (name wise details). | ✓ | | |
| 1.5 (xxi) b) | Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details) | ✓ | | |
| 1.5 (xxi) c) | Executives. | ✓ | | |
| 1.5 (xxi) d) | Shareholders holding ten percent (10%) or more voting interest in the company (name wise details). | ✓ | | |
| 1.5 (xxii) | In case of the appointment/ re-appointment of a director the company shall disclose the following information to the shareholders:- | | | |
| 1.5 (xxii) a) | A brief resume of the directors. | ✓ | | |
| 1.5(xxii) b) | Nature of his/her expertise in specific functional areas; | ✓ | | |
| 1.5(xxii) c) | Names of companies in which the person also holds the directorship and the membership of committees of the board. | ✓ | | |
| 2.0 | Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS): | | | |
| 2.1 | Appointment: The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS. | ✓ | | |



| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|--|---|--------------|------------------|
| | | Complied | Not complied | |
| 2.2 | Requirement to attend the Board Meetings: The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters. | ✓ | | |
| 3.0 | AUDIT COMMITTEE: | | | |
| 3 (i) | The company shall have an Audit Committee as a sub-committee of the Board of Directors. | ✓ | | |
| 3 (ii) | The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. | ✓ | | |
| 3. (iii) | The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing. | ✓ | | |
| 3.1 | Constitution of the Audit Committee | | | |
| 3.1 (i) | The Audit Committee shall be composed of at least 3 (three) members. | ✓ | | |
| 3.1 (ii) | The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director. | ✓ | | |
| 3.1 (iii) | All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience. | ✓ | | |
| 3.1 (iv) | Fill the casual vacancy in audit department. | ✓ | | |
| 3.1 (v) | The company secretary shall act as the secretary of the Committee. | ✓ | | |
| 3.1 (vi) | The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director. | ✓ | | |
| 3.2 | Chairman of the Audit Committee | | | |
| 3.2 (i) | The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director. | ✓ | | |
| 3.2 (ii) | Chairman of the audit committee shall remain present in the Annual General Meeting (AGM). | ✓ | | |
| 3.3 | Role of Audit Committee | | | |
| 3.3 (i) | Oversee the financial reporting process. | ✓ | | |
| 3.3 (ii) | Monitor choice of accounting policies and principles. | ✓ | | |
| 3.3 (iii) | Monitor Internal Control Risk management process. | ✓ | | |
| 3.3 (iv) | Oversee hiring and performance of external auditors. | ✓ | | |
| 3.3 (v) | Review along with the management, the annual financial statements before submission to the board for approval. | ✓ | | |
| 3.3 (vi) | Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval. | ✓ | | |
| 3.3 (vii) | Review the adequacy of internal audit function. | ✓ | | |
| 3.3 (viii) | Review statement of significant related party transactions submitted by the Management. | ✓ | | |
| 3.3 (ix) | Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors. | ✓ | | |



| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|---|---|--------------|---------------------------------------|
| | | Complied | Not complied | |
| 3.3 (x) | Disclosure regarding utilization of IPO/RPO, Right Issue fund to the Audit Committee. | ✓ | | |
| 3.4 | Reporting of the Audit Committee | | | |
| 3.4.1 | Reporting to the Board of Directors | | | |
| 3.4.1 (i) | The Audit Committee shall report on its activities to the Board of Directors. | ✓ | | |
| 3.4.1 (ii) | The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:- | ✓ | | |
| 3.4.1 (ii) a) | Report on conflicts of interests; | | | Not Applicable as no such event found |
| 3.4.1 (ii) b) | Suspected or presumed fraud or irregularity or material defect in the internal control system; | | | Not Applicable as no such event found |
| 3.4.1 (ii) c) | Suspected infringement of Laws including securities related Laws, rules and regulations. | | | Not Applicable as no such event found |
| 3.4.1 (ii) d) | Any other matter which shall be disclosed to the Board of Directors immediately. | | | Not Applicable as no such event found |
| 3.4.2 | Reporting to the Authorities: If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier. | | | Not Applicable as no such event found |
| 3.5 | Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer Company. | | | Not Applicable as no such event found |
| 4.0 | EXTERNAL/STATUTORY AUDITORS: The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:- | ✓ | | |
| 4.0 (i) | Appraisal or valuation services or fairness opinions. | ✓ | | |
| 4.0 (ii) | Financial information systems design and implementation. | ✓ | | |
| 4.0 (iii) | Book-keeping or other services related to the accounting records or financial statements. | ✓ | | |
| 4.0 (iv) | Broker-dealer services. | ✓ | | |
| 4.0 (v) | Actuarial services. | | | Not Applicable |
| 4.0 (vi) | Internal Audit Services | ✓ | | |
| 4.0 (vii) | Any other services that Audit Committee determines. | ✓ | | |
| 4.0 (viii) | No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company. | ✓ | | |
| 4.0 (ix) | Audit/certification services on compliance of corporate governance as required under clause (i) of condition No.7 | ✓ | | |



| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|--|---|--------------|------------------|
| | | Complied | Not complied | |
| 5.0 | SUBSIDIARY COMPANY | | | |
| 5 (i) | Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company. | | | Not Applicable |
| 5 (ii) | At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company. | | | Not Applicable |
| 5 (iii) | The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company. | | | Not Applicable |
| 5 (iv) | The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also. | | | Not Applicable |
| 5 (v) | The Audit Committee of the holding company review the financial statements, in particular the investments made by the subsidiary company. | | | Not Applicable |
| 6.0 | Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO): The CEO and CFO shall certify to the Board that:- | | | |
| 6.0 (i) | They have reviewed financial statements for the year and that to the best of their knowledge and belief: | ✓ | | |
| 6. (i) a) | These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading: | ✓ | | |
| 6. (i) b) | These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws. | ✓ | | |
| 6. (ii) | There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct | ✓ | | |
| 7.0 | Reporting and Compliance of Corporate Governance: | | | |
| 7 (i) | The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis. | ✓ | ✓ | |
| 7 (ii) | The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions. | ✓ | | |



Dated, Dhaka
May 21, 2015

S. F. Ahmed & Co.

S.F. Ahmed & Co.
Chartered Accountants

CORPORATE GOVERNANCE

The Corporate Governance refers to the processes, structures and information used for directing and overseeing the management of the company. Corporate governance framework establishes the mechanisms for achieving accountability between the Board, senior management and shareholders, while protecting the interests of relevant stakeholders. It also sets out the structure through which the division of power in the organization is determined.

It provides the company to utilize its resources at optimum level. It also provides the Board to do their responsibility with integrity, reliability and transparency which give accountability to the stakeholders.

BOARD COMMITTEES

To maintain good and sound governance within the organization, the Board of Directors formed some special purpose committee, namely

Audit Committee, includes

1. Mr. Ratan Sengupta, Chairman
2. Mr. Mohd. Akhter, Member
3. Mr. Javed Oppenhaffen, Member

Purchase & Procurement Committee, includes

1. Mr. Mohd. Akhter, Chairman
2. Mr. Mark Niranjana Chowdhury, Member
3. Mr. Rajiv Sethi, Member

Operation & Maintenance Committee, includes

1. Mr. Javed Oppenhaffen, Chairman
2. Mr. Rajiv Sethi, Member
3. Mr. Mark Niranjana Chowdhury, Member
4. Mr. Atiar Rahman, Member

SECRETARY

The main goal to form these committees is to assess how to minimize the risk in various sector of operation and how to maximize the performance and how to achieve the ultimate objective of the company. To govern the objectives, governance framework is based on the following principles:

That the Board size is appropriate and the members of the board are aware about their responsibilities and duties;

That the internal control system is sound to avoid error and omission of information and risk management is effective to minimize risk in different level of operation;

That all material information is timely flow to the board and other committees to ensure efficiency of decision making;

That all material information concerning to the capital market will flow to the shareholder as well as to the stakeholders to determine their investment decision;

That all transactions are transparent and accountable;

That all regulatory and statutory rules and regulations are complied with.

BOARD ORGANIZATION & STRUCTURE

a) Role of the Board and its composition

The Directors of the Board are appointed by the shareholders at Annual General Meeting consist of 07 Directors including Independent Directors, who are appointed by the Board. They are responsible for guiding the company to accomplish its ultimate goal set by the shareholders. Roles of the Board are-

- ✦ To ensure proper guidance to the company to achieve its goal;
- ✦ To ensure maintaining good governance throughout the company;
- ✦ To monitor the effectiveness of Internal Control System and risk management;
- ✦ To ensure the optimum utilization of company's resources to achieve maximum profit and also concentrate on minimize cost;
- ✦ To make sure transparency, accountability and timely flow of accounting information;
- ✦ To protect the interest of shareholders and stakeholders as well as the employees of the company;
- ✦ To comply with all regulatory and statutory rules & regulations.

b) Board Meeting

In pursuant with the Articles of Association of the company, the Board meets at least four times in a year and at least once in a quarter when duly called for in writing by a Board member. Dates for Board Meeting in the ensuing year are decided in advance and notice of each Board Meeting is served in writing well in advance.

MANAGEMENT TEAM

The management team is the executive committee of the company who managing the company. The team is lead by the Managing Director of the company and other members are directors of executive committee and key managers throughout the organization. Management team endeavors to achieve the goal of the company set by the Board of Directors.

GNFL believes in integrity, reliability and transparency to the nation by following good, effective and sound corporate governance within the organization. The company also believes, corporate governance can play roles a bridge among the management, the shareholders and the statutory bodies.



FINANCIALS



AUDITORS' REPORT OF GENERATION NEXT FASHIONS LIMITED

We have audited the accompanying Statement of Financial Position of **GENERATION NEXT FASHIONS LIMITED** as of December 31, 2014 and the related Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity together with related notes for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.


Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BASs), give a true and fair view of the state of the Company's affairs as of December 31, 2014 and of the results of its operations and its cash flow for the year then ended and comply with the applicable sections of the Companies Act, 1994, the Securities & Exchange Rules, 1987 and other applicable laws and regulations.

We also report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof,
- In our opinion, proper books of account as required by the law have been kept by the company so far as it appeared from our examination of those books and (where applicable) proper return adequate for the purpose of our audit.
- The Company's Statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of accounts, read in conjunction with the annexed notes and related schedules attached thereto.
- The expenditure incurred was for the Company's business.

Place: Dhaka
Dated: April 27, 2015



ATA KHAN & CO.
Chartered Accountants.

GENERATION NEXT FASHIONS LIMITED

STATEMENT OF FINANCIAL POSITION

As at December 31, 2014

| Particulars | Notes | Amount in Taka | |
|--|-----------|----------------------|----------------------|
| | | 31.12.2014 | 31.12.2013 |
| A. NON-CURRENT ASSETS | | 3,095,641,474 | 2,981,825,157 |
| Property, Plant & Equipment | 16 | 2,029,134,900 | 1,995,020,753 |
| Capital Works-in-Progress | 17 | 1,053,285,685 | 986,804,404 |
| Right Issue Expenses | 18 | 13,220,889 | - |
| B. CURRENT ASSETS | | 2,317,951,416 | 1,456,331,847 |
| Inventories | 19 | 759,643,226 | 600,972,010 |
| Accounts Receivable | 20 | 790,442,582 | 622,040,778 |
| Advances, Deposits and Pre-Payments | 21 | 131,577,378 | 194,161,266 |
| Cash & Cash Equivalents | 22 | 636,288,230 | 39,157,793 |
| C. CURRENT LIABILITIES & PRDVISIONS | | 810,526,813 | 1,396,279,037 |
| Accounts & Other Payables | 23 | 13,475,912 | 14,142,541 |
| Accrued Expenses | 24 | 174,984,075 | 160,113,707 |
| Bank Overdraft | 25 | 44,495,303 | 47,007,397 |
| Short Term Bank Credits | 26 | 401,189,329 | 992,844,754 |
| Deferred L/C Liabilities | 27 | 50,892,003 | 61,359,740 |
| Share Money Refundable | 28 | 2,467,360 | 2,424,238 |
| Current Maturity of Long Term Loans | 29 | 123,022,831 | 118,386,660 |
| D. NET CURRENT ASSETS (B-C) | | 1,507,424,603 | 60,052,810 |
| E. NET ASSETS (A+D) | | 4,603,066,077 | 3,041,877,967 |
| F. SHAREHOLDERS' EQUITY | | 4,541,610,790 | 2,919,055,821 |
| Share Capital | 30 | 3,233,754,000 | 1,687,176,000 |
| Share Premium | | 250,000,000 | 250,000,000 |
| Revaluation Surplus | 31 | 443,603,218 | 453,170,336 |
| Retained Earnings | 32 | 614,253,572 | 528,709,485 |
| G. LONG TERM LOAN | 33 | 61,455,287 | 122,822,146 |
| H. LIABILITIES & SHAREHOLDERS' EQUITY (F+G) | | 4,603,066,077 | 3,041,877,967 |
| Net Assets Value Per Share (NAVPS) | | 14.04 | 9.03 |

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


Managing Director


Director


Chief Executive Officer

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

Dated, Dhaka; April 27, 2015


ATA KHAN & CO.
Chartered Accountants

GENERATION NEXT FASHIONS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2014

| Particulars | Notes | Amount in Taka | |
|--|-----------|----------------------|----------------------|
| | | 31.12.2014 | 31.12.2013 |
| Sales Revenue | 34 | 2,605,271,479 | 2,133,758,830 |
| Sub-Contract Revenue | | - | 5,831,905 |
| Total Revenue | | 2,605,271,479 | 2,139,590,735 |
| Less: Cost of Goods Sold | 35 | 1,877,220,456 | 1,468,113,087 |
| Gross Profit | | 728,051,023 | 671,477,648 |
| Less: Administrative & Selling Expenses | 36 | 96,798,319 | 88,459,180 |
| Operating Profit | | 631,252,704 | 583,018,468 |
| Add: Other Income | 37 | 63,893,263 | 20,417,098 |
| | | 695,145,967 | 603,435,566 |
| Less: Financial Expenses | 38 | 146,140,828 | 200,777,586 |
| Net Profit Before Tax and WPWFs | | 549,005,139 | 402,657,980 |
| Less: Workers' Participation/Welfare Funds | | 26,143,102 | 19,174,190 |
| Net Profit Before Tax | | 522,862,037 | 383,483,790 |
| Less: Provision for Income Tax | 39 | 25,091,068 | 19,897,460 |
| Net Profit After Tax | | 497,770,969 | 363,586,330 |
| Earning Per Share (Weighted) | 40 | 1.76 | 1.28 |
| Earning Per Share (Fully Diluted) | 41 | 1.54 | 1.12 |
| EPS From Recurring Income (Weighted) | 42 | 1.63 | 1.26 |
| EPS From Recurring Income (Fully Diluted) | 43 | 1.42 | 1.11 |
| EPS From Non-Recurring Income (Weighted) | 44 | 0.13 | 0.02 |
| EPS From Non-Recurring Income (Fully Diluted) | 45 | 0.12 | 0.02 |

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


Managing Director


Director


Chief Executive Officer

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

Dated, Dhaka; April 27, 2015


ATA KHAN & CO.
Chartered Accountants


STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2014

(Amount in Taka)

| Particulars | Share Capital | Share Premium | Retained Earnings | Revaluation Surplus | Total |
|-------------------------------------|----------------------|--------------------|--------------------|---------------------|----------------------|
| For 2013 | | | | | |
| Balance at January 01, 2013 | 1,405,980,000 | 250,000,000 | 436,382,864 | 463,106,627 | 2,555,469,491 |
| Depreciation on Revaluation Surplus | - | - | 9,936,291 | (9,936,291) | - |
| Net Profit for the year | - | - | 363,586,330 | - | 363,586,330 |
| Issue of Bonus Shares | 281,196,000 | - | (281,196,000) | - | - |
| Balance at December 31, 2013 | 1,687,176,000 | 250,000,000 | 528,709,485 | 453,170,336 | 2,919,055,821 |
| For 2014 | | | | | |
| Balance at January 01, 2014 | 1,687,176,000 | 250,000,000 | 528,709,485 | 453,170,336 | 2,919,055,821 |
| Issue of Rights Share | 1,124,784,000 | - | - | - | 1,124,784,000 |
| Depreciation on Revaluation Surplus | - | - | 9,567,118 | (9,567,118) | - |
| Net Profit for the year | - | - | 497,770,969 | - | 497,770,969 |
| Issue of Bonus Shares | 421,794,000 | - | (421,794,000) | - | - |
| Balance at December 31, 2014 | 3,233,754,000 | 250,000,000 | 614,253,572 | 443,603,218 | 4,541,610,790 |

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



Managing Director



Director



Chief Executive Officer

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

Dated, Dhaka; April 27, 2015



ATA KHAN & CO.

Chartered Accountants

GENERATION NEXT FASHIONS LIMITED

STATEMENT OF CASH FLOW

For the year ended December 31, 2014

| Particulars | Notes | Amount in Taka | |
|--|-------|----------------------|----------------------|
| | | 31.12.2014 | 31.12.2013 |
| A. CASH FLOWS FROM OPERATING ACTIVITIES: | | 296,599,647 | 277,525,127 |
| Cash Received from Customers and Other Income | | 2,500,762,938 | 2,042,322,558 |
| Cash Paid for Materials, Expenses and Services | | (2,185,067,936) | (1,746,547,301) |
| Income Tax Paid/(Deducted) | | (19,095,355) | (18,250,130) |
| B. CASH FLOWS FROM INVESTING ACTIVITIES: | | (173,398,125) | (338,300,444) |
| Acquisition of Fixed Assets | | (90,390,733) | (302,860,692) |
| Expenditures for Capital Work-in-Progress | | (66,481,281) | (35,439,752) |
| Right Issue Expenses | | (16,526,111) | - |
| C. CASH FLOWS FROM FINANCING ACTIVITIES: | | 473,928,915 | 56,708,840 |
| Bank Overdraft Received/(Repaid) | | (2,512,094) | 569,113 |
| Issue of Rights Shares Issue | | 1,124,784,000 | - |
| Short Term Bank Credit Received/(Repaid) | | (591,655,425) | 125,980,445 |
| Long Term Loan (Repaid) | | (56,730,688) | (39,741,366) |
| Share Money Deposit Received/ (Adjusted) | | 43,122 | (30,099,352) |
| D. Net Increase/(Decrease) in cash & cash equivalents (A+B+C) | | 597,130,437 | (4,066,477) |
| E. Cash & Cash equivalents at the beginning of the year | | 39,157,793 | 43,224,270 |
| F. Cash & Cash equivalents at the end of the year (D+E) | | 636,288,230 | 39,157,793 |
| Operating Cash Flow Per Share | | 0.09 | 0.09 |



Managing Director



Director



Chief Executive Officer

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

Dated, Dhaka; April 27, 2015



ATA KHAN & CO.
Chartered Accountants

ACCOUNTING POLICIES AND EXPLANATORY NOTES

For the year ended December 31, 2014

01. Corporate Business

Generation Next Fashions Limited was incorporated in Bangladesh under the Companies Act, 1994 vide Certificate of Incorporation No-C-53966(661)/2004 dated August 19, 2004, to carry out business of spinning, weaving, manufacturing of textile, various types of ready-made garments of international standard and design. The Company was converted from private company into public company on September 19, 2010 and registered office situated at Building # 348, Road # 05, DOHS Baridhara, Dhaka-1206.

02. Corporate Financial Statements and Reporting

This comprises Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, notes and explanatory materials covering accounting policies.

This is prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1994; Securities and Exchange Rules, 1987; and the International Accounting Standards (IASs)/ International Financial Reporting Standards (IFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and as applicable to this Company.

The Board of Directors are responsible for preparing and presenting the financial statements including adequate disclosures, who approved and authorized for issue of these financial statements.

The preparation of the financial statements in conformity with the Bangladesh Accounting Standards (BASs)/ Bangladesh Financial Reporting Standards (BFRSs) requires Board of Directors to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities at the date of the reporting period. Due to the inherent uncertainty involved in making estimates, actual results reported could differ from those estimates.

03. Fundamental Accounting Concepts/ Assumption

The financial statements have been prepared based on Going concern, Consistency and Accrual concepts and such other convention as required by BAS-1 for fair presentation of financial statements.

04. Going Concern

The Company has adequate resources to continue its operation for the foreseeable future. For this reason, the directors continue to adopt going concern basis in preparing the accounts and financial statements. The current credit facilities and resources of the Company provides sufficient fund to meet the present requirements of its existing business.

05. Corporate Accounting Standards Practiced

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

| | |
|--------|--|
| BAS 1 | Presentation of Financial Statements |
| BAS 2 | Inventories |
| BAS 7 | Cash Flow Statement |
| BAS 10 | Events after the Reporting Period |
| BAS 12 | Income Taxes |
| BAS 16 | Property, Plant And Equipment |
| BAS 18 | Revenue |
| BAS 19 | Employee Benefits |
| BAS 21 | The Effects of Changes in Foreign Exchange Rates |
| BAS 23 | Borrowing Costs |
| BAS 24 | Related Party Disclosures |
| BAS 33 | Earnings Per Share |
| BAS 34 | Interim Financial Reporting |
| BAS 36 | Impairment of Assets |
| BAS 37 | Provisions, Contingent Liabilities and Contingent Assets |
| BAS 38 | Intangible Assets |

06. Reporting Period

The period of these financial statements covers from January 01, 2014 to December 31, 2014.

07. Provisions

In accordance with the guidelines as prescribed by BAS-37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations:

- when the company has an obligation (legal or constructive) as a result of past events;
- when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- reliable estimates can be made of the amount of the obligation.

08. Segmental Reporting

No segmental reporting is applicable for the company as required by BAS 14: Segment Reporting as the Company operates in a single industry segment and within a single geographical segment.

09. Events after the Reporting Period.

In compliance with the requirements of BAS 10: Events After the Reporting Period that provide additional information about the Company's position at the Statement of Financial Position date are reflected in the financial statements and events after the reporting period date that are not adjusting events are disclosed in the notes when material.

10. Net profit Before Tax

Net profit before tax for the year were not materially affected by:

- Transactions of a nature not usually undertaken by the company;
- Circumstances of an exceptional or non-recurring nature;
- Changes of credits relating to prior years; and
- Changes in accounting policies.

11. Functional and Presentational (Reporting) Currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency. All financial information presented have been rounded off to the nearest Taka except where indicated otherwise.

Figures in brackets indicate deductions.

12. Comparative Information and Rearrangement Thereof

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

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

13. Historical Cost Profit and Losses

There was no revaluation of Fixed Assets during the period under review. However, 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 506,889,888.00

14. Principal Accounting Policies

The specific accounting policies selected and applied by the Company's directors for significant transactions and events that have material effect within the framework of BAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the BAS-1 "Presentation of Financial Statements". The recommendations of BAS-1 relating the format of financial statements were also taken into full consideration for fair presentation.

14.1 Recognition of Tangible Fixed Assets

These are capitalized at cost of acquisition or valuation and subsequently stated at cost less accumulated depreciation. The cost of acquisition comprises of purchase price, including import duties and non-refundable taxes and any directly attributable cost of bringing the assets to its working condition for its intended use. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

There is no intangible asset 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 the net sales proceeds.

14.2 Depreciation of Tangible Fixed Assets

No depreciation is charged on Land & Land development. Depreciation on all other fixed assets is computed using the reducing balance method so as to write off the assets over their expected useful life.

Half-year's depreciation has been charged on additions in respect of date when the related assets are put into use and no depreciation is charged on retirement when the related assets retire.

After considering the useful life of assets as per BAS-16, the annual depreciation rates have been applied as under which are considered reasonable by the management.

| Category of Assets | Rate of Depreciation |
|--------------------|----------------------|
| Building | 2% |
| Plant & Machinery | 5% |
| Vehicles | 10% |
| Other Assets | 10% |

14.3 Amortisation of Intangible Assets

Right Issue Expenses are amounted at 20% (1/5th) each year.

14.4 Impairment of Assets

All fixed assets have been reviewed and it was confirmed that no such fixed assets have been impaired during the year and for this reason, no provision has been made for impairment of assets.

14.5 Revenue Recognition

Revenue are recognised when goods are delivered from the factory godown and delivery challans are issued as per BAS-18.

14.6 Accrued Expenses 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.

14.7 Inventories

Inventories comprises of raw materials, Work-in-Process, Finished goods. Raw materials has been valued at cost. Work-in-Process have been valued at prime cost basis as required by BAS-2 with proportionate addition of Factory Overheads. Finished goods have been valued at the lower of cost and net realizable value basis. Cost is determined by weighted average method.

14.8 Cash and Cash Equivalents

Cash in hand and cash at banks have been considered as Cash and Cash Equivalents for the preparation of these financial statements, which were held and available for use by company without any restriction and there was insignificant risk of changes in value of the same.

14.9 Cash Flow Statement

Cash Flow Statement is prepared principally in accordance with BAS-7 "Cash Flow Statement" and the cash flows from the operating activities have been presented under direct method.

14.10 Borrowing Costs

Financial Expenses (Borrowing Costs) incurred during the year was recognized as revenue expenses in accordance with BAS-23 "Borrowing Cost".

14.11 Income Taxes

Current Taxes are provided for in accordance with BAS 12: "Income Taxes"; and Income Tax Ordinance, 1984. No deferred taxes are incorporated as the Company accounts for its income tax on the basis of "turnover", not "net profit before tax".

14.12 Earnings Per Share

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

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 year has been considered as fully attributable to the ordinary shareholders.

Weighted Average Number of Ordinary Shares Outstanding during the period.

The basis of computation of number of shares is in line with the provisions of BAS-33 : Earnings Per Share. Therefore, the total number of shares outstanding at the end of the year multiplied by a time weighting factor which is the number of days the specific shares were outstanding as a proportion of total number of days in the period.

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

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

(a) Interest rate risks:

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

Management perception:

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

(b) Exchange rate risks:

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

Management perception:

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

(c) Industry risks:

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

Management perception:

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

(d) Market and technology-related risks:

i) Market risks:

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

Management perception:

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

ii) Technology-related Risks:

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

Management perception:

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

(e) Potential or existing government regulations risks:

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

Management perception:

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

(f) Potential changes in global or national policies:

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

Management perception:

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

(g) Operational Risks:

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

Management perception:

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

(h) Input Cost Risks:

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

16. Property, Plant & Equipment: Tk. 2,029,134,900

| Particulars | Cost or Valuation | | | Rate of Dep. (%) | Depreciation | | | Written down value as on 31.12.2014 |
|-------------------------------|------------------------|---------------------------------------|------------------------|------------------|------------------------|-------------------------|------------------------|-------------------------------------|
| | Balance as on 01.01.14 | Addition or valuation during the year | Balance as on 31.12.14 | | Balance as on 01.01.14 | Charged during the year | Balance as on 31.12.14 | |
| Land & Land Development | 222,985,500 | - | 222,985,500 | - | - | - | - | 222,985,500 |
| Building | 1,237,617,916 | 79,284,652 | 1,316,902,568 | 2% | 64,455,057 | 24,256,104 | 88,711,161 | 1,228,191,407 |
| Plant & Machinery | 764,503,468 | 7,563,969 | 772,067,437 | 5% | 199,844,223 | 28,422,061 | 228,266,284 | 543,801,153 |
| Vehicles | 19,620,415 | - | 19,620,415 | 10% | 8,582,675 | 1,103,774 | 9,686,449 | 9,933,966 |
| Other Assets | 34,623,481 | 3,542,112 | 38,165,593 | 10% | 11,448,072 | 2,494,647 | 13,942,719 | 24,222,874 |
| Total | 2,279,350,780 | 90,390,733 | 2,369,741,513 | - | 284,330,027 | 56,276,586 | 340,606,613 | 2,029,134,900 |
| Total as on 31.12.2013 | 1,976,490,088 | 302,860,692 | 2,279,350,780 | - | 230,185,302 | 54,144,725 | 284,330,027 | 1,995,020,753 |

Amount in Taka

| Particulars | 31.12.2014 | 31.12.2013 |
|--|-------------------|-------------------|
| Depreciation charge during the year | 56,276,586 | 54,144,725 |
| Head of Accounts: | | |
| Factory Overhead (Note: 35.02) | 53,462,757 | 51,437,489 |
| Administrative & Selling Expenses (Note: 36) | 2,813,829 | 2,707,236 |
| Total | 56,276,586 | 54,144,725 |

17 Capital Works-in-Progress

| |
|---------------------------------|
| Buildings |
| Security Building |
| Engineered Steel Building |
| Drain Line |
| Gas Line and other Installation |
| Electrical Installation |
| Water Tanks |
| Deep Tubewell |

Total

Amount in Taka

| 31.12.2014 | 31.12.2013 |
|----------------------|--------------------|
| 1,020,846,770 | 954,365,489 |
| 643,916 | 643,916 |
| 2,527,497 | 2,527,497 |
| 632,545 | 632,545 |
| 13,565,207 | 13,565,207 |
| 13,525,912 | 13,525,912 |
| 628,119 | 628,119 |
| 915,719 | 915,719 |
| 1,053,285,685 | 986,804,404 |

18 Right Issue Expenses

| |
|--|
| Right Issue Expenses for During the Year |
| Less: Amortization @ 20% |

| | |
|-------------------|----------|
| 16,526,111 | - |
| 3,305,222 | - |
| 13,220,889 | - |

19 Inventories

| |
|---|
| Raw Materials (Note-19.1) |
| Work-in-Process (468,804 Kgs; 2013: 370,166 Kgs) |
| Finished Goods (128,972 Dozens; 2013: 108,435 Dozens) |
| Materials in Transit |

Total

| | |
|--------------------|--------------------|
| 256,865,125 | 218,611,478 |
| 216,587,524 | 173,648,104 |
| 250,173,969 | 190,254,600 |
| 36,016,608 | 18,457,828 |
| 759,643,226 | 600,972,010 |

19.1 Raw Materials

| |
|--|
| Yarn (624,975 Kgs; 2013: 520,871 Kgs) |
| Chemicals (311,772 Kgs; 2013: 258,631 Kgs) |
| Accessories |

| | |
|--------------------|--------------------|
| 187,680,193 | 160,845,632 |
| 21,749,210 | 17,586,943 |
| 47,435,722 | 40,178,903 |
| 256,865,125 | 218,611,478 |

20 Accounts Receivables

| |
|-----------------------------------|
| PQS |
| ASDA Stores Limited |
| TESCO Stores Limited |
| TU Clothing |
| Miles Fashions GMBH |
| Primark Stores Limited |
| Impetus Vandillen Asiatex GMBH |
| ALDI |
| ZXY |
| TEXBO |
| PLC |
| Other Receivables (Note: 20.01) |
| Cash Subsidy from the Government. |

Total

| | |
|--------------------|--------------------|
| - | 46,285,765 |
| 34,595,810 | 53,764,710 |
| 74,887,651 | 129,698,543 |
| 21,987,561 | 16,110,787 |
| 84,580,140 | 72,734,604 |
| 250,455,369 | 156,143,191 |
| 38,459,419 | 25,843,520 |
| - | 27,295,857 |
| 56,742,409 | - |
| 49,135,154 | - |
| 81,520,598 | - |
| 90,559,914 | 87,729,135 |
| 7,518,557 | 6,434,666 |
| 790,442,582 | 622,040,778 |

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

Dues upto 6 months
Dues above 6 months

Total

20.1 Accounts Receivables

E- Family
KHQ
Pelican Limited
Basspro
Alok Industries Limited
Hanebrands Europe GMBH
Elegant Team Development Limited
GE8R. Huber GMBH
Poeticgem Limited
Fashions FX Limited
Visage
Alpine
KGB

Total

21 Advances, Deposit and Prepayments

Advances (Note: 21.1)
Deposits

Total

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

Dues upto 6 months
Dues above 6 months

Total

21.1 Advances

Advance against Salary
Advance Income Tax Note: 21.1(a)
Advance against Purchase / Expenses Note: 21.1(b)
Advance against House Rent
Advance against Rights Issue
Advance for Construction & Others Note: 21.1(c)

Total

21.1(a) Advance Income Tax

Opening Balance
Add: Addition During the Year

Less: Adjustment for Assessment Completed (Yr 2006 to Yr 2010)

Amount in Taka

| 31.12.2014 | 31.12.2013 |
|--------------------|--------------------|
| 529,854,562 | 415,902,114 |
| 260,588,020 | 206,138,664 |
| 790,442,582 | 622,040,778 |
| 6,865,484 | 5,388,840 |
| 6,890,542 | 6,246,842 |
| 8,025,847 | 8,579,922 |
| 7,936,584 | 7,139,750 |
| 5,672,542 | 4,769,531 |
| 5,483,819 | 5,026,498 |
| 6,470,763 | 7,205,792 |
| 7,269,542 | 6,715,750 |
| 7,125,785 | 8,796,532 |
| 7,536,284 | 6,696,465 |
| 7,027,305 | 6,265,584 |
| 7,685,942 | 7,232,508 |
| 6,569,475 | 7,665,121 |
| 90,559,914 | 87,729,135 |
| 130,951,674 | 193,535,562 |
| 625,704 | 625,704 |
| 131,577,378 | 194,161,266 |
| 39,267,368 | 96,865,352 |
| 92,310,010 | 97,295,914 |
| 131,577,378 | 194,161,266 |
| 2,492,000 | 3,042,350 |
| 31,424,531 | 49,596,481 |
| 19,578,625 | 26,578,625 |
| 680,000 | 680,000 |
| - | 2,510,000 |
| 76,776,518 | 111,128,106 |
| 130,951,674 | 193,535,562 |
| 49,596,481 | 31,346,351 |
| 19,095,355 | 18,250,130 |
| 68,691,836 | 49,596,481 |
| 37,267,305 | - |
| 31,424,531 | 49,596,481 |

21.1(b) Advance against Purchase / Expenses

Mr. Mosaraf (Procurement)
Nokta Accessories
Mehedi Hasan Enterprise
Mr. Munir (Procurement)
Dhaka Traders
Mr. Noman (C & F)
Mahia Enterprise
Dayamoy Enterprise

21.1(c) Advance for Construction & Others

Brothers Builders
Hasib Thai
Taslima Enterprise
Biplop Enterprise
Royal Marble
Millenium Enterprise
Faruk Eng. Works
Mehedi Enterprise
M/S. Happy Enterprise
Maliha Enterprise
Hott Media
Maa Electronics
M/S. Saleem Sanitary Ent.
M/S. Mohana Enterprise

22 Cash & Cash Equivalents

Cash in Hand (Note-22.1)
Cash at Banks (Note-22.2)

Total

22.1 Cash in Hand

Balance in Central Cash
Balance in Factory Cash

Total

22.2 Cash at Banks

On Current/Short Notice Deposit Accounts Note: 22.2(a)
On Fixed Deposit Receipt (FDR) Accounts Note: 22.2(b)

Amount in Taka

| 31.12.2014 | 31.12.2013 |
|--------------------|--------------------|
| 5,896,426 | 8,569,462 |
| 700,000 | 1,400,000 |
| 2,396,100 | 2,946,985 |
| 1,893,520 | 2,693,520 |
| 1,359,420 | 2,369,420 |
| 2,897,651 | 3,897,651 |
| 2,205,167 | 2,405,167 |
| 2,230,341 | 2,296,420 |
| 19,578,625 | 26,578,625 |
| 5,422,684 | 8,512,224 |
| 7,269,543 | 9,268,650 |
| 4,239,852 | 5,687,620 |
| - | 3,168,225 |
| 7,625,431 | 9,158,622 |
| 4,368,254 | 5,236,920 |
| 8,650,255 | 9,236,810 |
| 5,893,787 | 6,236,940 |
| 6,456,098 | 8,236,830 |
| 8,234,852 | 9,538,300 |
| - | 10,000,000 |
| 2,469,855 | 3,569,725 |
| 7,562,468 | 9,027,350 |
| 8,583,439 | 14,249,890 |
| 76,776,518 | 111,128,106 |
| 443,497 | 185,127 |
| 635,844,733 | 38,972,666 |
| 636,288,230 | 39,157,793 |
| 337,582 | 166,988 |
| 105,915 | 18,139 |
| 443,497 | 185,127 |
| 19,129,818 | 38,972,666 |
| 616,714,915 | - |
| 635,844,733 | 38,972,666 |

22.2(a) On Current/Short Notice Deposit Accounts

| | | | Amount in Taka | |
|-------------------------|---------------------------|----------------|-------------------|-------------------|
| | | | 31.12.2014 | 31.12.2013 |
| Bank Name | A/c Number | Branch Name | | |
| EXIM Bank Ltd. | 711100009514/711100038467 | Gulshan Br. | 81,043 | 82,543 |
| EXIM Bank Ltd. | 0211100004728/4288 | Ahsulia Br. | 2,007 | 4,881 |
| National Bank Ltd. | 00036000534 | Gulshan Br. | 22,920 | 23,407 |
| Prime Bank Ltd. | 11831020024366 | Gulshan Br. | 11,613 | 12,247 |
| Southeast Bank Ltd. | 101110011987 | Gulshan Br. | 20,388 | 3,100 |
| Southeast Bank Ltd. | 1015600000040 | Gulshan Br. | 3,388,683 | 962,001 |
| Southeast Bank Ltd. | 1015500000256 | Gulshan Br. | 1,170,376 | 5,200 |
| Southeast Bank Ltd. | 1015200000041 | Gulshan Br. | 1,582,998 | 1,543,095 |
| Southeast Bank Ltd. | 1013100001554 | Gulshan Br. | 8,760 | - |
| Southeast Bank Ltd. | 102430049708 | Gulshan Br. | - | 33,872,411 |
| Social Islami Bank Ltd. | 0181360001416 | Foreign Ex. Br | 142,512 | - |
| Standard Bank Ltd. | 933010404 | Gulshan Br. | - | 650 |
| IFIC Bank Ltd. | 02390905001 | Gulshan Br. | 5,243,921 | 18,458 |
| Jamuna Bank Ltd. | 00060210017279 | Dilkusha Br. | 4,896,206 | 7,616 |
| BRAC Bank Ltd. | 1501201918541001 | Gulshan Br. | 2,175,281 | 2,228,269 |
| BRAC Bank Ltd. | 1501201918541002 | Gulshan Br. | 260,333 | 186,129 |
| BRAC Bank Ltd. | 1501201918541003 | Gulshan Br. | 4,759 | 5,040 |
| BRAC Bank Ltd. | 1501201918541004 | Gulshan Br. | 4,469 | 4,800 |
| BRAC Bank Ltd. | 1501201918541005 | Gulshan Br. | 1,319 | 2,819 |
| BRAC Bank Ltd. | 1501201918541006 | Gulshan Br. | 79,712 | - |
| BRAC Bank Ltd. | 1501201918541007 | Gulshan Br. | 22,518 | - |
| Janata Bank Ltd. | 1020903 | Corporate Br. | 10,000 | 10,000 |
| Total | | | 19,129,818 | 38,972,666 |

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

| Bank Name | A/c Number | Branch Name | | |
|-------------------------|-----------------|----------------|--------------------|----------|
| Southeast Bank Ltd. | 001024300050779 | Gulshan Br. | 290,000,000 | - |
| Southeast Bank Ltd. | 001024300050795 | Gulshan Br. | 26,714,915 | - |
| Social Islami Bank Ltd. | 0185320005591 | Foreign Ex. Br | 300,000,000 | - |
| | | | 616,714,915 | - |

The above balances are reconciled with Bank Statements and ledger balances

23 Accounts & Other Payables

| | | |
|----------------------------|-------------------|-------------------|
| Shimanta Paribahan | 207,532 | 256,210 |
| Trade Media | 68,205 | 168,205 |
| Salaries and Wages Payable | 12,294,550 | 12,594,320 |
| Other Payables | 905,625 | 1,123,806 |
| Total | 13,475,912 | 14,142,541 |

These are unsecured, payable within one year.

24 Accrued Expenses

Audit fee
Gas Bill
Workers' Participation/Welfare Funds
Provision for tax (Note: 24.1)

Total

These are unsecured, falling due within one year.
No interest has been provided on Workers' Participation/Welfare Funds.

Amount in Taka

| | 31.12.2014 | 31.12.2013 |
|--------------------------------------|--------------------|--------------------|
| Audit fee | 500,000 | 500,000 |
| Gas Bill | 4,951,349 | 4,047,845 |
| Workers' Participation/Welfare Funds | 60,806,081 | 34,662,979 |
| Provision for tax (Note: 24.1) | 108,726,645 | 120,902,882 |
| Total | 174,984,075 | 160,113,707 |

24.1 Provision for tax

| Accounting Year | Assessment Year | Amount | Status |
|-----------------|-----------------|------------|------------------------------|
| 2014 | 2015-2016 | 24,772,268 | Return not yet due. |
| 2013 | 2014-2015 | 19,897,460 | Return filed. |
| 2012 | 2013-2014 | 27,644,980 | Return filed. |
| 2011 | 2012-2013 | 36,093,137 | Assessment Completed. |
| 2010 | 2011-2012 | 19,269,787 | Assessment Completed/Agreed. |
| 2009 | 2010-2011 | 8,582,033 | Assessment Completed/Agreed. |
| 2008 | 2009-2010 | 4,605,931 | Assessment Completed/Agreed. |
| 2007 | 2008-2009 | 4,605,623 | Assessment Completed/Agreed. |
| 2006 | 2007-2008 | 203,931 | Assessment Completed/Agreed. |

Total

Less: Adjustment for Assessment Completed/Agreed (Yr 2006 to Yr 2010)

Add: Additional Provision for Assessment Completed/Agreed (Yr 2006 to Yr 2010)

145,675,150

37,267,305

108,407,845

318,800

108,726,645

25 Bank Overdraft

Bank Name

Southeast Bank Ltd. CC A/c 0173300000167

Br Name

Gulshan Br.

Total

44,495,303

47,007,397

44,495,303

47,007,397

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.

26 Short Term Bank Credits :

Southeast Bank Ltd.:

Time Loan
Packing Credit
Bill Purchase
Other Loans

Total

41,731,735

576,459,110

60,225,750

60,485,719

185,775,578

167,921,203

113,456,266

187,978,722

401,189,329

992,844,754

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.

27 Deferred L/C Liabilities

| |
|-----------------------------------|
| NRG Knit Composite Mills Ltd |
| Pakiza Cotton Mills Ltd |
| The Delta Blended Yarn Mills Ltd. |
| Tara Spinning Mills Ltd. |
| BSB Spinning Mills Limited |
| Bangla Plastic Limited |
| Chemitex |
| AR Fashion |
| Tamijuddin Textiles Mills Ltd. |
| Givensee Spinning Mills Ltd |
| AE Knitware |
| Alim Printing |
| Dalash Fashion |
| Hainning Uchance Import |
| Other Deferred L/C Liabilities |

Total

Amount in Taka

| 31.12.2014 | 31.12.2013 |
|-------------------|-------------------|
| 2,412,992 | 3,482,182 |
| - | 7,090,825 |
| 5,034,335 | - |
| 2,277,520 | 7,343,619 |
| 13,405,275 | 18,084,551 |
| - | 3,456,064 |
| - | 2,412,401 |
| 986,762 | - |
| 5,174,715 | 7,907,586 |
| 5,826,450 | - |
| 1,365,700 | - |
| 3,010,315 | 4,985,969 |
| 3,923,601 | - |
| 1,912,255 | - |
| 5,562,083 | 6,596,543 |
| 50,892,003 | 61,359,740 |

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

28 Share Money Refundable

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

| Bank Name | A/C No. | Branch |
|---------------|------------------|-------------|
| BRAC Bank Ltd | 1501201918541001 | Gulshan Br. |
| BRAC Bank Ltd | 1501201918541002 | Gulshan Br. |
| BRAC Bank Ltd | 1501201918541003 | Gulshan Br. |
| BRAC Bank Ltd | 1501201918541004 | Gulshan Br. |
| BRAC Bank Ltd | 1501201918541007 | Gulshan Br. |

| | |
|------------------|------------------|
| 2,175,281 | 2,228,269 |
| 260,333 | 186,129 |
| 4,759 | 5,040 |
| 4,469 | 4,800 |
| 22,518 | - |
| 2,467,360 | 2,424,238 |

29 Long Term Bank Loans (Current Portion)

Current portion of Long Term Bank Loans Tk.123,022,831 (2013; Tk.118,386,660) has been shown under the head Current Liabilities which is payable within December-2015.

30 Share Capital

30.1 Authorised Capital

400,000,000 Ordinary shares of Tk.10/- each

4,000,000,000 4,000,000,000

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

224,363,400 Ordinary Shares of Tk. 10/- each issued for cash
99,012,000 Bonus Shares of Tk.10/- each

2,243,634,000 1,118,850,000
990,120,000 568,326,000

3,233,754,000 **1,687,176,000**

The Shareholding position of the Company are as under :

| Name of Shareholders | No. of Shares | Percentages (%) | Amount (Tk.) |
|------------------------------|--------------------|-----------------|----------------------|
| Mr. Tauhidul Islam Chaudhury | 16,600,152 | 5.13 | 166,001,520 |
| Shaheen Akhter Chaudhury | 124,740 | 0.04 | 1,247,400 |
| Mr. Rajiv Sethi | 6,467,508 | 2.00 | 64,675,080 |
| Mr. Javed Opgenhaffen | 17,994,340 | 5.56 | 179,943,400 |
| New England Equity Ltd. | 35,807,500 | 11.07 | 358,075,000 |
| Mr. Mohd. Akhter | 22,490,222 | 6.95 | 224,902,220 |
| Others | 223,890,938 | 69.25 | 2,238,909,380 |
| Total | 323,375,400 | 100.00 | 3,233,754,000 |

| Particulars | No. of Shareholders | No. Of Shares | Amount in Taka | Percentage |
|-----------------------------|---------------------|--------------------|----------------------|---------------|
| Less than 500 Shares | 7,547 | 1,978,365 | 19,783,650 | 0.61 |
| 501 to 5,000 Shares | 12,651 | 24,667,211 | 246,672,110 | 7.63 |
| 5,001 to 10,000 Shares | 2,321 | 17,571,999 | 175,719,990 | 5.43 |
| 10,001 to 20,000 Shares | 1,413 | 20,677,752 | 206,777,520 | 6.39 |
| 20,001 to 30,000 Shares | 521 | 13,172,735 | 131,727,350 | 4.07 |
| 30,001 to 40,000 Shares | 216 | 7,624,753 | 76,247,530 | 2.36 |
| 40,001 to 50,000 Shares | 160 | 7,325,462 | 73,254,620 | 2.27 |
| 50,001 to 100,000 Shares | 260 | 18,780,993 | 187,809,930 | 5.81 |
| 100,001 to 1,000,000 Shares | 186 | 43,804,816 | 438,048,160 | 13.55 |
| Above 1,000,000 Shares | 22 | 167,771,314 | 1,677,713,140 | 51.88 |
| Total | 25,297 | 323,375,400 | 3,233,754,000 | 100.00 |

31 Revaluation Surplus

Land & Land Development
Building
Plant & Machinery

Less: Depreciation on Revaluation Surplus

Total

| Amount in Taka | |
|--------------------|--------------------|
| 31.12.2014 | 31.12.2013 |
| 136,740,234 | 136,740,234 |
| 208,479,589 | 230,639,221 |
| 107,950,513 | 139,510,433 |
| 453,170,336 | 506,889,888 |
| 9,567,118 | 53,719,552 |
| 443,603,218 | 453,170,336 |

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.

32 Retained Earnings

Opening Balance

Add: Current Year Profit

Add: Depreciation on Revaluation Surplus

Less: Bonus Share Issue

Closing Balance

| | |
|----------------------|--------------------|
| 528,709,485 | 392,599,603 |
| 497,770,969 | 363,586,330 |
| 1,026,480,454 | 756,185,933 |
| 9,567,118 | 53,719,552 |
| 1,036,047,572 | 809,905,485 |
| 421,794,000 | 281,196,000 |
| 614,253,572 | 528,709,485 |

33 Long Term Loans

Particulars Bank Name

Term Loan Southeast Bank

Car Loan Prime Bank

Car Loan BRAC Bank

Total

| | |
|-------------------|--------------------|
| 61,455,287 | 122,287,146 |
| - | 469,000 |
| - | 66,000 |
| 61,455,287 | 122,822,146 |

These 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 14.00% p.a. with Quarterly rests subject to revision from time to time.

Long Term Loan 14.00% p.a. with Quarterly rests subject to revision from time to time.

Time Loan , Packing Credit & Bill Purchase Time Loan : 14.00% 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 :14.00% p.a. with Quarterly rests subject to revision from time to time.

34 Sales Revenue

Export Sales Revenue is recognised for 1,343,097 Dozens at USD 33,577,413 @ average Tk.77.59 equivalent to Tk.2,605,271,479 (2013: 1,094,506 Dozens at USD 27,362,898.56 @ average Tk.77.98 equivalent to Tk.2,133,758,830) when delivery challan is issued.

35 Cost of Goods Sold

Opening Stock of Raw Materials

Add: Purchases (Note : 35.01)

Less: Closing Stock of Raw Materials (Note : 19.01)

Material Consumed

Add: Direct Labour

Prime Cost

Add: Factory Overhead (Note : 35.02)

Cost of Manufacturing

Add: Opening Work-In-Process (Note: 19.00)

Less: Closing Work-In-Process (Note: 19.00)

Cost of Goods Manufactured

Add: Opening Stock of Finished Goods (Note: 19.00)

Less: Closing Stock of Finished Goods (Note: 19.00)

Cost of Goods Sold

Amount in Taka

| 31.12.2014 | 31.12.2013 |
|----------------------|----------------------|
| 218,611,478 | 209,261,748 |
| 1,724,446,117 | 1,231,551,678 |
| 256,865,125 | 218,611,478 |
| 1,686,192,470 | 1,222,201,948 |
| 194,773,740 | 180,407,941 |
| 1,880,966,210 | 1,402,609,889 |
| 99,113,035 | 92,411,180 |
| 1,980,079,245 | 1,495,021,069 |
| 173,648,104 | 155,962,500 |
| 216,587,524 | 173,648,104 |
| 1,937,139,825 | 1,477,335,465 |
| 190,254,600 | 181,032,222 |
| 250,173,969 | 190,254,600 |
| 1,877,220,456 | 1,468,113,087 |

| | | |
|--|----------------------|----------------------|
| Yarn (3,939,678 Kgs; 2013: 2,635,069 Kgs) | 1,183,085,256 | 813,711,578 |
| Chemicals (2,537,288 Kgs; 2013: 1,768,954 Kgs) | 177,010,180 | 120,288,904 |
| Accessories | 364,350,681 | 297,551,196 |
| Total | 1,724,446,117 | 1,231,551,678 |

35.01 Purchases of Raw Materials

35.02 Factory Overhead

| |
|--------------------------------|
| Rent |
| Security Service |
| Depreciation |
| Utility Charges |
| Transport |
| Repair and Maintenance |
| Fuel & Lubricant |
| Carriage Inward |
| Overtime and Similar Allowance |
| Labour Bill |
| Entertainment |
| Inspection Charge |
| Other Expenses |
| Total |

Amount in Taka

| 31.12.2014 | 31.12.2013 |
|--------------------|--------------------|
| 240,000 | 240,000 |
| 4,104,660 | 3,686,138 |
| 53,462,757 | 51,437,489 |
| 28,917,291 | 24,726,583 |
| 4,324,651 | 4,102,462 |
| 582,406 | 1,456,226 |
| 921,080 | 1,021,010 |
| 738,952 | 712,526 |
| 1,404,060 | 1,471,679 |
| 329,755 | 353,525 |
| 675,655 | 524,695 |
| 402,300 | 355,855 |
| 3,009,468 | 2,322,992 |
| 99,113,035 | 92,411,180 |
| 247,971,944 | 175,372,959 |

35.03 CIF costs of imported items from aboard aggregated

36 Administrative & Selling Expenses

| |
|---|
| Staff Salaries |
| Directors' Remuneration |
| Bonus |
| Air Freight Charge |
| Buying House Expenses |
| Utility Charge |
| Entertainment |
| C & F Charges |
| Courier & Postage |
| Telephone and Other |
| Office Rent |
| Service Charges |
| Car Rent and Other Expenses |
| Depreciation |
| Written Off Right Issue Expenses |
| Insurance Premium |
| Annual Audit Fee |
| Professional, Consultancy and Other Audit fee |
| Traveling & Conveyance |
| Stationeries |
| Fuel & Lubricant |
| Carriage Outward |
| Advertisement |
| License & Renewals |
| Commercial Expenses |
| Business Development Expenses |
| AGM and EGM Expenses |
| Exchange Loss/Gain |
| Donation |
| Other Expenses |

| | |
|-------------------|-------------------|
| 52,074,627 | 47,106,893 |
| 6,000,000 | 6,000,000 |
| 2,858,950 | 2,746,350 |
| 756,985 | 621,844 |
| 342,552 | 405,652 |
| 821,191 | 610,478 |
| 525,702 | 428,530 |
| 4,043,690 | 3,846,467 |
| 526,830 | 520,850 |
| 477,283 | 470,321 |
| 1,846,800 | 1,320,000 |
| 66,000 | 289,800 |
| 2,360,032 | 2,313,757 |
| 2,813,829 | 2,707,236 |
| 3,305,222 | - |
| 2,628,000 | 3,239,702 |
| 500,000 | 500,000 |
| 920,000 | 980,000 |
| 1,077,973 | 1,420,525 |
| 563,251 | 530,304 |
| 1,775,982 | 1,827,789 |
| 1,372,532 | 1,345,620 |
| 612,517 | 984,051 |
| 277,200 | 267,900 |
| 1,966,940 | 1,774,033 |
| - | 355,460 |
| 1,479,171 | 1,544,495 |
| 3,886,096 | 3,408,302 |
| 250,000 | 244,200 |
| 668,964 | 648,621 |
| 96,798,319 | 88,459,180 |

37 Other Income

| |
|-------------------------------------|
| Income from Cash Incentive |
| Other Revenues |
| Interest on Investment and Deposits |
| Total |

38 Financial Expenses

| |
|----------------------------|
| Bank Charges |
| Interest on Time Loan |
| Interest on Packing Credit |
| Interest on Term Loan |
| Interest on Bill Purchase |
| Interest on Forced Loan |
| Total |

Amount in Taka

| 31.12.2014 | 31.12.2013 |
|--------------------|--------------------|
| 25,844,267 | 13,424,839 |
| 489,565 | 845,692 |
| 37,559,431 | 6,146,567 |
| 63,893,263 | 20,417,098 |
| | |
| 22,544,897 | 15,599,237 |
| 45,937,468 | 97,817,227 |
| 6,356,383 | 6,768,194 |
| 28,035,951 | 41,102,452 |
| 16,823,350 | 9,463,356 |
| 26,442,779 | 30,027,120 |
| 146,140,828 | 200,777,586 |

39 Provision for Income Tax

| Particulars | Amount | Rate | Tax Amount |
|--|---------------|--------|-------------------|
| Export from Jan 01 to May 31, 2014 | 1,143,530,254 | 0.80% | 9,148,242 |
| Export from Jun 01 to Dec 31, 2014 | 1,461,741,225 | 0.30% | 4,385,224 |
| Income from Cash Incentive | 25,844,267 | 3% | 775,328 |
| Interest on Investment and Deposits | 37,559,431 | 27.50% | 10,328,844 |
| Other Revenues | 489,565 | 27.50% | 134,630 |
| | | | 24,772,268 |
| Add: Additional Provision for Assessment Completed/Agreed (Yr 2006 to Yr 2010) | | | 318,800 |
| | | | 25,091,068 |

40 Earning Per Share (Weighted Average)

***Earning Per Share (EPS)

| 31.12.2014 | 31.12.2013 |
|---------------|---------------|
| = | Basic Earning |
| | No. of Shares |
| 497,770,969 | 363,586,330 |
| 283,006,440 | 283,006,440 |
| = 1.76 | =1.28 |

41 Earning Per Share (Fully Diluted)

Earning Per Share (EPS) =

| | |
|---------------|---------------|
| | Basic Earning |
| | No. of Shares |
| 497,770,969 | 363,586,330 |
| 323,375,400 | 323,375,400 |
| = 1.54 | =1.12 |

42 EPS From Recurring Income (Weighted Average)

***Earning Per Share (EPS) =

| | |
|---------------|-------------------------------|
| | Earning from recurring income |
| | No. of Shares |
| 460,211,538 | 357,439,763 |
| 283,006,440 | 283,006,440 |
| = 1.63 | =1.26 |

43 EPS From Recurring Income (Fully Diluted)

Earning Per Share (EPS) =

| | |
|---------------|-------------------------------|
| | Earning from recurring income |
| | No. of Shares |
| 460,211,538 | 357,439,763 |
| 323,375,400 | 323,375,400 |
| = 1.42 | =1.11 |

31.12.2014

31.12.2013

44 EPS From Non-Recurring Income (Weighted Average)

***Earning Per Share (EPS) =

| Earning from non-recurring income | |
|-----------------------------------|--------------|
| No. of Shares | |
| 37,559,431 | 6,146,567 |
| 283,006,440 | 283,006,440 |
| = 0.13 | =0.02 |

45 EPS From Non-Recurring Income (Fully Diluted)

Earning Per Share (EPS) =

| Earning from non-recurring income | |
|-----------------------------------|--------------|
| No. of Shares | |
| 37,559,431 | 6,146,567 |
| 323,375,400 | 323,375,400 |
| = 0.12 | =0.02 |

***Calculation of weighted average number of shares

| Particulars | Allot. Shares | Days | Days | Shares |
|--|--------------------|------|------|--------------------|
| Jan 01, 2014 to Dec 31, 2014 | 210,897,000 | 365 | 365 | 210,897,000 |
| Rights Shares May 12, 2014 to Dec 31, 2014 | 112,478,400 | 234 | 365 | 72,109,440 |
| | <u>323,375,400</u> | | | <u>283,006,440</u> |

46 Capital Expenditure Commitment

There was no capital expenditure contracted but not incurred or provided for as on 31.12.2014

There was no material Capital expenditure authorised by the Board but not contracted for as on 31.12.2014

47 Contingent Liabilities

There was no sum for which the Company is contingently liable as on 31.12.2014

48 Claims not Acknowledged

There was no claim against the Company not acknowledged as debt as on 31.12.2014

49 Credit Facilities Availed

Credit facilities available were to the Company from banks as on 31.12.2014 and Trade Credit available in the ordinary course of business. No other credit facilities were available to the Company as on 31.12.2014

50 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 December 31, 2014.

51 Events after the Reporting Period.

There was no events after reporting period of such importance for which accounting or disclosure is required to be adjusted except stock dividend at 15% (2013: 15%) as recommended in the meeting of Board of Directors held on April 27, 2015 (2013: April 29, 2014)

52 Employees

Number of employees whose salary was below Tk. 6,000 is 1205 as on 31.12.2014

Number of employees whose salary was above Tk. 6,000 is 1998 as on 31.12.2014

53 Related Parties Transactions

There were no related parties transactions, except regarding share capital, during the year ended December 31, 2014.

54 Capacity Utilisation

| Particulars | Capacity | Actual Production | Percentage |
|-------------|------------------|-------------------|------------|
| Garments * | 1,500,000 Dozens | 1,368,946 Dozens | 91% |
| Fabrics | 5,000 MT | 3,750 MT | 75% |
| Dyeing | 5000 MT | 3,750 MT | 75% |

Reason: Actual production as per market demand

* Based on present product mix

55 Managerial Remuneration

55.01 Total remuneration of managers aggregates during the year ended December 31, 2014 at Tk.33,110,025 (2013; Tk.29,828,852).

55.02 Total remuneration of the Managing Director for the year ended December 31, 2014 stood at Tk. 1,200,000 (2013; Tk.1,200,000).



Managing Director



Director



Chief Executive Officer

Generation Next Fashions Limited

Building # 348, Road # 5, DOHS Baridhara, Dhaka- 1206

Proxy Form

I/We of Generation Next Fashions
Limited hereby appoint Mr./MS
of as my proxy to attend and vote for me on my behalf at the
11th Annual General Meeting of the company to be held on Saturday, the 27th day of June 2015 at Factory premises, Dhonaid,
Earpur, Ashulia, Dhaka at 11.00 A.M. and at any adjournment thereof.
As witness my hand this day of 2015 signed by the said in presence
of

(Signature of the Proxy)

Date



(Signature of witness)

Signature of the Shareholder(s)

Register BO ID

Dated

NOTE: A member entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be deposited at the Registered Office/Corporate Office of the company not later than 48 hours before the time appointed for the meeting.

Signature verified

Authorized Signatory

Generation Next Fashions Limited

Building # 348, Road # 5, DOHS Baridhara, Dhaka- 1206

Shareholders' Attendance Slip

I/We hereby record my attendance at the 11th Annual General Meeting being held on Saturday, the 27th day of June 2015 at Factory premises, Dhonaid, Earpur, Ashulia, Dhaka at 11.00 A.M.

Name of Member/Proxy

Register BO ID holding of Ordinary
Shares of **Generation Next Fashions Limited**.

Signature of Shareholder(s)

N. B. 1. Please note that AGM can only be attended by the honorable shareholder or properly constituted proxy. Therefore, any friend or children accompanying with honorable shareholder or proxy cannot be allowed into the meeting.

2. Please present this slip at the reception desk.