

ANNUAL REPORT 2015-2016

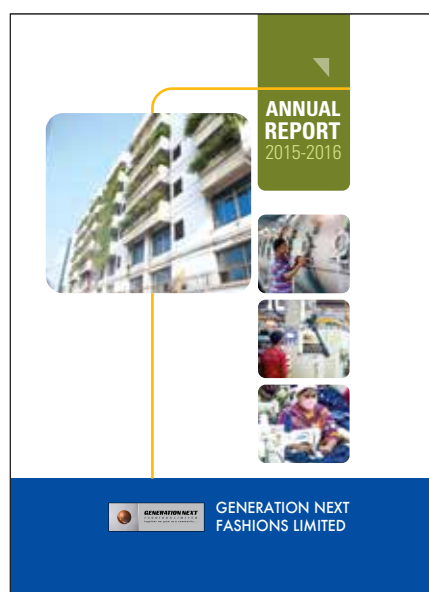


GENERATION NEXT
FASHIONS LIMITED



ANNUAL REPORT

2015-2016



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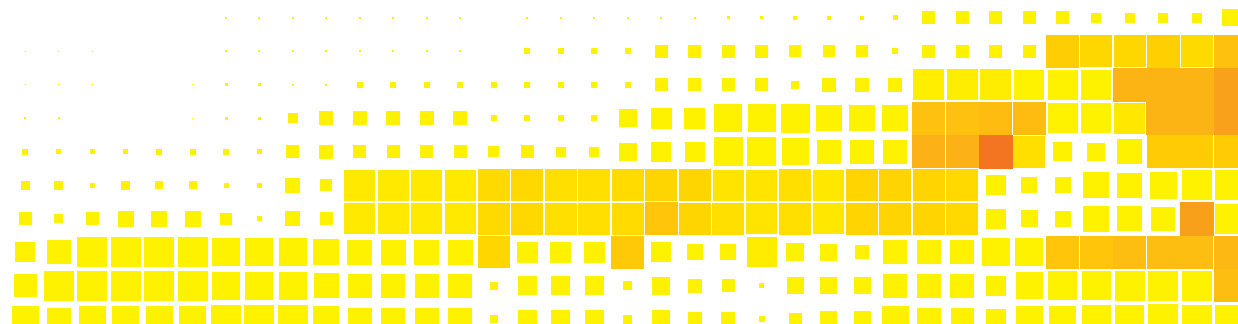




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VISION

"Satisfying Buyers Needs" is our vision and to be a top leading and sustainable eco friendly Textile fabric to Apparel manufacturer in Bangladesh.

MISSION

Our mission for maximization of quality products production and services strictly on ethical and moral standards at minimum costs to the society ensuring optimum benefits to the consumers, the shareholders and other stakeholders.



GOAL

Enhance profitability through customer's satisfaction.
Maximize the value of being our customers, shareholders and employee.
Optimize contribution to the society.
Eco-friendly manufacturing environment.

STRATEGIC OBJECTIVES

Enhance productivity to extent our products market demands;
Committed and ensure sound supply chain;
Maintain the strict compliance of best governance norms to ensure long sustainability of the company;



NOTICE OF EXTRA-ORDINARY GENERAL MEETING & 12TH ANNUAL GENERAL MEETING

NOTICE OF EXTRA-ORDINARY GENERAL MEETING OF GENERATION NEXT FASHIONS LIMITED

Notice is hereby given that an Extra-Ordinary General Meeting of the Shareholders of the Company will be held on December 22, 2016, Thursday at 11.00 A.M. at its Factory Premises at Dhonaid, Earpur, Ashulia, Dhaka to transact the following businesses:-

AGENDA

1. "RESOLVED" that the Authorized Capital of the Company be increased from Tk. 4,000,000,000.00 (Taka four hundred crores) divided into 400,000,000 (forty crores) ordinary shares of Tk. 10.00 (Taka ten) each to Tk. 5,000,000,000.00 (Taka five hundred crores) divided into 500,000,000 (fifty crores) ordinary shares of Tk. 10.00 (Taka ten) each; and amend clause V of Memorandum of Association; and Articles 5 of Articles of Association accordingly.
2. To extend time limit of Rights Issue Utilization fund up to June 30, 2018.
3. To transact any other business with the permission of the Chair.

NOTICE OF 12TH ANNUAL GENERAL MEETING (AGM) OF GENERATION NEXT FASHIONS LIMITED

Notice is hereby given that the 12th Annual General Meeting (AGM) of the Shareholders of Generation Next Fashions Limited will be held on December 22, 2016, Thursday at 11.30 A.M. at its Factory Premises at Dhonaid, Earpur, Ashulia, Dhaka to transact the following businesses:-

1. Report and Accounts:

To receive, consider and adopt the Audited Financial Statements of the Company for the eighteen months period from January 01, 2015 to June 30, 2016 ended together with the Reports of the Board of Directors and the Auditors thereon.

2. Dividends:

To declare the dividend for the eighteen months period from January 01, 2015 to June 30, 2016 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. Appointments of Auditors:

To appoint the Auditors of the Company for the term until the next Annual General Meeting and to fix their remuneration.

5. Appointments of Independent Director:

To appoint / re-appoint of Independent Director as per terms of the relevant provision of the Articles of Association of the Company.

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



Mohammed Shahjahan
Company Secretary

Dated: Dhaka
November 30, 2016



GENERATION NEXT
FASHIONS LIMITED

NOTES:

- a) The Board of Directors has recommended Stock Dividend 10% for the eighteen months period from January 01, 2015 to June 30, 2016 subject to approval in the 12th Annual General Meeting (AGM).
- b) The Record Date for both the EGM & 12th AGM was May 22, 2016 (Sunday). The shareholders whose names appeared in the Share Register of Members of the Company or in the Central Depository Bangladesh Limited (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 EGM & 12th 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 EGM & 12th AGM.
- 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 EGM & 12th 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 7.30 A.M. to 10.00 A.M.

NB: No gift and no food shall be given for attending the EGM & 12th Annual General Meeting of the Company as per rules.





LETTER OF TRANSMITTAL

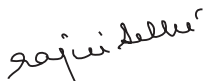
To
The Shareholders
The Bangladesh Securities Exchange Commission
The Registrar of Joint Stock Companies and Firms
The Dhaka Stock Exchange Limited
The Chittagong Stock Exchange Limited
The Central Depository Bangladesh Limited

Subject: Annual Report for the period ended from January 01, 2015 to June 30, 2016

Dear Sirs,

We are pleased to transmit a copy of the Annual Report for the period ended from January 01, 2015 to June 30, 2016 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 of Changes in Equity and Statement of Cash flows for the period ended from January 01, 2015 to June 30, 2016 along with notes for your record and necessary measures.

Yours Sincerely,



Rajiv Sethi
Managing Director



GNFL AT A GLANCE

Generation Next Fashions Limited (GNFL) was incorporated in Bangladesh under the Companies Act 1994 on August 19, 2004 with 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. 3718.82 million and the authorised capital is 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.

Our Products

1

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 & UK.

Major Production Departments & Service

3

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

Power, Gas & Water Power

4

Power : With the Palli Bidyut Samiti connection GNFL owns 1.3 MW Gas generator and a 1700 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 VALUES

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.

CORPORATE INFORMATION



Chairman

Mr. Tauhidul Islam Chaudhury

Managing Director

Mr. Rajiv Sethi

Directors

Mr. Tauhidul Islam Chaudhury

Mr. Rajiv Sethi

Mr. Wahid Salam

Mr. Kazi Refayet Rahaman
(Nominated by A.J Corporation Ltd.)

Independent Director

Mr. Atiar Rahman

Chief Finance Officer

Mr. Mark Niranjana Chowdhury

Head of Internal Audit

Mr. Abdus Salam

Company Secretary

Mr. Mohammed Shahjahan



REGISTERED NAME OF THE COMPANY:

Generation Next Fashions Limited

LEGAL FORM:

Public Limited Company, listed with Dhaka Stock Exchange and Chittagong Stock Exchange, 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

OPERATIONAL OFFICE & FACTORY:

Dhonaid, Earpur, Savar, 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:

Mr. Mohsin Mojumder
Mojumder & Associates
Khan Mansion (2nd floor), 107
Motijheel C/A, Dhaka-1000

Mr. Moyeen Firozee
ABC House (4th floor),
8 Kamal Ataturk Avenue, Banani, Dhaka.

LISTING:

Dhaka Stock Exchange Ltd.
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 Islami Bank Limited

DIRECTORS' PROFILE



TAUHIDUL ISLAM CHAUDHURY
Chairman



RAJIV SETHI
Managing Director



WAHID SALAM
Director



KAZI REFAYET RAHMAN
Director



ATIAM RAHMAN
Independent Director

Tauhidul Islam Chaudhury, Chairman

Mr. Chaudhury has 32 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 23 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 23 years of professional knowledge in human resource management, social and ethical standards for global RMG sector.

Rajiv Sethi Managing 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.

Wahid Salam Director

Mr. Salam, 54 age, he is BBA from USA. He is well known business man specially Garments, Construction & Power Sector. Also he is involve in different Chambers & Social Organization.

Kazi Refayet Rahman Director

(Nominated by A.J Corporation Ltd.)

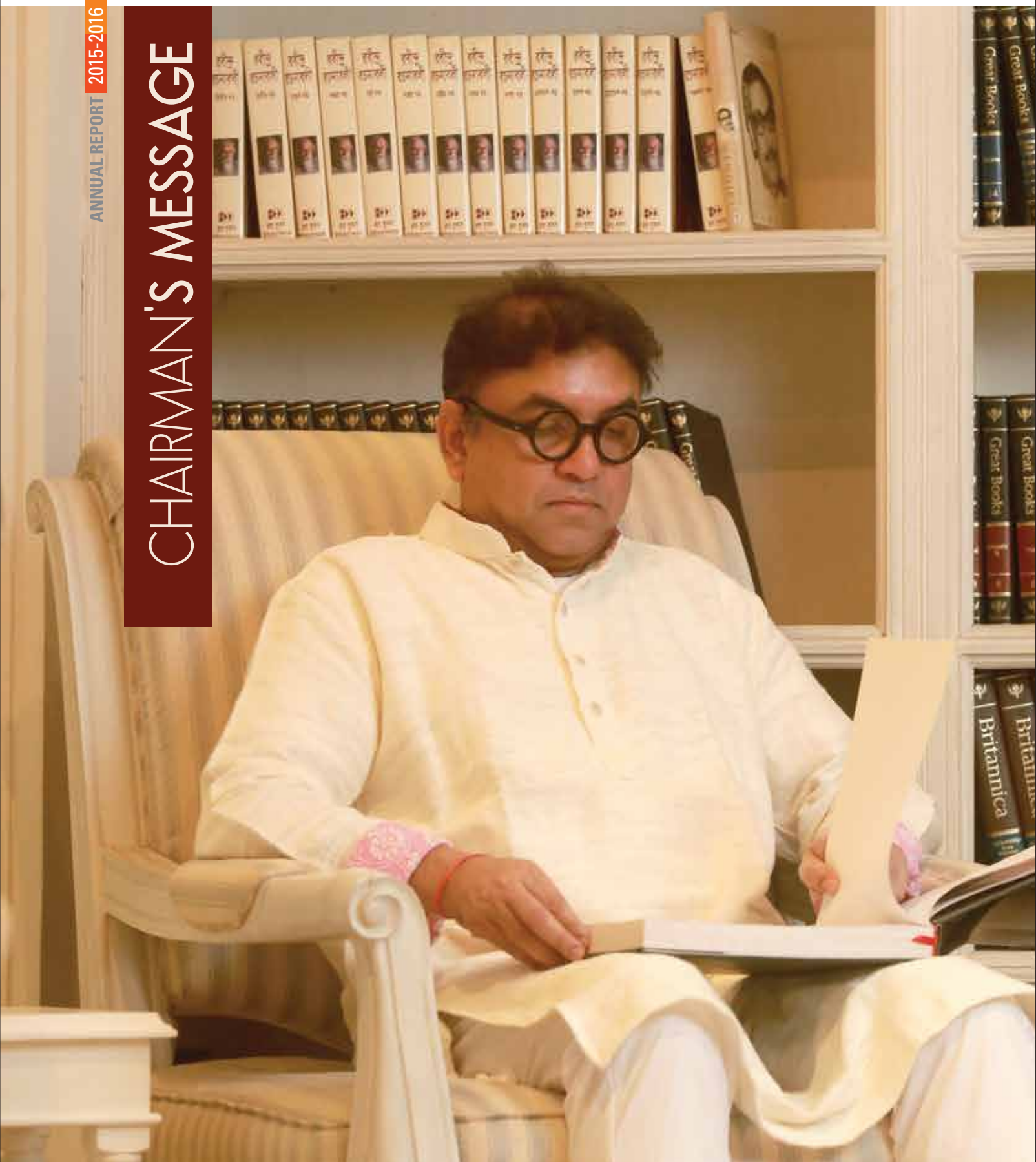
Mr. Rahman is a service holder in A.J Corporation Ltd.

Atiar Rahman Independent Director

Mr. Atiar Rahman is a dynamic asset of the company. He has played a vital role in streamlining the production operations 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 12th Annual General Meeting of our Company. It also gives me immense pleasure to place before you the Annual report along with the audited accounts of your company and auditors report thereon for the period from January 01, 2015 to June 30, 2016.

Business Condition:

2016 experienced yet another successful year in terms of sales growth despite Global Economic in downturn and massive currency devaluation in Europe. We were able to overcome all odds situation prevailed during this period. It may be mentioned that our export market share to EU is 95%.

Financial Aspects:

❖ Sales revenue has been increased by 9.7 % compared to last period.

❖ BMRE:

As you know we have successfully completed our BMRE of most important and heavy machines that was due utilizing our funds of Rights Issue.

❖ Expansion Plan:

We have also undertake a massive expansion plan where we should be able to increase our garments sewing units from three to six by next eighteen-twenty four month.

Total Assets rose to Tk. 604.84 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 Stakeholders are to continue in the coming year.

Thank you all,



Chairman of the Board

MANAGING DIRECTOR'S MESSAGE



Dear Shareholders

It is with great pleasure that I welcome you on behalf of the Board of Directors to the 12th Annual General Meeting of our company. The Annual Report containing audited accounts, directors' report and auditors reports thereon for the period ended from January 01, 2015 to June 30, 2016 has already been dispatched to you for your kind perusal. I am also pleased to report that our company has earned a net profit of Tk.427,146,898 during this period, sales revenue of the company has increased from Tk.4,084,007,868 for the period ended June 30, 2015 (eighteen months) to Tk.4,479,088,829 for the period ended June 30, 2016 (eighteen months).

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 enhanced compliance standards from customers, new regulations in regard to building and fire safety, increase in minimum wages, among others. To offset these difficulties and augmented costs, the management is striving to make operations more efficient. Also we would like to add on our future expansion on our sewing units to enhance export and reduce production cost.

We thank you for your continued support and we 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, Chittagong Stock Exchange, Central Depository Bangladesh Limited and all regulatory bodies for the cooperation and support.



Rajiv Sethi
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 12th Annual General Meeting of the company. We are pleased to submit before you the operational activities and Audited Financial Statements for the period ended from January 01, 2015 to June 30, 2016 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 profit 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. 4.48 billion in foreign exchange in the period from January 01, 2015 to June 30, 2016 as against Tk.4.08 billion in the period from January 01, 2014 to June 30, 2015. This is significant as we are a 100% export oriented company 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 period from January 01, 2015 to June 30, 2016 was inflation, high cost of funding, export order devastation and massive currency devaluation in Euro. 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	Capacity Utilization
Garments *	3,000,000 Dozens	2,712,750 Dozens	90.00%
Fabrics	7,500 MT	5,925 MT	79.00%
Dyeing	7,500 MT	5,925 MT	79.00%

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. However the company

successfully archive new poten-tial buyer in the world market.

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 ob-solescence 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 by worldwide, 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 increased compared to last period due to high rise of labour and materials cost.

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 63,229,476/- interest from bank deposit against Rights Issue Fund.

Related Party Transactions:

A. J Corporation limited, a first class developer and a shareholder having a Nomine Director, executed construction works valuing Tk. 140,668,210/- (2015: Tk. 3,750,000/-) given under arm's length method during the period June 30, 2016.





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

The raised fund thereby has maximum utilized and has been reported to regulators quarterly and remaining fund to be utilized by June 30, 2018.

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 period.

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 period under report.

Remuneration to Directors:

Remuneration paid during the period are given in notes no.36 in this Annual Report and there was 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 period's operating results of the issuer company shall be highlighted and the reasons thereof should be explained

No significant deviations accord during the eighteen months period June 30, 2016.

FINANCIAL HIGHLIGHTS

Particulars	Jan 15 to June 16	2014	2013	2012	2011
Turnover	447.91	260.53	213.38	167.41	139.36
Gross Profit	82.82	72.81	67.15	55.15	31.11
Operating Profit	57.32	63.13	58.30	46.71	21.60
Net Profit/(Loss)	42.71	49.78	36.36	28.21	18.24
Earnings Per Share (in Taka)	1.14	1.54	2.15	2.01	2.09
Net Non-Current Assets	359.37	309.56	298.18	269.77	226.72

FIVE YEARS' SIGNIFICANT RATIOS

Name of ratios	Jan 15 to June 16	2014	2013	2012	2011
Liquidity Ratios:					
Current Ratio	2.44	2.86	1.04	1.06	1.06
Quick Ratio	1.37	1.92	0.61	0.61	0.52
Debt Equity Ratio	0.22	0.19	0.52	0.56	0.66
Operating Ratios:					
Accounts Receivable Turnover Ratio	71	111	106	110	104
Inventory Turnover Ratio	3.78	2.76	2.54	2.10	2.45
Asset Turnover Ratio	0.74	0.48	0.48	0.42	0.42
Profitability Ratios:					
Gross Profit Margin Ratio	0.18	0.28	0.31	0.33	0.22
Operating Profit Margin Ratio	0.13	0.24	0.27	0.28	0.15
Net Profit Margin Ratio	0.10	0.19	0.17	0.17	0.13
Return on Assets Ratio	0.07	0.09	0.08	0.07	0.05
Return on Equity Ratio	0.09	0.11	0.12	0.11	0.09
Earnings Per Share	1.14	1.54	2.15	2.01	2.09
Earning Per Share - Diluted	1.14	1.34	0.98	0.76	0.49

If the issuer company has not declared dividend (cash or stock) for the period January 01, 2015 to June 30, 2016 the reasons thereof shall be given.

The Board of Directors of the company has recommended stock dividend of 10% for the period ended January 01, 2015 to June 30, 2016.

The number of Board meetings held for the period from January 01, 2015 to June 30, 2016 and attendance by each director shall be disclosed.

The Board of Directors had 26 meetings during the period ended June 30, 2016. Name of the Directors and number of meetings attended are given below:

Present Directors:

Mr. Tauhidul Islam Chaudhury	24
Mr. Rajiv Sethi	26
Mr. Wahid Salam	08
Mr. Kazi Refayet Rahman (Nominated by A.J Corporation Limited)	13
Mr. Atiar Rahman	25

Ex. Directors:

Mr. Javed Opgenhaffen	07
Mr. Mohd. Akhter	07
Mr. Mark Niranjana Chowdhury (Nominated by New England Equity Limited)	09
Mr. Ratan Sengupta	11

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

Shareholding Pattern

Pattern of Shareholding as at 30 June 2016

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	19,090,174
	Mr. Rajiv Sethi Managing Director	7,437,634
	Mr. Wahid Salam Director	7,450,000
	A. J Corporation Limited	16,838,895
iii)	Executives	NIL
iv)	Shareholders who are holding 10% or more voting right	NIL

Directors' Election and Re-Appointment

Mr. Javed Opgenhaffen Managing Director, **Mr. Mohd. Akhter** Director and **Mr. Mark Niranjana Chowdhury** Nominated Director, retired by the Boards of Directors Meeting, held during the period. Also **Mr. Ratan Sengupta** Independent Director, retired from the Board.

Mr. Rajiv Sethi, Director was appointed as Managing Director, **Mr. Wahid Salam** appointed as Director and **Mr. Kazi Refayet Rahman** appointed as Nominated Director.

Mr. Atiar Rahman Independent Director shall retired and re-elected under Articles 128 of the company's Articles of Association.

Financial Results

The company's financial results for the period January 01, 2015 to June 30, 2016 with recommendation of appropriations are as follows:

Net Profit for the period June 30, 2016	Tk. 427,146,898
Profit Brought Forward	Tk. 614,253,572
Depreciation on Revaluation Surplus	Tk.13,651,720
Bonus Share Issued for the year 2014	Tk.(485,063,100)
Profit Available for Appropriation	Tk. 569,989,089
Appropriations:	
Proposed Stock Dividend	Tk. 371,881,710
Transferred to Retained Earnings	Tk. 198,107,379

Board of Directors

Mr. Tauhidul Islam Chaudhury

Mr. Rajiv Sethi

Mr. Wahid Salam

Mr. Kazi Refayet Rahman
(Nominee of A.J Corporation Ltd.)

Mr. Atiar Rahman

Auditors

The existing Auditors of the Company, Ata Khan & Co., Chartered Accountants, retires at this Annual General Meeting on completion of consecutive three years, they are not eligible for reappointed as per SEC/CMRRCD/2009-193/104/admin dated July 27, 2011.

Ashraf Uddin & Co., Chartered Accountants expressed their interest to be appointed as auditors of the Company for the year ended June 30, 2017.

Business Expansion

The company plans to use its already expanded capacity to enhance turnover and profitability during the period 2016 and 2017.

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 3724 people as of June 30, 2016. Currently, the management believes that it can reduce production expenses and enhance exports in future and is taking necessary steps in this regard.

Rights Issue Fund

The company earlier raised Rights Issue Fund which is amongst utilized. Remaining balance to be utilized for import machineries (under differed scheme) up to June 30, 2018 to be needed approval by the shareholders in this 12th AGM.

Acknowledgement

The Board of Directors would like to thank all the shareholders for their continued support over the past period. I would also like to express gratitude to the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, RJSC, 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 thanks 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.

Thank you all,



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

CERTIFICATE OF COMPLIANCE ON CORPORATE GOVERNANCE OF GENERATION NEXT FASHIONS LIMITED

[As required under the Bangladesh Securities and Exchange Commission (BSEC) Guideline]

We have examined compliance to the Bangladesh Securities and Exchange Commission (BSEC) Guideline on Corporate Governance by Generation Next Fashions Limited (the Company) for the period from 01 January 2015 to 30 June 2016. These guidelines related to the Notification No. SEC/CMRRCD/2006-158/134/Admin dated 7th August 2012, as amended vide notification dated 21 July 2013 and 18 August 2013 of BSEC on Corporate Governance.

The compliance with the said conditions of Corporate Governance and reporting the status thereof is the responsibility of the Management of the Generation Next Fashions Limited. Our responsibility is to provide a certificate about whether the Company is in compliance with the said conditions of Corporate Governance based on our examination. Our examination for the purpose of issuing this Certificate was limited to the procedures including implementation thereof as adopted by the Company for ensuring the compliance of the conditions on the attached statement on the basis of evidence gathered and representation received. It is neither an audit nor an expression of opinion on the financial statements of Generation Next Fashions Limited.

Based on the audited financial statements for the period from 01 January 2015 to 30 June 2016 issued by Ata Khan & Co., Chartered Accountants dated November 28, 2016 and our examination of condition of compliance and status of corporate governance issued by BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012, as amended vide notification dated 21 July 2013 and 18 August 2013, in our opinion and to the best of our information and according to the explanations provided by the Management to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guideline issued by BSEC. We also state that such compliance is neither an assurance as to the future viability of the Company nor a certification on the efficiency or effectiveness with which the Management has conducted the affairs of the Company.



Dated: November 30, 2016

Place: Dhaka

S. F. Ahmed & Co.

S.F. Ahmed & Co.

Chartered Accountants

Generation Next Fashions Limited

Corporate Governance Compliance Status Report Under Condition No. 7.00

Status of Compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/ 2006-158/ 134/Admin/44 dated 07 August 2012 and Notification No.SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is as follows:

Condition No.	Title	Compliance Status (Put a in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1	Board of Directors:			
1.1	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)	For the purpose of this clause "Independent Director" means a Director.			
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:	√		



Condition No.	Title	Compliance Status (Put a in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.2 (ii) (c)	Who dose 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).	√		
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.	√		

Condition No.	Title	Compliance Status (Put a in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.3	Qualification of Independent Director (ID)			
1.3 (i)	Independent Director shall be a knowledgeable 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: The directors of the companies shall include the following additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994)			
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.	√		



Condition No.	Title	Compliance Status (Put a in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	√		
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.	√		



Condition No.	Title	Compliance Status (Put a in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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 period from 01 January 2015 to 30 June 2016, the reasons thereof shall be given.			Not Applicable, as the Company declared stock dividend @ 10% for the period from 01 January 2015 to 30 June 2016.
1.5 (xx)	The number of Board meetings held during the period from 01 January 2015 to 30 June 2016 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).	√		



Condition No.	Title	Compliance Status (Put a in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	√		
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.	√		



Condition No.	Title	Compliance Status (Put a in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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. Explanation: The term "financially literate" means the ability to read and understand the financial statements like Balance Sheet, Income Statement and Cash Flow Statement and a person will be considered to have accounting or related financial management expertise if (s)he possesses professional qualification or Accounting/ Finance graduate with at least 12 (twelve) years of corporate management/professional experiences.	√		
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.	√		



Condition No.	Title	Compliance Status (Put a in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	√		
3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	√		
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:-	√		

Condition No.	Title	Compliance Status (Put a in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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



Condition No.	Title	Compliance Status (Put a in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	√		
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	√		
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

Condition No.	Title	Compliance Status (Put a in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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 period from 01 January 2015 to 30 June 2016 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 period from 01 January 2015 to 30 June 2016 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.	√		



[Signature]
Chairman

[Signature]
Managing Director

[Signature]
Company Secretary

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. Atiar Rahamn, Chairman
2. Mr. Rajiv Sethi, Member
3. Mr. Kazi Refayet Rahman, Member Secretary

❖ Purchase & Procurement Committee, includes:

1. Mr. Kazi Refayet Rahman, Chairman
2. Mr. Wahid Salam, Member
3. Mr. Rajiv Sethi, Member Secretary

❖ Operation & Maintenance Committee, includes:

1. Mr. Rajiv Sethi, Chairman
2. Mr. Kazi Refayet Rahman, Member
3. Mr. Atiar Rahamn, 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 05 Directors including an Independent Director, 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 ensuring 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.



AUDITORS' REPORT & FINANCIAL STATEMENTS



ATA KHAN & CO.
Chartered Accountants

67, Motijheel C/A
Dhaka-1000
Tel:9560933, 9552833,9560716

AUDITORS' REPORT OF GENERATION NEXT FASHIONS LIMITED

We have audited the accompanying Statement of Financial Position of **GENERATION NEXT FASHIONS LIMITED** as of June 30, 2016 and the related Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity together with related notes for the eighteen months period from January 01, 2015 to June 30, 2016 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 June 30, 2016 and of the results of its operations and its cash flows for the eighteen months period from January 01, 2015 to June 30, 2016 then ended and comply with the applicable sections of the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

We also report that:

- a) 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,
- b) 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.
- c) 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.
- d) The expenditure incurred was for the Company's business.

Place: Dhaka
Dated: November 28, 2016


ATA KHAN & CO.
Chartered Accountants

GENERATION NEXT FASHIONS LIMITED

Consolidated Statement of Financial Position

As at June 30, 2016

ANNUAL REPORT 2015-2016

Particulars	Notes	Amount in Taka	
		30 June 2016	31 Dec 2015
A. NON-CURRENT ASSETS		3,593,697,285	3,245,586,771
Property, Plant & Equipment	16	2,891,657,320	2,162,483,768
Capital Works-in-Progress	17	702,039,965	1,083,103,003
B. CURRENT ASSETS		2,454,693,432	2,574,187,245
Inventories	18	1,069,563,556	861,319,917
Accounts Receivable	19	873,199,626	988,978,243
Advances, Deposits and Pre-Payments	20	106,764,355	199,159,200
Cash & Cash Equivalents	21	405,165,895	524,729,885
C. CURRENT LIABILITIES & PROVISIONS		1,007,659,313	867,879,338
Accounts & Other Payables	22	34,953,782	1,345,549
Accrued Expenses	23	303,777,374	242,689,744
Bank Overdraft	24	17,471,177	46,456,678
Short Term Bank Credits	25	473,964,333	482,019,198
Deferred L/C Liabilities	26	41,337,199	89,016,314
Share Money Refundable	27	2,372,341	2,439,855
Current Maturity of Long Term Loans	28	133,783,107	3,912,000
D. NET CURRENT ASSETS (B-C)		1,447,034,119	1,706,307,907
E. NET ASSETS (A+D)		5,040,731,404	4,951,894,679
F. SHAREHOLDERS' EQUITY		4,955,536,798	4,868,432,174
Share Capital	29	3,718,817,100	3,718,817,100
Share Premium	30	236,779,111	236,779,111
Revaluation Surplus	31	429,951,498	434,389,369
Retained Earnings	32	569,989,089	478,446,594
G. LONG TERM LOAN	33	85,194,606	83,462,505
H. LIABILITIES & SHAREHOLDERS' EQUITY (F+G)		5,040,731,404	4,951,894,679
Net Assets Value Per Share (NAVPS)		13.33	13.09

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


Chairman


Managing Director


Company Secretary

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

Dated, Dhaka; November 28, 2016




ATA KHAN & CO.
Chartered Accountants



GENERATION NEXT
FASHIONS LIMITED

Consolidated Statement of Comprehensive Income

For the period from 01 January 2015 to 30 June, 2016

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


Chairman

ments.

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

Dated, Dhaka; November 28, 2016

Company Secretary

Atthana

Chartered Accountants



GENERATION NEXT FASHIONS LIMITED

Consolidated Statement of Changes in Equity


For the Period Ended June 30, 2016

For (01 January 2016 to 30 June 2015):

Particulars	Share Capital	Share Premium	Retained Earnings	Revaluation Surplus	Total
Balance at January 01, 2016	3,718,817,100	236,779,111	478,446,594	434,389,369	4,868,432,174
Depreciation on Revaluation Surplus	-	-	4,437,871	(4,437,871)	-
Net Profit (January '16 to June '16)	-	-	87,104,624	-	87,104,624
Balance at June 30, 2016	3,718,817,100	236,779,111	569,989,089	429,951,498	4,955,536,798
For (01 January 2015 to 30 June 2015):					
Balance at January 01, 2015	3,233,754,000	250,000,000	614,253,572	443,603,218	4,541,610,790
Depreciation on Revaluation Surplus	-	-	4,606,925	(4,606,925)	-
Net Profit (Jan to June 15)	-	-	265,030,276	-	265,030,276
Issue of Bonus Shares	485,063,100	-	(485,063,100)	-	-
Balance at June 30, 2015	3,718,817,100	250,000,000	398,827,673	438,996,293	4,806,641,066
For (01 July 2015 to 30 Dec 2015):					
Balance at July 01, 2015	3,718,817,100	250,000,000	398,827,673	438,996,293	4,806,641,066
Depreciation on Revaluation Surplus	-	-	4,606,925	(4,606,925)	-
Net Profit (July to Dec 15)	-	-	75,011,996	-	75,011,996
Rights Issue Expenses Written Off	-	(13,220,889)	-	-	(13,220,889)
Balance at December 31, 2015	3,718,817,100	236,779,111	478,446,594	434,389,369	4,868,432,174

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


Chairman


Managing Director




Company Secretary

Dated, Dhaka; November 28, 2016


ATA KHAN & CO.
Chartered Accountants

GENERATION NEXT FASHIONS LIMITED

Consolidated Statement of Cash Flows

For the period from 01 January 2015 to 30 June, 2016

Particulars	Amount in Taka		Amount in Taka	
	30 June 2016 (Jan to June 2016)	31 December 2015 (Jan 2015 to Dec 2015)	31 December 2014 (Jan 2014 to Dec 2014)	Jan 2014 to June 2015 (18 Months)
A. CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers and Other Income	170,289,356	126,106,539	296,395,895	407,760,410
Cash Paid for Materials, Expenses and Services	2,012,356,994	2,565,040,654	4,577,397,648	3,939,895,232
Income Tax Paid/(Deducted)	(1,827,665,307)	(2,421,210,978)	(4,248,876,285)	(3,504,087,387)
	(14,402,331)	(17,723,137)	(32,125,468)	(28,047,415)
B. CASH FLOWS FROM INVESTING ACTIVITIES:				
Acquisition of Fixed Assets	(384,348,673)	(223,325,011)	(607,673,684)	(295,919,348)
Expenditures for Capital Work-in-Progress	(765,411,711)	(193,507,693)	(958,919,404)	(107,324,416)
Right Issue Expenses	381,063,038	(29,817,318)	351,245,720	(172,068,821)
	-	-	-	(16,526,111)
C. CASH FLOWS FROM FINANCING ACTIVITIES:				
Bank Overdraft Received/(Repaid)	94,495,327	(14,339,874)	80,155,453	376,055,080
Issue of Rights Shares Issue	(28,985,501)	1,961,375	(27,024,126)	(2,072,091)
Short Term Bank Credit Received/(Repaid)	(8,054,865)	80,829,869	72,775,004	1,124,784,000
Long Term Loan (Repaid)	131,603,207	(97,103,613)	34,499,594	(627,504,877)
Share Money Deposit (Refunded)/Adjusted	(67,514)	(27,505)	(95,019)	(119,137,888)
			43,122	(14,064)
D. Net Increase/(Decrease) in cash & cash equivalents (A+B+C)	(119,563,990)	(111,558,345)	(231,122,335)	487,896,142
E. Cash & Cash equivalents at the beginning of the year	524,729,885	636,288,230	636,288,230	39,157,793
F. Cash & Cash equivalents at the end of the year (D+E)	405,165,895	524,729,885	405,165,895	527,053,935
Operating Cash Flow Per Share	0.46	0.34	0.80	1.10

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

[Signature]
Chairman

[Signature]
Managing Director

Dated, Dhaka; November 28, 2016

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



[Signature]
ATA KHAN & CO.
Chartered Accountants

GENERATION NEXT FASHIONS LIMITED

Accounting Policies and Explanatory Notes

For the eighteen months period ended June 30, 2016

1. 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.

2. 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.

3. 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.

4. 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.

5. Corporate Accounting Standards Practiced

The following BAS is applicable to the financial statements for the period 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

6. Reporting Period

The period of these financial statements covers from January 01, 2015 to June 30, 2016.

7. 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.

8. 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.

9. 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 period 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 periods; 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 period and were also consistent with those used in earlier period.

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.



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 Balance are adjusted with Shares Premium during the eighteen months period.

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 period 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 period 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 period.

Basic Earnings

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

Weighted Average Number of 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 period 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.

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

(e) Potential or existing government regulations risks:

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

Management perception:

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

(f) Potential changes in global or national policies:

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

Management perception:

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

(g) Operational Risks:

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



Management perception:

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

(h) Input Cost Risks:

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

Management perception

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



16. Property, Plant & Equipment: Tk. 2,891,657,320

Particulars	Cost or Valuation			Rate of Dep. (%)	Depreciation		Written down value as on 30.06.2016
	Balance as on 01.01.16	Addition or valuation during the period	Balance as on 30.06.16		Balance as on 01.01.16	Charged during the period	
Land & Land Development	222,985,500	26,702,032	249,687,532	-	-	-	249,687,532
Building	1,397,198,438	655,633,483	2,052,831,921	2%	114,077,948	16,793,963	1,921,960,010
Plant & Machinery	864,355,611	72,164,906	936,520,517	5%	257,777,321	16,635,107	662,108,089
Vehicles	37,232,665	6,370,601	43,603,266	10%	12,247,571	1,419,703	29,935,992
Other Assets	41,476,992	4,540,689	46,017,681	10%	16,662,598	1,389,386	27,965,697
Total	2,563,249,206	765,411,711	3,328,660,917	-	400,765,438	36,238,159	2,891,657,320
Total as on December 31, 2015	2,369,741,513	193,507,693	2,563,249,206		340,606,613	60,158,824	2,162,483,768

Particulars	Amount in Taka	
	30.06.2016	30.06.2015

Depreciation charge during the Six Months period
(January 01, 2016 to June 30, 2016)

36,238,159 28,064,149

Head of Accounts:

Factory Overhead (Note: 35.02)	34,426,251	26,660,941
Administrative & Selling Expenses (Note: 36)	1,811,908	1,403,208
Total	36,238,159	28,064,149



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**18 Inventories**

Raw Materials (Note-18.1)
Work-in-Process (597,237 Kgs; 2015: 464,804 Kgs)
Finished Goods (183,586 Dozens; 2015: 147,495 Dozens)
Materials in Transit

Total**18.1 Raw Materials**

Yarn (866,260 Kgs; 2015: 672,175 Kgs)
Chemicals (452,322 Kgs; 2015: 385,941 Kgs)
Accessories

Total**19 Accounts Receivables**

ASDA Stores Limited
Crosswinds Sourcing LLC.
Dresscue GMBH
El Corte Ingles SA
G. Enpfenning GMBH
GOR Factory SA
Impetus Vandillen Asiatex GMBH
Jaytex of Canada Limited
LF Centennial Pte Ltd.
Miles Fashions GMBH
NTS
National Stores Inc.
Other Receivables (Note: 19.01)
PLC
Primark Stores Limited
TESCO Stores Limited
TEXBO
TU Clothing
TCW Trends INC
ZXY

Total

Amount in Taka	
30 June 2016	31 Dec 2015
669,477,690	1,050,664,088
643,916	643,916
2,527,497	2,527,497
632,545	632,545
13,685,207	13,565,207
13,525,912	13,525,912
631,479	628,119
915,719	915,719
702,039,965	1,083,103,003
374,317,442	294,354,560
278,909,647	216,063,980
358,911,125	288,352,625
57,425,341	62,548,752
1,069,563,556	861,319,917
270,706,374	209,718,755
32,341,027	27,401,815
71,270,041	57,233,990
374,317,442	294,354,560
1,479,190	40,504,091
9,204,875	-
278,645	-
61,466,258	35,421,688
74,693,850	-
1,997,583	-
2,462,844	51,462,844
5,127,877	-
2,519,024	-
27,390,574	100,141,790
-	29,423,925
35,866,723	-
65,787,098	86,974,575
4,000,861	74,000,861
493,173,349	292,297,690
8,673,535	80,875,760
6,839,793	56,839,793
2,201,125	62,201,125
44,358,621	-
25,677,801	78,834,099
873,199,626	988,978,243

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

Dues upto 6 months
Dues above 6 months

Total

19.01 Other Receivables

Alok Industries Limited
Antim Kntting Dyeing & Finishing Ltd.
Alpine
Basspro
E- Family
Elegant Team Development Limited
Fashions FX Limited
Fashion FX Ltd
GEBR. Huber GMBH
Hanebrands Europe GMBH
JMS Composite Knitware Ltd.
KGB
KHQ
Pelican Limited
Poeticgem Limited
SRKH Design
Vartex Fashions
Visage
Cash Subsidy from the Government.

Total

20 Advances, Deposit and Prepayments

Advances (**Note: 20.1**)
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

20.1 Advances

Advance against Salary
Advance Income Tax **Note: 20.1(a)**
Advance against Purchase / Expenses **Note: 20.1(b)**
Advance against House Rent
Advance for Construction & Others **Note: 20.1(c)**

Total

Amount in Taka	
30 June 2016	31 Dec 2015
581,027,031	652,725,640
292,172,595	336,252,603
873,199,626	988,978,243
1,523,560	5,185,950
1,068,316	-
502,356	7,184,590
1,122,322	8,205,640
-	7,125,693
809,850	7,250,765
840,870	6,845,900
2,446,181	-
2,245,612	6,142,356
-	4,592,800
317,226	-
7,040,497	7,040,497
-	5,561,520
1,640,523	7,293,582
-	8,546,530
361,964	-
81,300	-
-	5,998,752
45,786,521	-
65,787,098	86,974,575
106,138,651	198,533,496
625,704	625,704
106,764,355	199,159,200
33,096,950	59,747,760
73,667,405	139,411,440
106,764,355	199,159,200
1,716,000	2,713,508
59,341,309	49,147,668
27,974,673	29,771,119
1,765,000	2,412,000
15,341,669	114,489,201
106,138,651	198,533,496

20.1(a) Advance Income Tax

Opening Balance	
Add: Addition During the Year	
Less: Partly Adjustment for Assessment	
Total	

Amount in Taka	
30 June 2016	31 Dec 2015
49,147,668	31,424,531
14,402,331	17,723,137
63,549,999	49,147,668
4,208,690	-
59,341,309	49,147,668

20.1(b) Advance against Purchase / Expenses

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

-	3,847,789
854,200	3,270,113
-	2,473,556
394,570	3,287,467
-	7,544,603
890,570	3,949,533
53,415	3,731,391
14,360,804	-
8,950,708	-
1,350,000	-
1,120,406	1,666,667
27,974,673	29,771,119

20.1(c) Advance for Construction & Others

Azim Engineering Workshop & Thai Aluminum	
Biplop Enterprise	
Brothers Builders	
Faruk Eng. Works	
Hasib Thai	
M/S. Happy Enterprise	
M/S. Mohana Enterprise	
M/S. Saleem Sanitary Ent.	
Maa Electronics	
Maliha Enterprise	
Mehedi Enterprise	
Millenium Enterprise	
Royal Marble	
Taslima Enterprise	

5,582,680	-
-	9,275,133
1,150,645	13,267,507
-	6,318,565
945,632	10,746,400
1,355,400	6,047,309
-	8,742,461
1,754,602	6,135,820
-	11,604,907
1,793,407	10,967,833
-	7,449,901
1,517,200	6,485,797
1,242,103	8,701,160
-	8,746,407
15,341,669	114,489,201

Total**21 Cash & Cash Equivalents**

Cash in Hand (Note-21.1)	
Cash at Banks (Note-21.2)	
Total	

277,945	227,422
404,887,950	524,502,463
405,165,895	524,729,885

21.1 Cash in Hand

Balance in Central Cash	
Balance in Factory Cash	

205,355	143,560
72,590	83,862
277,945	227,422

Total

21.2 Cash at Banks

On Current/Short Notice Deposit Accounts Note: 21.2(a)

On Fixed Deposit Receipt (FDR) Accounts Note: 21.2(b)

Total

21.2(a) On Current/Short Notice Deposit Accounts

Bank Name	A/c Number	Branch Name	30-June-2016	31 Dec 2015
EXIM Bank Ltd.	711100009514/711100038467	Gulshan Br.	88,309,794	7,764,994
National Bank Ltd.	00036000534	Gulshan Br.	316,578,156	516,737,469
Prime Bank Ltd.	11831020024366	Gulshan Br.	404,887,950	524,502,463
Southeast Bank Ltd.	101110011987	Gulshan Br.		
Southeast Bank Ltd.	1015600000040	Gulshan Br.	78,938	79,513
Southeast Bank Ltd.	1015500000256	Gulshan Br.	22,123	22,523
Southeast Bank Ltd.	1015200000041	Gulshan Br.	10,054	10,629
Southeast Bank Ltd.	17200000002	Gulshan Br.	173,977	164,734
Social Islami Bank Ltd.	0181360001416	Foreign Ex. Br	94,105	136
IFIC Bank Ltd.	1002390905001	Gulshan Br.	13,756,377	2,778,445
Jamuna Bank Ltd.	00060210017279	Dilkusha Br.	1,928,543	1,931,695
BRAC Bank Ltd.	1501201918541001	Gulshan Br.	11,144,247	-
BRAC Bank Ltd.	1501201918541002	Gulshan Br.	111,485	110,835
BRAC Bank Ltd.	1501201918541003	Gulshan Br.	58,357,162	1,657
BRAC Bank Ltd.	1501201918541004	Gulshan Br.	94,053	95,454
BRAC Bank Ltd.	1501201918541005	Gulshan Br.	2,210,108	2,197,343
BRAC Bank Ltd.	1501201918541006	Gulshan Br.	218,668	218,384
BRAC Bank Ltd.	1501201918541007	Gulshan Br.	4,118	4,551
BRAC Bank Ltd.		Gulshan Br.	4,089	4,025
BRAC Bank Ltd.		Gulshan Br.	-	169
BRAC Bank Ltd.		Gulshan Br.	71,562	72,287
BRAC Bank Ltd.		Gulshan Br.	30,185	72,614
Total			88,309,794	7,764,994

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

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

Bank Name	A/c Number	Branch Name	30-June-2016	31 Dec 2015
Southeast Bank Ltd.	001024300050779	Gulshan Br.	-	290,000,000
Southeast Bank Ltd.	001024300050795	Gulshan Br.	-	26,737,469
Southeast Bank Ltd.	24300052000	Gulshan Br.	110,000,000	-
Social Islami Bank Ltd.	0185310048597	Foreign Ex. Br	103,289,078	100,000,000
Social Islami Bank Ltd.	0185310048586	Foreign Ex. Br	103,289,078	100,000,000
Total			316,578,156	516,737,469

22 Accounts & Other Payables

Global Way	3,186,911	-
M/s Hasina Enterprise	132,614	-
Chemitex	2,281,476	-
Chowdhury Trading	6,379,900	-
City Chemical	2,036,920	-
Trade Media	-	-
Nantong Lilan Textile CPO Ltd.	2,398,257	-
Shepherd Textile (BD) Ltd.	589,481	-



	Amount in Taka	
	30 June 2016	31 Dec 2015
Shimanta Paribahan	224,467	224,467
Akbar Cotton Mills Ltd.	4,846,140	-
BSB Spinning Mills Ltd.	7,414,512	-
Jaba Textile Mills Ltd.	3,448,279	-
Tamijuddin Textile Mills Ltd.	1,504,776	-
Other Payables (Note: 22.1)	510,049	1,121,082
Total	34,953,782	1,345,549

These are unsecured, payable within one year.

22.1 Other Payables

Badhan Electronics	32,000	743,509
KM Serviceing Center	161,480	78,524
The Daily New Age	92,900	122,900
The Daily Somokal	223,669	176,149
Total	510,049	1,121,082

23 Accrued Expenses

Audit fee	550,000	500,000
Salaries and Wages Payable	50,598,640	24,513,205
Bonus	13,200,000	-
Gas Bill	7,476,644	3,201,521
Electracity Bill	115,732	43,756
G4S Secure Solutions Bangladesh (Pvt.) Ltd.	319,998	-
Telephone Bill and Others Utilities	91,688	91,688
Securities Services	469,339	469,339
Workers' Participation/Welfare Funds	84,271,709	79,109,880
Provision for tax (Note: 23.1)	146,683,624	134,760,355
Total	303,777,374	242,689,744

These are unsecured, falling due within one year.

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

23.1 Provision for tax

Accounting Year	Assessment Year	Amount	Status
Jan 2016 to June 2016	2016-2017	16,131,959	Return not yet due.
2015	2016-2017	26,033,710	Return not yet due.
2014	2015-2016	24,772,268	Assessment Completed.
2013	2014-2015	19,897,460	Assessment Completed.
2012	2013-2014	27,644,980	Appeal Pending with Appellate Tribunal.
2011	2012-2013	36,093,137	Assessment Completed/ Agreed.
		150,573,514	
Less: Partly Adjustment for Assessment		4,208,690	
		146,364,824	
Add: Additional Provision for Assessment Completed/Agreed (Yr 2006 to Yr 2010)		318,800	
		146,683,624	



24 Bank Overdraft

		Amount in Taka	
		30 June 2016	31 Dec 2015
Bank Name	Br Name		
Southeast Bank Ltd. CC A/c 01073300000167	Gulshan Br.	17,471,177	46,456,678
Total		17,471,177	46,456,678

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.

25 Short Term Bank Credits :**Southeast Bank Ltd.:**

Time Loan	18,817,843	89,842,745
Packing Credit	112,998,702	76,774,279
Bill Purchase	119,444,256	193,732,037
Other Loans	222,703,532	121,670,137
Total	473,964,333	482,019,198

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.

26 Deferred L/C Liabilities

ABM Accessories	566,124	-
Active Zipper Ltd.	164,337	-
AIR Apperals Ltd.	780,000	-
AE Knitware	-	1,741,500
Alim Printing	1,491,672	2,585,654
AR Fashion	-	1,063,205
BSB Spinning Mills Limited	502,452	1,318,057
Bto Singapore Pte Ltd.	-	21,607,329
Basic Thread Industries Ltd.	11,561,780	-
Chemitex	-	507,690
Corus Knit Composite Ltd.	1,170,000	-
Dalash Fashion	8,754,560	2,560,502
Givensee Spinning Mills Ltd	715,205	3,326,016
Hainning Uchance Import	-	595,870
Hanjin Sehwha Glotech Co.Ltd	894,354	30,783,420
Jack Sewing Machine Co. Ltd.	2,105,600	4,937,250
Moral Fashions Ltd.	1,170,000	-
NRG Knit Composite Mills Ltd	852,110	1,652,560
Nassa Taipei Spinners Ltd.	4,348,500	-
Other Deferred L/C Liabilities	1,571,590	-
Pakiza Cotton Mills Ltd	4,059,315	727,502
Pegasus Sewing Machine Prt Ltd.	-	5,716,200
Taipei Knit and Composite Ltd.	629,600	-
Tamijuddin Textiles Mills Ltd.	-	3,646,360
Tara Spinning Mills Ltd.	-	1,929,562
The Delta Blended Yarn Mills Ltd.	-	4,317,637
Total	41,337,199	89,016,314

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

27 Share Money Refundable

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

Bank Name	A/C No.	Branch		
BRAC Bank Ltd	1501201918541001	Gulshan Br.	2,115,281	2,140,281
BRAC Bank Ltd	1501201918541002	Gulshan Br.	218,668	218,384
BRAC Bank Ltd	1501201918541003	Gulshan Br.	4,118	4,551
BRAC Bank Ltd	1501201918541004	Gulshan Br.	4,089	4,025
BRAC Bank Ltd	1501201918541007	Gulshan Br.	30,185	72,614
Total			2,372,341	2,439,855

28 Long Term Bank Loans (Current Portion)

Current portion of Long Term Bank Loans Tk.133,783,107 (2015; Tk. 3,912,000) has been shown under the head Current Liabilities which is payable within June -2017.

29 Share Capital**29.1 Authorised Capital**

	30 June 2016	31 Dec 2015
400,000,000 Ordinary shares of Tk.10/- each	4,000,000,000	4,000,000,000

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

224,363,400 Ordinary Shares of Tk. 10/- each issued for cash
147,518,310 Bonus Shares of Tk.10/- each

Total

The Shareholding position of the Company are as under :

Name of Shareholders	No. of Shares	Percentages (%)	Amount in Taka
Tauhidul Islam Chaudhury	19,090,174	5.13	190,901,740
Shaheen Akhter Chaudhury	143,451	0.04	1,434,510
A.J Corporation Limited	16,838,895	4.53	168,388,950
Rajiv Sethi	7,437,634	2.00	74,376,340
Wahid Salam	7,450,000	2.00	74,500,000
Beximco Holdings Ltd.	8,666,666	2.33	86,666,660
New England Equity Ltd.	18,180,000	4.89	181,800,000
Mohd. Akhter	7,874,860	2.12	78,748,600
Javed Opgenhaffen	6,206,727	1.67	62,067,270
Others	279,993,303	75.29	2,799,933,030
Total	371,881,710	100.00	3,718,817,100



			Amount in Taka	
			30 June 2016	31 Dec 2015
Particulars	No. of Shareholders	No. Of Shares	Percentage	Amount in Taka
Less than 500 Shares	5,435	1,287,767	0.35	12,877,670
501 to 5,000 Shares	12,960	25,564,057	6.88	255,640,570
5,001 to 10,000 Shares	2,723	20,355,446	5.46	203,554,460
10,001 to 20,000 Shares	1,949	28,027,853	7.54	280,278,530
20,001 to 30,000 Shares	756	18,896,321	5.08	188,963,210
30,001 to 40,000 Shares	349	12,168,774	3.27	121,687,740
40,001 to 50,000 Shares	296	13,549,747	3.64	135,497,470
50,001 to 100,000 Shares	433	30,514,415	8.21	305,144,150
100,001 to 1,000,000 Shares	285	65,625,517	17.65	656,255,170
Above 1,000,000 Shares	28	155,891,813	41.92	1,558,918,130
	25,214	371,881,710	100.00	3,718,817,100

30 Share Premium

Opening Balance	236,779,111	250,000,000
Less: Rights Issue Expenses Written Off	-	13,220,889
	236,779,111	236,779,111

31 Revaluation Surplus

Land & Land Development	136,740,234	136,740,234
Building	200,223,797	204,309,996
Plant & Machinery	97,425,338	102,552,988
	434,389,369	443,603,218
Less: Depreciation on Revaluation Surplus	4,437,871	9,213,849
Total	429,951,498	434,389,369

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	478,446,594	614,253,572
Add: Current Period Profit	87,104,624	340,042,273
	565,551,218	954,295,845
Add: Depreciation on Revaluation Surplus	4,437,871	9,213,849
	569,989,089	963,509,694
Less: Bonus Share Issue	-	485,063,100
Closing Balance	569,989,089	478,446,594

33 Long Term Loans

Particulars	Bank Name		
Term Loan	Southeast Bank	85,194,606	83,462,505
Total		85,194,606	83,462,505

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	11.00% p.a. with Quarterly rests subject to revision from time to time.
Long Term Loan	11.00% p.a. with Quarterly rests subject to revision from time to time.
Time Loan , Packing Credit & Bill Purchase	Time Loan : 11.00 % 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 : 11.00 % p.a. with Quarterly rests subject to revision from time to time.



Amount in Taka			Amount in Taka		
30 June 2016 (Jan to June 2016)	31 December 2015 (Jan 2015 to Dec 2015)	January 2015 to June 2016 (18 Months)	30 June 2015 (Jan to June 2015)	31 December 2014 (Jan 2014 to Dec 2014)	January 2014 to June 2015 (18 Months)
Export Sales Revenue is recognised for 938,010 Dozens at USD 23,876,619.82 @ average Tk.77 equivalent to Tk.1,838,499,726	Export Sales Revenue is recognised for 1,350,684 Dozens at USD 33,975,670.39 @ average Tk.77 equivalent to Tk.2,640,589,103	938,010 Dzn at \$ 23,876,619.82 @ avrg Tk.77 eqvalnt to Tk.1,838,499,726 and \$ 1,350,684 @ avrg Tk.77.72 eqvalnt to Tk. 2,640,589,103	Export Sales Revenue is recognised for USD 19,266,923 @ average Tk.76.75 equivalent to Tk.1,478,736,389	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	1,343,097 Dzn at \$ 33,577,413 @ avrg Tk.77.59 eqvalnt to Tk.2,605,271,479 and \$ 19,266,923 @ avrg Tk.76.75 eqvalnt to Tk.1,478,736,389
1,838,499,726	2,640,589,103	4,479,088,829	1,478,736,389	2,605,271,479	4,084,007,868

Sales

35 Cost of Goods Sold

Opening Stock of Raw Materials					
Add: Purchases (Note : 35.01)					
Less: Closing Stock of Raw Materials (Note : 18.01)					
Material Consumed					
Add: Direct Labour					
Add: Factory Overhead (Note : 35.02)					
Cost of Manufacturing					
Add: Opening Work-In-Process (Note: 18.00)					
Less: Closing Work-In-Process (Note: 18.00)					
Cost of Goods Manufactured					
Add: Opening Stock of Finished Goods (Note: 18.00)					
Less: Closing Stock of Finished Goods (Note: 18.00)					
Cost of Goods Sold					

294,354,560	256,865,125	256,865,125	256,865,125	218,611,478	218,611,478
1,461,799,774	1,762,444,699	3,224,244,473	1,028,870,204	1,724,446,117	2,753,316,321
374,317,443	294,354,560	374,317,443	277,591,067	256,865,125	277,591,067
1,381,836,891	1,724,955,264	3,106,792,155	1,008,144,262	1,686,192,470	2,694,336,732
248,405,273	270,033,757	516,439,030	98,377,544	194,773,740	293,151,284
1,628,242,164	1,994,989,021	3,623,231,185	1,106,521,806	1,880,966,210	2,987,488,016
79,174,871	119,557,873	198,732,744	60,573,644	99,113,035	159,686,679
1,707,417,035	2,114,546,894	3,821,963,929	1,167,095,450	1,980,079,245	3,147,174,695
216,063,980	216,587,524	216,587,524	216,587,524	173,648,104	173,648,104
278,909,647	216,063,980	278,909,647	235,870,966	216,587,524	235,870,966
1,644,571,368	2,115,070,438	3,759,641,806	1,147,812,008	1,937,139,825	3,084,951,833
288,352,625	250,173,969	250,173,969	250,173,969	190,254,600	190,254,600
358,911,125	288,352,625	358,911,125	296,789,518	250,173,969	296,789,518
1,574,012,868	2,076,891,782	3,650,904,650	1,101,196,459	1,877,220,456	2,978,416,915



35.01 Purchases of Raw Materials

Yarn (3,198,183 Kgs; 2015: 3,841,225 Kgs)
Chemicals (2,169,188 Kgs; 2015: 297,793 Kgs)
Accessories

Amount in Taka			Amount in Taka		
30 June 2016 (Jan to June 2016)	31 December 2015 (Jan 2015 to Dec 2015)	January 2015 to June 2016 (18 Months)	30 June 2015 (Jan to June 2015)	31 December 2014 (Jan 2014 to Dec 2014)	January 2014 to June 2015 (18 Months)
999,432,505	1,198,462,395	2,197,894,900	730,497,845	1,183,085,256	1,913,583,101
155,096,956	211,493,364	366,590,320	113,175,722	177,010,180	290,185,902
307,270,313	352,488,940	659,759,253	185,196,637	364,350,681	549,547,318
1,461,799,774	1,762,444,699	3,224,244,473	1,028,870,204	1,724,446,117	2,753,316,321

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
Group Insurance Premium
Other Expenses

Amount in Taka			Amount in Taka		
30 June 2016 (Jan to June 2016)	31 December 2015 (Jan 2015 to Dec 2015)	January 2015 to June 2016 (18 Months)	30 June 2015 (Jan to June 2015)	31 December 2014 (Jan 2014 to Dec 2014)	January 2014 to June 2015 (18 Months)
942,000	240,000	1,182,000	120,000	240,000	360,000
2,850,597	5,058,296	7,908,893	2,344,924	4,104,660	6,449,584
34,426,251	57,150,883	91,577,134	26,660,941	53,462,757	80,123,698
23,218,730	31,513,678	54,732,408	15,259,409	28,917,291	44,176,700
3,147,800	7,566,247	10,714,047	5,325,245	4,324,651	9,649,896
2,779,449	1,817,800	4,597,249	1,458,852	582,406	2,041,258
3,723,472	1,985,269	5,708,741	1,293,968	921,080	2,215,048
4,291,769	2,277,675	6,569,444	1,182,018	738,952	1,920,970
483,181	2,922,944	3,406,125	1,428,988	1,404,060	2,833,048
928,780	1,035,056	1,963,836	517,528	329,755	847,283
793,163	981,767	1,774,930	558,545	675,655	1,234,200
1,532,376	983,560	2,515,936	369,325	402,300	771,625
45,000	-	45,000	-	-	-
12,303	6,024,699	6,037,002	4,053,901	3,009,468	7,063,369
79,174,871	119,557,873	198,732,744	60,573,644	99,113,035	159,686,679
212,838,047	254,144,526	466,982,573	147,642,874	247,971,944	395,614,818

35.03 CIF costs of imported items from abroad aggregated





36 Administrative & Selling Expenses

Staff Salaries	40,288,830	75,142,226	115,431,056	29,879,550	52,074,627	81,954,177
Directors' Remuneration	4,800,000	7,400,000	12,200,000	3,000,000	6,000,000	9,000,000
Bonus	13,200,000	6,867,579	20,067,579	-	2,858,950	2,858,950
Air Freight Charge	1,484,629	825,075	2,309,704	433,476	756,985	1,190,461
Buying House Expenses	3,000,269	1,615,245	4,615,514	1,345,558	342,552	1,688,110
Utility Charge	481,576	954,741	1,436,317	380,279	821,191	1,201,470
Entertainment	655,890	872,889	1,528,779	471,197	525,702	996,899
C & F Charges	7,770,630	6,745,643	14,516,273	3,557,022	4,043,690	7,600,712
Courier & Postage	764,914	860,351	1,625,265	384,509	526,830	911,339
Telephone and Other	1,027,599	1,500,260	2,527,859	300,490	477,283	777,773
Office Rent	812,000	1,885,560	2,697,560	660,000	1,846,800	2,506,800
Service Charges	186,300	376,035	562,335	188,876	66,000	254,876
Car Rent and Other Expenses	1,182,668	4,928,956	6,111,624	1,785,952	2,360,032	4,145,984
Depreciation	1,811,908	3,007,941	4,819,849	1,403,207	2,813,829	4,217,037
Written Off Right Issue Expenses	-	-	-	1,652,611	3,305,222	4,957,833
Insurance Premium	330,968	5,534,348	5,865,316	3,762,230	2,628,000	6,390,230
Annual Audit Fee	800,000	500,000	1,300,000	500,000	500,000	1,000,000
Professional, Consultancy and Other Audit fee	985,000	1,020,000	2,005,000	240,000	920,000	1,160,000
Traveling & Conveyance	3,570,069	3,397,156	6,967,225	2,958,331	1,077,973	4,036,304
Stationeries	266,242	787,559	1,053,801	368,851	563,251	932,102
Fuel & Lubricant	434,247	4,587,009	5,021,256	2,480,263	1,775,982	4,256,245
Carriage Outward	7,212,001	3,458,191	10,670,192	2,329,098	1,372,532	3,701,630
Advertisement	817,990	747,773	1,565,763	261,465	612,517	873,982



License & Renewals
Commercial Expenses
Business Development Expenses
AGM and EGM Expenses
Compliance Expenses
Fire Extinguisher & Fire Fighting
Exchange Loss/Gain
Donation
Other Expenses

Total

37 Other Income

Income from Cash Incentive
Other Revenues
Interest on Investment and Deposits

Total

38 Financial Expenses

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

Total

Amount in Taka			Amount in Taka		
30 June 2016 (Jan to June 2016)	31 December 2015 (Jan 2015 to Dec 2015)	January 2015 to June 2016 (18 Months)	30 June 2015 (Jan to June 2015)	31 December 2014 (Jan 2014 to Dec 2014)	January 2014 to June 2015 (18 Months)
201,054	351,658	552,712	403,52	277,200	680,725
3,209,678	4,336,093	7,545,771	2,551,385	1,966,940	4,518,325
1,572,700	2,597,950	4,170,650	2,718,300	-	2,718,300
-	1,584,560	1,584,560	875,842	1,479,171	2,355,013
2,671,463	-	2,671,463	-	-	-
19,750	-	19,750	-	-	-
3,171,178	5,993,675	9,164,853	6,856,954	3,886,096	10,743,050
686,677	268,500	955,177	150,000	250,000	400,000
289,790	3,123,937	3,413,727	1,782,388	668,964	2,451,352
103,706,020	151,270,910	254,976,930	73,681,360	96,798,319	170,479,680

Amount in Taka			Amount in Taka		
30 June 2016 (Jan to June 2016)	31 December 2015 (Jan 2015 to Dec 2015)	January 2015 to June 2016 (18 Months)	30 June 2015 (Jan to June 2015)	31 December 2014 (Jan 2014 to Dec 2014)	January 2014 to June 2015 (18 Months)
7,614,506	29,053,291	36,667,797	22,222,972	22,544,897	44,767,869
54,510,219	32,679,472	87,189,691	3,022,730	45,937,468	48,960,198
4,462,088	9,518,621	13,980,709	2,928,397	6,356,383	9,284,780
7,532,959	25,575,237	33,108,196	10,451,763	28,035,951	38,487,714
22,539,797	18,274,536	40,814,333	7,948,840	16,823,350	24,772,190
13,801,507	35,932,683	49,734,190	7,676,695	26,442,779	34,119,474
110,461,07	151,033,840	261,494,916	54,251,397	146,140,828	200,392,225



39 Provision for Income Tax

Particulars	Amount	Rate	Tax Amount
Export from Jan 01 to June 30, 2016	1,838,499,726	0.60%	11,030,998
Income from Cash Incentive	42,812,281	3.00%	1,284,368
Other Revenues	328,185	25.00%	82,047
Interest on Investment and Deposits	14,938,185	25.00%	3,734,546
Total			16,131,959

40 Earning Per Share (EPS)

	30 June 2016 (Jan to June 2016)	31 December 2015 (Jan 2015 to Dec 2015)	January 2015 to June 2016 (18 Months)	30 June 2015 (Jan to June 2015)	31 December 2014 (Jan 2014 to Dec 2014)	January 2014 to June 2015 (18 Months)
Earning Per Share (EPS) =						
Earning from recurring income	87,104,624	340,042,273	427,146,898	265,030,276	497,770,970	762,801,243
No. of Shares	371,881,710	371,881,710	371,881,710	371,881,710	371,881,710	371,881,710
	=0.23	=0.91	=1.14	=0.71	=1.34	=2.05

41 EPS From Recurring Income

Earning Per Share (EPS) =						
Earning from recurring income	2,166,439	291,646,031	363,812,471	239,242,959	460,211,539	699,454,495
No. of Shares	371,881,710	371,881,710	371,881,710	371,881,710	371,881,710	371,881,710
	=0.19	=0.78	=0.97	=0.64	=1.24	=1.88

42 EPS From Non-Recurring Income

Earning Per Share (EPS) =						
Earning from non-recurring income	14,938,185	48,396,242	63,334,427	25,787,317	37,559,431	63,346,748
No. of Shares	371,881,710	371,881,710	371,881,710	371,881,710	371,881,710	371,881,710
	=0.04	=0.13	=0.17	=0.07	=0.10	=0.17



43 Capital Expenditure Commitment

There was no capital expenditure contracted but not incurred or provided for as on 30.06.2016
There was no material Capital expenditure authorised by the Board but not contracted for as on 30.06.2016

44 Contingent Liabilities

There was no sum for which the Company is contingently liable as on 30.06.2016

45 Claims not Acknowledged

There was no claim against the Company not acknowledged as debt as on 30.06.2016

46 Credit Facilities Available

Credit facilities available were to the Company from banks as on 30.06.2016 and Trade Credit available in the ordinary course of business. No other credit facilities were available to the Company as on 30.06.2016

47 Commission, Brokerage or Discount Against Sales

No other commission, brokerage or discount was incurred or paid by the Company against sales during the eighteen months period ended June 30, 2016.

48 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 10% (2014: 15%) as recommended in the meeting of Board of Directors held on April 28, 2016 (2014: April 27, 2015)

49 Employees

Number of employees whose salary was below Tk. 6,000 is 522 as on 30.06.2016
Number of employees whose salary was above Tk. 6,000 is 3,202 as on 30.06.2016

50 Related Parties Disclosures

Messes A.J Corporation Limited, a first class developer and a shareholder having a nominee Director, executed construction works valuing Tk. 140,668,210/- (2015: Tk.3,750,000/-) given under arms' length method during the eighteen months ended 30 June 2016.

51 Capacity Utilisation

Particulars	Capacity	Actual Production	Percentage
Garments*	3,000,000 Dozens	2,712,750 Dozens	90%
Fabrics	7,500 MT	5,925 MT	79%
Dyeing	7,500 MT	5,925 MT	79%

Reason: Actual production as per market demand

* Based on present product mix

52 Managerial Remuneration

52.01 Total remuneration of managers aggregates during the eighteen months period ended June 30, 2016 at Tk. 51,920,560 (eighteen months period ended June 30, 2015; Tk. 49,870,450).

52.02 Total remuneration of the Managing Director for the eighteen months period ended June 30, 2016 stood at Tk. 3,100,000 (eighteen months period ended June 30, 2015; Tk.1,800,000).


Chairman


Managing Director


Company Secretary


Generation Next Fashions Limited

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

Proxy Form for EGM

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 Extra-Ordinary General Meeting of the company to be held on Thursday the 22th day of December 2016 at Factory premises, Dhonaid, Earpur, Ashulia, Dhaka at 11.00 A.M. and at any adjournment thereof.
As witness my hand this day of 2016 signed by the said in presence of

(Signature of the Proxy)

Date

Revenue
Stamp
Tk. 20.00

(Signature of witness)

Signature of the Shareholder(s)

Register BO ID

Dated

NOTE: A member entitled to attend and vote at the Extra-Ordinary General Meeting may appoint at 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 Extra-Ordinary General Meeting of the company to be held on Thursday the 22th day of December 2016 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 EGM 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.



GENERATION NEXT
FASHIONS LIMITED

Generation Next Fashions Limited

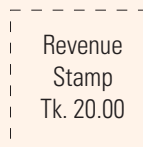
Building # 348, Road # 5, DOHS Baridhara, Dhaka- 1206

Proxy Form for 12th AGM

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 12th Annual General Meeting of the company to be held on Thursday the 22th day of December 2016 at Factory premises, Dhonaid, Earpur, Ashulia, Dhaka at 11.30 A.M. and at any adjournment thereof.
As witness my hand this day of 2016 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 12th Annual General Meeting may appoint at 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 12th Annual General Meeting of the company to be held on Thursday the 22th day of December 2016 at Factory premises, Dhonaid, Earpur, Ashulia, Dhaka at 11.30 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 12th 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.



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

Dhoida, Earpur, Savar, Dhaka