

Status Report of Utilization of Rights Issue (RI) Proceeds

We have examined relevant financial statements, books of account and other records of the **Generation Next Fashions Limited** and certify that the proceeds raised through rights share issue were utilized for business purpose of the Company.

Utilization of Rights Share Proceeds

Generation Next Fashions Limited has raised BDT 1,124,784,000 through issuance of 112,478,400 rights share, subscription date from March 18, 2014 to April 09, 2014 and utilization status of rights share issue proceeds is as follows:

Particulars	Amount in Taka			
	October 01, 2017 to December 31, 2017	Cumulative upto December 31, 2017	July 01, 2017 to September 30, 2017	Cumulative upto September 30, 2017
Opening Balance	322,600,371	-	318,635,997	-
Proceed from Rights Share Issue	-	1,124,784,000	-	1,124,784,000
Interest Received (Net)	2,729,728	56,155,684	4,145,334	53,425,956
Net Proceed	325,330,099	1,180,939,684	322,781,331	1,178,209,956
Proceeds Utilization:				
Loan Pay off Southeast Bank Limited	-	433,067,559	-	433,067,559
Buildings and Civil Construction	-	300,385,054	-	300,385,054
Office Equipment and Other Assets	95,000	2,169,840	180,960	2,074,840
Plant and Machinery	80,517,242	159,037,317	-	78,520,075
Machinery Installation	3,502,350	5,383,046	-	1,880,696
Vehicles	-	23,155,250	-	23,155,250
Rights Issue Expenses	-	16,526,111	-	16,526,111
Total	84,114,592	939,724,177	180,960	855,609,585

Un-utilized fund from Rights Share Issue proceeds as on December 31, 2017 was Tk. 241,215,507; out of which, a sum of Tk. 1,773,005 lies with the Company.

Board of Directors has authenticated quarter end Utilization Report of Generation Next Fashions Limited as on December 31, 2017, and is attached herewith.

We report that:

- Rights Issue proceeds have been utilized for the purpose/heads as specified in the rights share offer document;
- Rights Issue proceeds have been utilized in line with the conditions of the Commission's approval letter for the Rights Issue;
- Utilization of Rights Issue proceeds are being completed within extended time of 30 June 2018 which has been approved by the Shareholders of 3rd EGM held on December 22, 2016. The Company duly informed the BSEC, DSE and CSE about the extension of time.
- Utilization of Rights Issue proceeds is accurate and for the purpose of the company as specified in the rights share offer document; and
- Assets have been procured/imported/constructed maintaining proper procedure as well as at a reasonable price; and
 - Verification of all necessary documents/papers/vouchers has been made in support of utilization of Rights Issue proceeds making reconciliation with Bank Statement.

NB: During the period the Company decided in its Board of Directors Meeting dated December 03, 2017 to transfer FDR Tk.20.00 crore which was lying with Social Islami Bank Limited, Forigen Exchange Branch, Motijheel against Rights Issue Utilization Fund to Southeast Bank Limited, Gulshan Branch for payment of Import Machineries (Utilized Fund against Machineries).

Dated: Dhaka, January 23, 2018

Aziz Halim Khair Choudhury
Aziz Halim Khair Choudhury
Chartered Accountants

Report on Utilization of Rights Issue (RI) Proceeds for the Period of December 31, 2017

Name of the Company - Generation Next Fashions Limited

Amount (BDT) of Capital Raised Through RI : Tk. 1,124,784,000

Date of Close of Subscription : 09 April 2014

Proceeds Receiving Date : 04 May 2014

Last Date of Full Utilization of Fund as per ROD : With in 1 (One) year from closing date subscription

(All the figures are in BDT)

Sl. No.	Purpose Mentioned in the ROD	Time line as per ROD	Revised time line (upto June 30, 2018)	Amount as per ROD	Amount as per revised utilization Plan	Status of Utilization		Remarks
						Total Utilized Amount	Total Un-utilized Amount	
A.	BMRE of the Existing Project:							
01	Building & Other Civil Construction	Within 1 (one) year of receipt of Right Issue Fund	Upto date of June 30, 2018	300,000,000	-	300,385,054	100.13	(385,054)
02	Imported Machineries	Within 1 (one) year of receipt of Right Issue Fund	Upto date of June 30, 2018	300,000,000	-	159,037,317	53.01	140,962,683
03	Cost of Machinery Installation	Within 1 (one) year of receipt of Right Issue Fund	Upto date of June 30, 2018	5,000,000	-	5,383,046	107.66	(383,046)
04	Office Equipment & Other Assets	Within 1 (one) year of receipt of Right Issue Fund	Upto date of June 30, 2018	10,000,000	-	2,169,840	21.70	7,830,160
05	Vehicles	Within 1 (one) year of receipt of Right Issue Fund	Upto date of June 30, 2018	25,000,000	-	23,155,250	92.62	1,844,750
B.	Payment of Loans:							
01	Term Loan	Within 1 (one) month of receipt of Right Issue Fund	Upto date of June 30, 2018	250,813,042	-	209,311,518	83.45	41,501,524
02	Over Draft	Within 1 (one) month of receipt of Right Issue Fund	Upto date of June 30, 2018	47,080,863	-	49,078,396	104.24	(1,997,533)
03	Time Loan	Within 1 (one) month of receipt of Right Issue Fund	Upto date of June 30, 2018	161,890,095	-	174,077,645	107.90	(12,187,550)
C.	Rights Issue Expenses	Within 4 (four) months of receipt of Right Issue Fund	Upto date of June 30, 2018	25,000,000	-	16,276,111	66.10	8,723,889
Total				1,124,784,000	-	939,734,177		185,059,823

Percentage (%) :
 Interest (Total) on RI Proceeds
 Un-utilized RI proceeds with interest income on RI Proceeds

Tk. 86,155,684 4.99%
 Tk. 241,215,597 21.45%

Chairman
 Generation Next Fashions Ltd.

Managing Director
 Generation Next Fashions Ltd.

Company Secretary
 Generation Next Fashions Ltd.