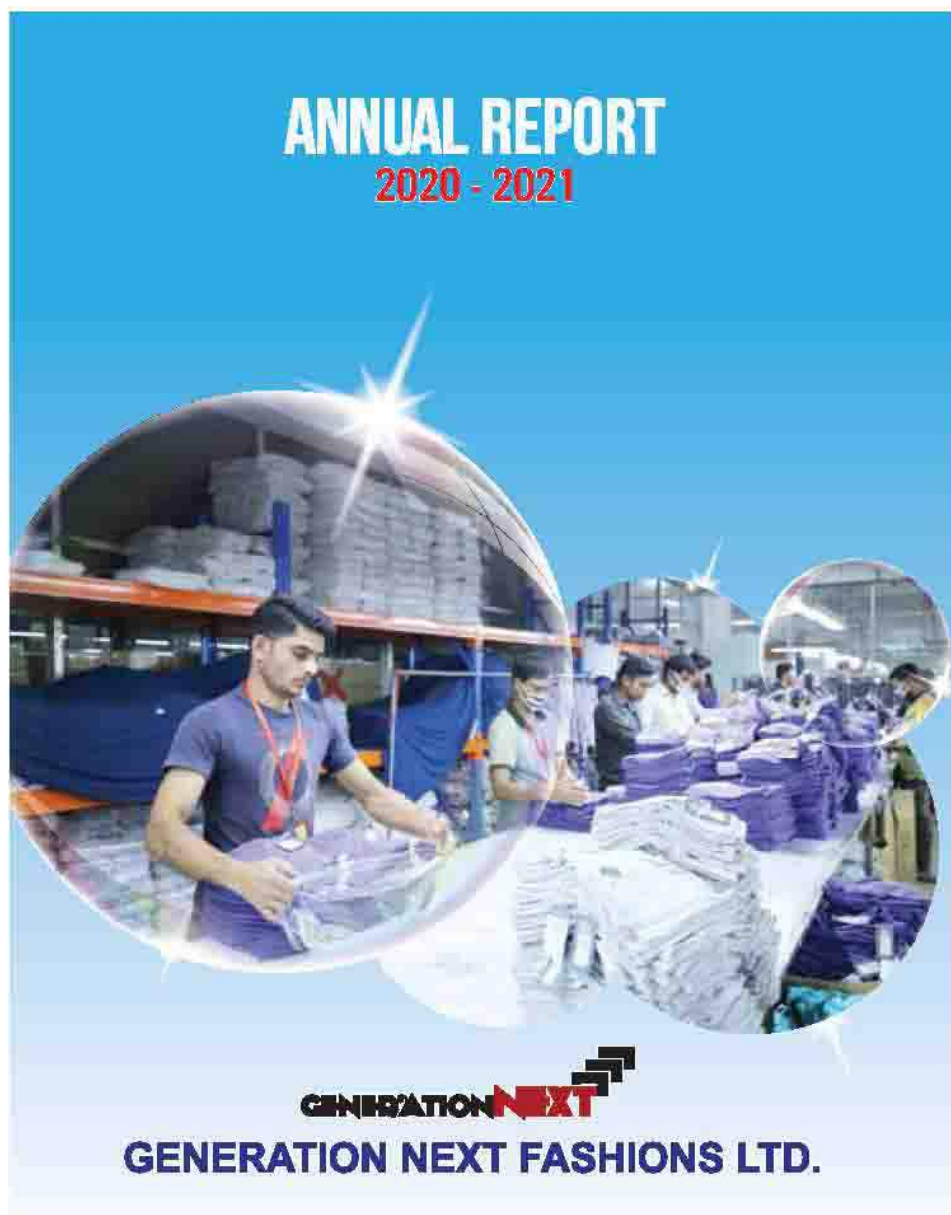


ANNUAL REPORT

2020
2021



GENERATION NEXT
GENERATION NEXT FASHIONS LTD.



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"Satisfying Buyers' Needs" and to be a leading and sustainable ecofriendly textile fabric apparel manufacturer in Bangladesh is our vision.



Our mission is to maximize 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.

Enhance profitability through customers' satisfaction. Maximize the value of being of our customers, shareholders and employees. Optimize contribution to the society. Ensure eco friendly manufacturing environment.



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







Generation Next Fashions Limited

Head Office: House # 348, Road # 05, DOHS Baridhara, Dhaka- 1206

Telephone: +8802 8411623, 8412625 & Fax: +8802 8416491

Website: www.gnf-bd.com, Email: info@gnf-bd.com

Notice of the 17th Annual General Meeting

Notice is hereby given that the 17th Annual General Meeting (AGM) of the Shareholders of Generation Next Fashions Limited will be held on Saturday, December 28, 2021 at 11:30 A.M. by using digital platform through the Link: <http://gennext17thagm.digitalagmbd.net>

To the following businesses: -

AGENDA

1. Report and Accounts:

To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on June 30, 2021 together with the Reports of the Board of Directors and the Auditors thereon.

2. Election of Directors:

To elect/re-elect Directors as per terms of the relevant provision of the Articles of Association of the Company.

3. Appointment of Auditors:

To appoint of Statutory Auditor for the year 2021-2022 and to fix their remuneration.

4. Compliance Auditors:

To appoint Compliance Auditor for the year 2021-2022 and to fix their remuneration.

5. Appointment of Independent Directors:

To approval of 2 (two) Independent Directors as per terms of the relevant provision of the Corporate Governance of BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, sub-clause 1(2) (c).

Dated: Dhaka
November 29, 2021

By order of the Board of Directors

Sd/-
Mohammed Shahjahan
Company Secretary

NOTES:

a) The Board of Directors has recommended no dividend for the year ended June 30, 2021 subject to approval in the 17th Annual General Meeting (AGM).

b) The Record Date is **November 22, 2021 (Monday)**. The shareholders whose names appeared in the Share Register of Members of the Company or in the Depository Register (CDBL) on the Record Date are eligible to attend the meeting.

c) The 17th AGM of the company would be conducted through Digital Platform in line with Order No. SEC/SRMIC/94-231/25 dated 08 July 2020 of Bangladesh Securities and Exchange Commission, Detail login process for the meeting will be available in the company's website at www.gnf-bd.com and the Link will be mailed to the respective shareholders email address available with the registers.

d) A shareholder eligible to attend the Annual General Meeting (AGM) is entitled to appoint a Proxy to attend and vote on his/her behalf (through digital platform). Forms of Proxy duly filled, signed & stamped must be sent through email to the Share Department of Company at info@gnf-bd.com /share@gnf-bd.com at least 48 hour before the time fixed for the Meeting.

Special Notes:

1. As per Bangladesh Securities and Exchange Commission (BSEC)'s Notification No. SEC/CMRRCD/2009-193/154 thereon dated October 24, 2013. No Food Box/Gift Coupon etc. is allowed.

2. As per condition no.9(1) & (2) of the BSEC/CMRRCD/2006-158/208/Admin/81, dated 20 June 2018, the soft copy of the Annual Report for the year ended 30 June 2021 to be sent through the e-mail address of the shareholders and also be available to the website www.gnf-bd.com of the company.



LETTER OF TRANSMITTAL

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

Subject: Annual Report for the year ended June 30, 2021

Dear Sirs,
 We are pleased to transmit a copy of the Annual Report for the year ended June 30, 2021 containing the Director's Report, the Auditor's Report and the Audited Financial Statements, which includes the Statement of Financial Position, Statement of Cash Flows for the year ended June 30, 2021 along with notes for your record and necessary measures.

Yours sincerely,

Mohammed Shahjahan
 Company Secretary

GENERATION NEXT



FASHIONS LIMITED





GENERATION NEXT FASHIONS LIMITED AT A GLANCE

Generation Next Fashions Limited (GNFL) was incorporated in Bangladesh under the Companies Act 1994 on August 19, 2004 with an authorized capital of BDT 500.00 million and paid up capital BDT 47.20 million to carry out business of Knitting, Dyeing and Various type of ready-made Garments Manufacturing of International standard and design. At present the paid up capital of the company is BDT.4949.75 million while the authorized capital is 5000.00 million.

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

Our Products

T- Shirt, Men's Polo Shirt Short Sleeve, Ladies Polo Shirt, Short Sleeve, Basic T- Shirt, Printed T- Shirt, Women's Trouser, Girls' Trouser, Girls' Trouser, Ladies' Pant, Ladies' Jacket, Static T- Shirt, Ladies' Night Wear Set, Military Jogger, Women's Flannel Trouser, Basic Drive & Fusion Tee, Ladies' Tang Top, Leggings, Hoody Jackets, etc.

World Market

USA, UK, Canada, Europe and Australia

Major Production Departments & Service

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

Power Gas & Water

Power: Rural Electrification Board (REB) connection, 1.5 MW Gas generator and one 1.70 MW diesel generator to ensure constant power supply.

Gas: Titas Gas Transmission & Distribution Company Limited is the main source of gas supply. In addition, the company has the provision of LPG.

Water: The company has a number of own deep tube wells installed for necessary water supply.

CORE VALUES

EXCELLENCE

Our relentless pursuit toward excellence of performance manifested with, effective guidance and quality services is the key to quality production.

INTEGRITY

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

TEAMWORK

Unity in the work place in an environment of mutual support, collaboration, communication and sharing/ caring of knowledge and skills are the driving forces of the company.

CUSTOMER PRIORITY

Satisfaction, trust, and confidence of our customers are of the highest priority.

INNOVATION

Our thinking is beyond traditional concepts and boundaries

COMMITMENT

The total resolve and involvement in everything is our responsibility.



CORPORATE INFORMATION

- **Chairman**
Tauhidul Islam Chaudhury
- **Managing Director**
Rajiv Sethi
- **Directors**
Tauhidul Islam Chaudhury
Rajiv Sethi
Alavee Azfar Chaudhury
Shaheen Akhter Chaudhury
(Nominated by A.J Corporation Ltd.)
- **Independent Director**
Mehdi Mahmood Haque
- **Independent Director**
Sadad Rahman
- **Independent Director**
Ahmed Monabbi
- **Chief Financial Officer**
Mark Niranjana Chowdhury
- **Head of Internal Audit**
Abdus Salam, FCA
- **Company Secretary**
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. 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

• CORPORATE OFFICE

The Pearl Trade Centre (PTC)
Cha- 90/3, Progoti Shoroni
Uttar Badda, Dhaka 1212
Tel: 880-2-9895725, 9895752

• OPERATIONAL OFFICE & FACTORY

Dhonaid, Earpur, Ashulia, Dhaka.

• COMPANY'S REGISTRATION NUMBER

C-53966, August 19, 2004

• LISTING RECOGNITION

Company No: 17454, Trade Code: GENNEXT

• AUDITORS

G. Kibria & Co.

Chartered Accountant

Office :

Sadharan Bima Sadan (5th Floor)

24-25, Dilkusha C/A, Dhaka- 1000

Tel : +88-02+9568071, 9570717, 9575324

Fax : +88-02-9553036

Email: gkibria@gkibriaandco.com

Kibria03@hotmail.com

Web: https://gkibriaandco.com

• LEGAL ADVISOR

Mohsin Mojumder, Advocate

Mojumder & Associates

Mahtab Centre (15th Floor)

Bijoy Nagar, Dhaka 1000

Moyeen Firozee, Bar-at-Law

ABC House (4th floor)

8 Kamal Ataturk Avenue, Banani, Dhaka

• LISTING

Dhaka Stock Exchange Limited

Chittagong Stock Exchange Limited

• INSURER

Asia Insurance Limited

• BANKERS

Southeast Bank Limited

National Bank Limited

IFIC Bank Limited

Prime Bank Limited

Exim Bank Limited

Jamuna Bank Limited

Brac Bank Limited

Social Islamic Bank Limited

Agrani Bank Limited

Premier Bank Limited

Trust Bank Limited

• MEMBERSHIP PROFILE

Bangladesh Garment Manufactures and Export Association (BGMEA)

Bangladesh Knitwear Manufactures and Export Association (BKMEA)

Bangladesh Textiles Mills Associations (BTMA)

Bangladesh Association of Publicly Listed Companies (BAPLC)

Dhaka Chamber of Commerce and Industry (DCCI)



Tauhidul Islam Chaudhury

Chairman

Mr. Chaudhury has 37 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 established a Garment Import House in New York in 1990 and marketed clothing from Bangladesh to Kenya and US retailers and wholesalers.

He has over 27 years of leadership experience in RMG buying and marketing business in Bangladesh in exporting the widest variety of woven and knitted product to the US and European markets. He also has about 27 years of professional knowledge in human resource management, social and ethical standards for global RMG sector.

Mr. Chaudhury has professional membership with Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), Bangladesh Textiles Mills Associations (BTMA) and Dhaka Chamber of Commerce and Industry (DCCI).



Rajiv Sethi

Managing Director

Mr. Sethi is an Indian national with residency in Bangladesh. He has been associated with the Garments & 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 European markets for retailers from various countries as Kenya, Jordan, Pakistan, India, UAE, Bangladesh, China, etc. After his graduation from Delhi University, Mr. Sethi has obtained Diploma in Fashion Designing from India Institute of Fashions Technology New Delhi.



Alavee Azfar Chaudhury

Director

Mr. Alavee Azfar Chaudhury is a Bangladeshi industrialist and entrepreneur. Mr. Chaudhury started his journey in Generation Next Fashions Limited as company director in early 2017. Mr. Chaudhury has utilized his vast expertise within the fields of Garments, Technology, Digitalization, Telecommunication and Marketing to secure various clients entering Bangladesh for the first time during his continued tenure in GNFL.

Having finished his higher execution in International Business from Pace University. Mr. Chaudhury is a firm believer in sustainability and technological advancements that are key to longevity in the Garments Industry. His vision for the company futures Gennext into a modern and globalized entity. he continues to develop and lead initiatives within the RMG industry with vision, direction, focused goals and strategic thinking.



Ms. Shaheen Akhter Chaudhury

Director (Nominated by A.J Corporation Ltd.)

Ms. Chaudhury is a service holder in A.J Corporation Limited. She has over 17 years of experienced in business and commerce.



Mehdi Mahmood Haque

Independent Director

Mr. Mehdi Mahmood Haque is a dynamic asset of the company. He has played a vital role in streamlining the merchandising, production and operations of the company



Sadad Rahman

Independent Director

Sadad Rahman, an Independent Director, has completed MBA, from City College University of London, UK. After he completed his academic career, he services in different types of sectors. Also, he received various types of training from different institutions. Not only he is the Independent Director of Generation Next Fashions Limited, but he is also the Managing Director of Rangpur Distilleries & Chemicals Limited & Independent Director of Fu-Wang Ceramic Industry Limited and Director of Saleh Steel Industries Limited.



Ahmed Monabbi

Independent Director

Ahmed Monabbi, an Independent Director of Generation Next Fashions Limited, has completed MBA, also he has completed Chartered Accountancy course under the Institute of Bangladesh (ICAB) having articulated with M/s Hoda Vasi Chowdhury & Co. Chartered Accountant. He has a versed experience in Garments Textile & Ceramic Industry. He is also Chief Financial Officer (CFO) in Fu-Wang Ceramic Industry Limited



CHAIRMAN'S MESSAGE

Dear Valued Shareholders,

On behalf of the Board of Directors of Generation Next Fashions Limited, I have the pleasure to welcome you all to the 17th Annual General Meeting of the company. We are pleased to submit before you the operational activities and Audited Financial Statements for the year ending 30 June 2021 as approved by the Board of Directors.

Business Condition: As you are aware, the global economy has plunged into worst recession due to second wave of Covid 19. This has caused a huge impact on the business of ready-made garments suppliers all over the world. We are no exception to this.

Implications of COVID-19 on our business:

COVID-19 pandemic has developed very rapidly in 2021, and the resulting impact of it on our operations has been little negative. But the timely measures taken by the Government of Bangladesh had very positive impact on the overall RMG business in the country.

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

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

1. 8.21% decline in total revenues for the year ended 30th June, 2021 compared with the year ended 30th June, 2020.
2. Frequent closure of the group's production facilities and export activities from Chittagong port in the reporting period.
3. Redundancy cost of temporary workforce.

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

- I. Downsizing the workforce to cut down cost to a tolerable level.
- II. Renegotiating with the customers to rearrange the export schedule and took confirmation for delivery of "Call on Hold" orders.

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

Human Resources: Nothing is possible without the dedication and selfless commitment of the employees who are the backbone of our company.

Conclusion: Here I would like to take this opportunity on behalf of the Board of Directors to express our deepest appreciation to all of our valued customers for their confidence in our products. I also like convey our sincere thanks and gratitude to all the employees for their tireless efforts, to the suppliers for their quality goods and to the esteemed shareholders for their continuous support and interest for the welfare of the company. I also hope that the same support from all stakeholders will continue in the coming years.

May Allah bless us.

Thanking you all,



Chairman of the Board



Tauhidul Islam Chaudhury

MANAGING DIRECTOR'S MESSAGE

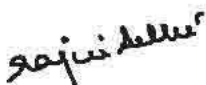
Dear Shareholders,

This is our great honour and privilege for me and my pleasure to great and welcome you all on behalf of me, we are holding this year's annual general meeting of the shareholders of the company. The annual report containing the audited accounts and auditor's reports thereon for the year ending 30 June 2021 has already been dispatched to you for your kind perusal. At this time of Covid 19 pandemic, we hope that you & your family members are well & safe.

Due to second wave of global pandemic, there are huge implications on our business resulting decline in total revenue for the year ended 30 June 2021. The company managed to meet all the obligations for the reported period. During the previous year, company has earned a net profit of Tk. 3,319,702 and exported goods worth of Tk. 2,918,048,347. We hope that, now onwards order situation will revive and moving forward will be even better.

Let me use this platform to convey my thanks to each one of you for your continued support and cooperation. We are whole heartedly working for sustainable growth in the days to come. I would also take this opportunity to express my gratitude to our valued shareholders, our colleagues, members of Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, Chit-tagong Stock Exchange, Central Depository Bangladesh Limited and all regulatory bodies for the cooperation and support extended to us.

I pray for your safe health in this hour of pandemic.



Rajiv Sethi
Managing Director



Rajiv Sethi

DIRECTOR'S MESSAGE



Dear Valued Shareholders,

On behalf of our board of directors, management and the Generation Next family, I would like to collectively welcome you to our 17th Annual General Meeting. It is with great candor, I would like to inform you that the ongoing mutations and variants causing repetitive waves of coronavirus outbreaks, lockdowns and global market volatility, have created challenging and enduring roles for us as an organization. This has caused revenue generation of 2,918,048,347 BDT for FY20-21. However, given the global normalization of living with SARS-COV-2, we are diligently following the industry's trends and projections, along with unique strategies that we continue to implement and execute on a daily basis with ongoing successful results, currently in FY 21-22.

As our customers continue to adapt to covid-19, we are also shaping our organizational and business structures accordingly, such as the shift into stronger customer bases focused on online, or a hybrid of physical retail and online e-commerce operations, to strengthen ongoing order fulfillments, prevent order cancellations due to lockdowns and increase volumes respectively customer to customer. These premeditated planning and executions are supporting us to mitigate our risks and ensure stable growth. I am pleased to announce we have successfully on boarded a new pool of dependable customers to our base, such as Bestseller, Costco USA, Chaps by Ralph Lauren, Tommy Hilfiger, Ann Summers and Boxeur, to name a few amongst a list of growth focused clientele.

With the commencement of these new business relationships, along with the dedication backbone support of our existing customer base including, but not limited to Primark, KIK, Amazon Inc, Playboy, Walmart, Boohoo Group amongst our tier 1 dedicated customer base, we are projecting capacity booking at 90%-100%+ FY21-22 and projecting a turnover between 450-525 CR BDT, during this ongoing FY21-22. On Behalf of the entire Generation Next Fashions community, I would once again like to extend my sincerest appreciation and gratitude for your continuous support, which fuels our unconditional efforts to prevail as per our slogan: "together we grow as a community."

I would like to thank you for your continuous support during these challenging but opportunistic times and allowing our slogan "Together we grow as a community," to be a reality.

Sincerely,



Alavee A. Chaudhury
Director of the Board





Dear Shareholders

On behalf of the Board of Directors of Generation Next Fashions Limited, I have the pleasure to welcome you all to the 17th Annual General Meeting of the company. We are pleased to submit before you the operational activities and Audited Financial Statements for the year ended June 30, 2021 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 earning is derived from this sector. Generation Next Fashions Limited, as a vertically integrated fabric and apparel manufacturing company, is looking to tap into the rising demand by manufacturing products in a more efficient manner. We are now looking to enhance value addition to retain maximum profits. Our marketing strategy is to look for better customers in the days ahead. We have all the latest technologies and machineries to manufacture garments for the top retailers of the world

Business Activities and Contribution to National Economy

The company has earned Tk.2.92 billion in foreign exchange in the period from July 01, 2020 to June 30, 2021 as against Tk. 3.18 billion in the period from July 01, 2019 to June 30, 2020 due to Covid 19. This is a significant devolution. We are a 100% export oriented business firm and our revenues are generated in foreign currency. We also purchase our raw materials in US dollars and we also sell our products 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 July 01, 2021 to June 30, 2022 will be inflation, high cost of funding massive disaster by Covid 19 and export order devastation. Despite these challenges Generation Next Fashions Limited will continue to look into its potentials and development options with its business strategy. Corporate image, professionalism and quality product growth with aggressive marketing will be our priority

Segment wise or product wise performance during the year

Particulars	Capacity	Actual Production	Capacity Utilization
Garments	50,00,000 Dozen	3,250,000 Dozen	65.00%
Fabrics /Knitting	11,500 MT	8,050 MT	70.00%
Fabric Dyeing	12,000 MT	8,400 MT	70.00%

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 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 customers' 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 sourced new potential 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 obsolescence and negative operational efficiency.

Management Perception

The company is aware of technological changes and has adopted new state of the art technology according to its needs. Furthermore, routine and

proper maintenance of equipment 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 change 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 significantly 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 Policies

The performance of the company may be affected due to unavoidable situation arising from political or environment changes worldwide. These may also bring changes to world economy as a whole.

Management Perception:

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

Internal Control System

The company has an internal control system with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function report to the Board.

The internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all sector of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Board.

Minority Shareholders Protection

The board is and shall be committed to respect the rights of the minority shareholders to voting, right to information, dividends and appraisal of any alteration in Memorandum and Articles.

Going Concern

The Directors consider that the Company has adequate resources to remain in operation for the foreseeable future and has therefore continued to adopt the going concern basis preparing the financial statements.

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

Production cost of goods sold has decreased compared to last period, the gross profit margin and net profit have decreased significantly due to Covid 19.

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.(903,018+957,366) = Tk. 1,860,384/- income from other comprehensive & interest from bank deposit.

Related Party Transactions

For the financial year ended 30th June, 2021 the company did not enter into any financial transactions that require separate disclosure except the remuneration paid to directors.

Taxation:

The expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit and loss except to the extent that it relates to a business combination or items recognized directly in equity.

Deferred Tax:

The provision for deferred tax has been made based on the difference between accounting depreciation and tax depreciation of property, plant and equipment calculated by the tax authority. The rate of deferred tax has been applied as per Income Tax Ordinance, 1984.

Utilization of Proceeds from Public Issues, Rights Issues and/or Through any Others Instruments.

The raised fund has been fully utilized by June 30, 2018 and has been reported to regulatory authority concerned.

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 has been observed during the year.

Significant Variance Between Quarterly Financial Performance and Annual Financial Statements

No significant variations have occurred between quarterly and final financial results of the company during the period under report.

Remuneration to Directors Excluding Independent Directors.

Remuneration paid during the period are given in notes no.22 in this Annual Report. There is no pay as Director's Attendance Fee in the board meetings.

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.

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 year ended June 30, 2021

Financial Highlights: Value in Crore Taka

Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Turnover	291.80	317.90	518.59	402.38	327.96
Gross Profit	55.69	52.13	81.79	89.09	64.24
Operating Profit	26.96	22.81	45.81	56.45	38.41
Net Profit/(Loss)	0.33	0.59	21.34	45.64	24.17
Earnings Per Share (In Taka)	0.01	0.01	0.43	1.01	0.59
Net Non-Current Assets	468.95	462.57	455.86	450.51	399.80

Five Years' Significant Ratios

Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Current Ratio	2.57	2.71	2.43	3.28	2.87
Quick Ratio	1.06	1.19	1.38	1.72	1.69
Debt Equity Ratio	0.60	0.57	0.50	0.25	0.23
Accounts Receivable Turnover Ratio	209	197	124	106	98
Inventory Turnover Ratio	0.88	1.20	2.83	2.76	2.5
Asset Turnover Ratio	0.31	0.35	0.59	0.57	0.51
Gross Profit Margin Ratio	0.19	0.16	0.16	0.22	0.20
Operating Profit Margin Ratio	0.09	0.07	0.09	0.14	0.12
Net Profit Margin Ratio	0.01	0.01	0.04	0.11	0.07
Return on Assets Ratio	0.001	0.001	0.02	0.06	0.04
Return on Equity Ratio	0.001	0.001	0.04	0.08	0.05
Earnings Per Share	0.01	0.01	0.43	1.01	0.59
Earnings Per Share – Diluted	0.01	0.01	0.43	0.92	0.49

GENERATION NEXT

If the issuer company has not declared dividend (cash or stock) for the year ended June 30, 2021 the reasons thereof shall be given.

The Board of Directors of the company has recommended no dividend for the year ended June 30, 2021 due to decline of export and net profit for Covid 19.

The number of Board meetings held for the year ended June 30, 2021 and attendance by each director shall be disclosed.

The Board of Directors had 11 meetings during the period ended June 30, 2021. Name of the Directors and number of meetings attended are given below:

Name of Directors	Designation	Board of Directors Meeting		
		Meeting Held	Attended	Percentage (%)
Mr. Tauhidul Islam Chaudhury	Chairman	11	8	73
Mr. Rajiv Sethi	Managing Director	11	9	82
Mr. Alavee Azfar Chaudhury	Director	11	7	64
Mrs. Shaheen Akhter Chaudhury (Nominated by A.J. Corporation Limited)	Nominee Director	11	8	73
Mr. Mehdi Mahmood Haque	Independent Director	11	9	82
Mr. Sadad Rahman	Independent Director	11	4	36
Mr. Ahmed Monabbi	Independent Director	11	1	10

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

Shareholding Pattern

Pattern of Shareholding as at 30 June 2021

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	25,409,021
	Mr. Rajiv Sethi, Managing Director	9,999,489
	Mr. Alavee Azfar Chaudhury	10,481,438
	M/s A. J. Corporation Limited	22,412,588
iii)	Executives	NIL
iv)	Shareholders who are holding 10% or more voting right: ICB	52,021,951

Director's Election and Re-Appointment

Mr. Tauhidul Islam Chaudhury, Chairman, Mr. Rajiv Sethi, Managing Director and Mr. Mehdi Mahmood Haque, Independent Director, retired by rotation at this AGM and being eligible offered themselves for re-election under Article 128 of the company's Articles of Association.

Financial Results

The company's financial results for the year ended June 30, 2021 with recommendation of appropriations are as follows:

Particulars	Amount In Taka
Net Profit for the year June 30, 2021	3,318,702
Profit Brought Forward	305,956,016
Depreciation on Revaluation Surplus	6,622,133
Other Comprehensive Income	903,018
Bonus Share Issued for the year 2020-2021	Nil
Profit Available for Appropriation	316,800,868
Appropriations:	
Proposed Stock Dividend	Nil
Transferred to Retained Earnings	316,800,868

Board of Directors

Tauhidul Islam Chaudhury

Rajiv Sethi

Alavee Azfar Chaudhury

Shaheen Akhter Chaudhury

(Nominee of M/s A.J Corporation Ltd.)

Mehdi Mahmood Haque

Sadad Rahman

Ahmed Monabbi

Auditors

The present auditors, G. Kibria & Co., Chartered Accountants, will retired this Annual General Meeting and being eligible, offered themselves for re-elect for the year to June 30, 2022.

Business Expansion

The company plans to use its already expanded capacity to enhance turnover and profitability for coming years 2021-2022.

Insurance Coverage

The company has comprehensive insurance covering all risks and R & SD.

Human Resources

The company employed a total of 4171 people as of June 30, 2021. Currently, the management believes that it can reduce production expenses and enhance exports in future and is taking necessary steps in this regard.

Acknowledgement

The Board of Directors would like to thank all the shareholders for their continued support over the past period. We 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 period towards the company. We would also like to thank our auditor G. Kibria & 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 years.

With Best Wishes



Tauhidul Islam Chaudhury
Chairman



Generation Next Fashions Ltd.

Declaration by CEO and CFO

14th October, 2021

The Board of Directors
Generation Next Fashions Limited
Building# 348, Road# 05
DOHS Bardhara, Dhaka-1206.

Subject: Declaration on Financial Statements for the year ended on 30th June, 2021.

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No.SEC/CMRRCD/2006-158/207/Admin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Generation Next Fashions Limited for the year ended on 30 June, 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on 30 June, 2021 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.


Rajiv Sethi
Managing Director (MD)


Mark Niranjan Chowdhury
Chief Financial Officer (CFO)

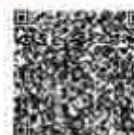


HUDA HOSSAIN & CO.
CHARTERED ACCOUNTANTS

REF-11/21/965/1

GENERATION NEXT

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Annexure-B

[Certificate as per condition No. 1(5)(xxvii)]

Report to the Shareholders of Generation Next Fashions Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Generation Next Fashions Limited** for the year ended on **30th June, 2021**. This Code relates to the Notification No. **SEC/CMRRCD/2006-158/207/Admin/80** dated 3rd June, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and;
- (d) The governance of the company is highly satisfactory.

Place: Dhaka
Dated: 28th October, 2021




HUDA HOSSAIN & CO.
Chartered Accountants

Status of Compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/Adm/n/80 dated 03 June 2018 issued under section 20C of the Securities and Exchange Ordinance, 1969 is as follows:

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1	BOARD OF DIRECTORS:			
1(1)	Board's Size: The total number of members of a company's Board of Directors (hereinafter referred to as "Board" shall not be less than 5 (five) and more than 20 (twenty).	✓		
1(2)	Independent Directors All companies shall have effective representation of independent directors on their Boards, so that the board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following:-	✓		
1(2)(a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director (s).	✓		
1(2)(b)	For the purpose of this clause "Independent Director" means a Director			
1(2) (b)(i)	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) (b) (ii)	Who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	✓		
1(2) (b)(iii)	Who has not been an executive of the company in immediately preceding 2 (Two) financial years;	✓		
1(2) (b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	✓		
1(2) (b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(2) (b) (vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
1(2) (b) (vii)	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 engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		
1(2)(b) (viii)	Who is not independent director in more than 5 (five) listed Companies;	✓		
1(2) (b) (ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	✓		
1(2) (b) (x)	Who has not been convicted for a criminal offence involving moral turpitude.	✓		
1(2) (c)	The Independent Director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		
1(2) (d)	The post of Independent director(s) cannot remain vacant for more than 90 (ninety) days.	✓		
1(2) (e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	✓		
1(3)	Qualification of Independent Director (ID)	✓		
1(3) (a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business.	✓		
1(3) (b)	Independent director shall have following qualifications:			
1(3) (b) (i)	Business leader who is or was a promoter or director of an unlisted company having minimum paid up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or			Not Applicable
1(3) (b) (ii)	Corporate leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a Candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or			Not Applicable



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
1(3) (b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the National Pay Scale, who has at least educational Background of Bachelor Degree In Economics or Commerce or Business or Law; or			Not Applicable
1(3) (b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost & Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			Not Applicable
1(3) (b)(v)				Not Applicable
1(3) (c)	The Independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1(3) (d)	In special cases the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			Not Applicable
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:			
1(4) (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals.	✓		
1(4) (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1(4) (c)	The Chairperson of the board shall be elected from among the non executive directors of the company;	✓		
1(4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1(4) (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
1(5)	The Directors' Report to Shareholders The Board of the company shall include the following additional statements or disclosures 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 including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
1(5) (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		
1(5) (v)	Discussion on continuity of any Extra-Ordinary activities and their implications (gain or loss);	✓		
1(5) (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1(5) (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or 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 Share Offer, Direct Listing, etc;			Not Applicable
1(5) (ix)	An explanation of any significant variance occurs between Quarterly Financial performance and Annual Financial Statements;	✓		
1(5) (x)	A statement of Remuneration paid to the 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 of the issuer company 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;	✓		
1(5) (xv)	The system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5) (xvi)	Minority shareholders have been protected from abusive actions by, or in the interest of controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5) (xvii)	There are no significant doubts upon the company's ability to continue as a going concern;	✓		
1(5) (xviii)	Significant deviations from the last year's operating results of the company shall be highlighted and the reasons thereof should be explained;	✓		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
1(5) (xix)	Key operating and financial data of at least preceding 5 (five) years are summarized;	✓		
1(5) (xx)	If the issuer company has not declared dividend (cash or stock) for the year;		✓	The company has not paid any cash or stock dividend for the year ended 30 June 2021
1(5) (xixi)	Board's statement to the effect that no bonus shares or stock dividend has been or shall be declared as interim dividend;	✓		
1(5) (xixii)	The total number of board meetings held during the year and attendance by each director;	✓		
1(5) (xixiii)	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)(xixii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name wise details)	✓		
1(5)(xixii) (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)(xixii) (c)	Executives; and			Not Applicable
1(5)(xixii) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	✓		
1(5) (xixiv)	In case of the appointment or re-appointment of a director the company shall disclose the following information to the shareholders:-			
1(5)(xixv) (a)	A brief resume of the directors.	✓		
1(5) (xixv)(b)	Nature of his/her expertise in specific functional areas;	✓		
1(5) (xixv) (c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
1(5) (xixv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5) (xixv) (a)	Accounting policies and estimation for preparation of financial statements.	✓		
1(5) (xixv) (b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes.			Not Applicable



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5) (xxv) (c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof.	✓		
1(5) (xxv) (d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario.	✓		
1(5) (xxv) (e)	Briefly explain the financial and economic scenario of the country and the globe.	✓		
1(5) (xxv) (f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company.	✓		
1(5) (xxv) (g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM.	✓		
1(5) (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A	✓		
1(5) (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C	✓		
1(6)	Meetings of the Board of Directors The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company.	✓		
1(7) (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
2	Governance of Board of Directors of Subsidiary Company:-			
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company.			Not Applicable
2 (b)	At least 1 (one) Independent director on the Board of the holding company shall be a director on the Board of the subsidiary company.			Not Applicable
2 (c)	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
2 (d)	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
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			Not Applicable
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):-			
3.1	Appointment			
3 (1) (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC)	✓		
3 (1) (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals.	✓		
3 (1) (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time.	✓		
3 (1) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	✓		
3 (1) (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
3 (2)	Requirement to attend Board of Directors' Meetings The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
3 (3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)	✓		
3 (3) (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓		
3 (3) (a) (i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	✓		
3 (3) (a) (ii)	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.	✓		
3 (3) (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members.	✓		
3 (3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	Board of Directors' Committee:- For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4 (i)	Audit Committee	✓		
4 (ii)	Nomination and Remuneration Committee.	✓		
5	Audit Committee:-			
5 (1)	Responsibility to the Board of Directors.			
5 (1) (a)	The company shall have an Audit Committee as a sub-committee of the Board.	✓		
5 (1) (b)	The Audit Committee shall assist the Board 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.	✓		
5 (1) (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5 (2)	Constitution of the Audit Committee			
5 (2) (a)	The Audit Committee shall be composed of at least 3 (three) members.	✓		
5 (2) (b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director.	✓		
5 (2) (c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5 (2) (d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee.	✓		
5 (2) (e)	The company secretary shall act as the secretary of the Committee.	✓		
5 (2) (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5 (3)	Chairperson of the Audit Committee			
5 (3) (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director.	✓		
5 (3) (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
5 (3) (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	✓		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(4)	Meeting of the Audit Committee.			
5 (4) (a)	The Audit Committee shall conduct at least its four meetings in a financial year; Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee.	✓		
5 (4) (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5 (5)	Role of Audit Committee. The Audit Committee shall:-			
5 (5) (a)	Oversee the financial reporting process.	✓		
5 (5) (b)	Monitor choice of accounting policies and principles.	✓		
5 (5) (c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report.	✓		
5 (5) (d)	Oversee hiring and performance of external auditors.	✓		
5 (5) (e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption.	✓		
5 (5) (f)	Review along with the management, the annual financial statements before submission to the Board for approval.	✓		
5 (5) (g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.	✓		
5 (5) (h)	Review the adequacy of internal audit function.	✓		
5 (5) (i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report.	✓		
5 (5) (j)	Review statement of all related party transactions submitted by the management.	✓		
5 (5) (k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.	✓		
5 (5) (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors.	✓		
5 (5) (m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	✓		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5 (8)	Reporting of the Audit Committee			
5 (6) (a)	Reporting to the Board of Directors			
5 (6) (a) (I)	The Audit Committee shall report on its activities to the Board.	✓		
5 (6) (a) (II)	The Audit Committee shall immediately report to the Board on the following findings, if any:-	✓		
5 (6)(a) (I) (a)	Report on conflicts of interests.			Not Applicable
5 (6) (a)(II)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			Not Applicable
5 (6) (a)(i)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations.			Not Applicable
5 (6) (a)(i)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.			Not Applicable
5 (6) (b)	Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board 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 for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			Not Applicable
5 (7)	Reporting to the Shareholders and General Investors. Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(II) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.			Not Applicable
6	Nomination and Remuneration Committee (NRC):-			
6 (1)	Responsibility to the Board of Directors.			
6 (1) (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board.	✓		
6(1) (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive.	✓		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6 (1) (c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓		
8 (2)	Constitution of the NRC			
6 (2) (a)	The Committee shall comprise of at least three members including an independent director.	✓		
6 (2) (b)	All members of the Committee shall be non-executive directors.	✓		
6 (2) (c)	Members of the Committee shall be nominated and appointed by the Board.	✓		
6 (2) (d)	The Board shall have authority to remove and appoint any member of the Committee.	✓		
6 (2) (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee.	✓		
6 (2) (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee.	✓		
6 (2) (g)	The company secretary shall act as the secretary of the Committee.	✓		
6 (2) (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director	✓		
6 (2) (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
6 (3)	Chairperson of the NRC			
6 (3) (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director.	✓		
6 (3) (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
6 (3) (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	✓		
6 (4)	Meeting of the NRC			
6 (4) (a)	The NRC shall conduct at least one meeting in a financial year.	✓		
6 (4) (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC.	✓		
6 (4) (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an Independent director is must as required under condition No. 6(2)(h);	✓		
6 (4) (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
6 (5)	Role of the NRC			
6 (5) (a)	NRC shall be Independent and responsible or accountable to the Board and to the shareholders.	✓		
6 (5) (b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	✓		
6 (5) (b) (i)	Formulating the criteria for determining qualifications, positive attributes and Independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	✓		
6 (5) (b) (i) (a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.	✓		
6 (5) (b) (i) (b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks.	✓		
6 (5) (b) (i) (c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.	✓		



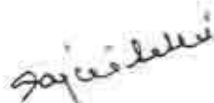
Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6 (5) (b) (II)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.	✓		
6 (5) (b) (III)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board.	✓		
6 (5) (b) (iv)	Formulating the criteria for evaluation of performance of Independent directors and the Board.	✓		
6 (5) (b) (v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.	✓		
6 (5) (b) (vi)	Developing, recommending and reviewing annually the company's human resources and training policies.	✓		
6 (5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
7	External or Statutory Auditors:-			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-	✓		
7(1) (I)	Appraisal or valuation services or fairness opinions.	✓		
7(1) (II)	Financial information systems design and implementation.	✓		
7(1) (III)	Book-keeping or other services related to the accounting records or financial statements.	✓		
7(1) (IV)	Broker-dealer services	✓		
7(1) (V)	Actuarial services	✓		
7(1) (VI)	Internal audit services or special audit services.	✓		
7(1) (VII)	Any service that the Audit Committee determines.	✓		
7(1) (VIII)	Audit or certification services on compliance of corporate governance as required under condition No. 8(1).	✓		
7(1) (IX)	Any other service that creates conflict of interest.	✓		
7 (2)	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; He or her family members also shall not hold any shares in the said company.	✓		
7 (3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
8	Maintaining a website by the Company:-			
8 (1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8 (2)	The company shall keep the website functional from the date of listing.	✓		
8 (3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9	Reporting and Compliance of Corporate Governance:-			
9 (1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9 (2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
9 (3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		



Chairman
Generation Next Fashions Ltd.



Managing Director
Generation Next Fashions Ltd.



Company Secretary
Generation Next Fashions Ltd.



BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2021/291

BAPLC

Date of issue : December 8, 2021

Renewed Certificate

This is to certify that

GENERATION NEXT FASHIONS LIMITED

is an Ordinary Member of Bangladesh Association of Publicly Listed Companies and is entitled to all the rights and privileges appertaining thereto.

This certificate remains current until 31st December 2021.



[Signature]
Secretary-General



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 interest of relevant stakeholders. It also sets out the structure through which the division of power in the organization is determined

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

Details relating to the Issuer's different Board committees, Board organization and summary of the terms of reference under which the committees operate:

Board Committees

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

REPORT OF THE AUDIT COMMITTEE

Generation Next Fashions Limited established an audit committee as a subcommittee of the Board of Directors and they assist the Board of Directors in fulfilling its oversight responsibilities and ensuring that the Financial Statements reflect true and fair view. There are four members in the Audit Committee including three Independent Director. The Independent Director is the chairman of the committee. The members of the audit committee possess adequate knowledge on business management and all of them are financially literate as per regulatory requirements and also able to



analyze and interpret, corporate laws, financial issues and financial statements. During the year ended on 30th June, 2021 the Committee held 4 (four) meetings in which the committee reviewed issues relating to business operation, administrative control, Finance and Accounts, review the financial reporting among other things. The committee has been empowered to examine the matters related to financial and Internal control management and other affairs of the company. Relevant departmental heads and other members of the management also attend the meetings as required. The proceeding of the Committee meetings is regularly reported to the Board of Directors. The Attendance record of the members in the meetings is mentioned below:

OBJECTIVE OF AUDIT COMMITTEE

The principal function of the Audit Committee is to exercise and have an oversight over the Company's risk management, financial reporting and regulatory compliance functions etc.

The role and responsibilities of the Audit Committee:

The audit committee has been playing a vital role among the board, Members and Other stakeholders of the company. The role of the audit committee is clearly set-forth in the ToR. Audit Committee making a bridge between the Board and the Management to strengthen internal control and compliances.

1. Review and recommend to the Board to approve the quarterly, annual financial statements as well as overall financial reporting process prepared for statutory purpose.
2. Reviewed and recommended various pertaining the quarterly and annual financial statements.
3. Monitor and watch over selection of accounting policies and principles, adequacy of Internal audit, internal audit & compliance plan & report, risk management process, auditing matter, hiring, remuneration and performance of external auditors.
4. Appraise significance of related party transactions submitted by the management.
5. Carry on supervisory role to safe guard the systems of governance and Independence of statutory auditor's.
6. Evaluate and consider the report of Internal and statutory auditor's observations on internal control.



7. Conduct audit concerning material violation by the management in carrying out operation of the company.
8. Review Management's Discussion and Analysis report before disclosing in the annual report.
9. Review reports of litigation and regulatory compliance matters.

Activities carried out during the year:

1. The financial statements was reviewed by the committee after the closing of each and every quarter before submission to Board and subsequently recommended to the Board for consideration an approval.
2. The Committee had overseen reviewed and approved the procedure and task of the Internal audit, financial report preparation and external audit reports and made suggestions for improvement.
3. Holding meeting to review the financial statements with Statutory Auditor's & Management before submission to the Board.

4. Reviewed and recommended Board to consider few expenses from financial mode to operating mode.
5. The committee found adequate arrangement to present true and fair view of the activities and the financial status of the company and didn't find any material deviation, discrepancies or any adverse findings/ observation in the areas of reporting.

6. Reviewed the appointment of external and compliance auditors and determination of audit fees and others.

Reviewed Management's Discussion and Analysis report before disclosing in the annual report.

8. Review all related party transaction, its nature etc. submitted by the management.

REPORTING BY AUDIT COMMITTEE TO THE BOARD:

The Committee regularly reports on its work to the Board. The report includes a summary of the matters addressed in the meeting by the members present and the measures undertaken by the committee.

The composition of Audit Committee and the attendance of its members in the meetings for the year ended 30th June, 2021 are below:

Name of Directors	Position	Audit Committee Meeting		
		Meeting Held	Attended	Percentage (%)
Mr. Sedad Rahman	Chairman	4	2	50
Mr. Mehdi Mahmood Haque	Member	4	4	100
Mr. Ahmed Monabbi	Member	4	1	25
Ms. Shaheen Akhter Chaudhury	Member	4	4	100
Md. Mohammed Shahjahan	Secretary	4	2	50


Sedad Rahman
 Chairman of Audit Committee
 & Independent Director


Mohammed Shahjahan
 Member Secretary of Audit
 Committee & Company Secretary

REPORT OF THE NOMINATION & REMUNERATION COMMITTEE:

The company has formed a NRC committee as a sub-committee of the Board, has been constituted by one of the Independent Director as Chairman and two other members of the Board in line with the newly issued Corporate Governance Code. Mr. Mehdi Mahmood Haque who represent in the Board as Independent Director is the Chairman of the Committee who has twelve year's practical knowledge and professional experience in the fields of accounting, finance, audit and corporate management. The Company Secretary is the Secretary of this Committee. The NRC assist the board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence among others of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive. The NRC members nominated and appointed by the Board and also responsible to the Board of Directors for its role and responsibilities that are clearly set forth by the Company and time to time issued notifications by the regulators. During the year 1(one) NRC Meeting was held. The name of the members & their attendance record in the meetings are given below:

Nomination & Remuneration Policy

The Nomination, Remuneration Policy (the "Policy") applies to the Board of Directors (the "Board") and the Top Level Executive (TLE) of Generation Next Fashions Limited (the "Company"). The expression

"Top Level Executive" means executive of the company who are members of its core management team excluding Board of Directors, comprising all members of management, including the functional heads. This policy is in compliance with Clause 6 of the Corporate Governance Code, 2018 read along with the applicable rules and regulation of applicable laws thereto. Sub-clause (b) of Clause 6 of the Corporate Governance Code, 2018 states that the Nomination and Remuneration Committee shall assist the Board in formulation of the Nomination Criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;

Role of the NRC

The roles and responsibilities of the NRC have been clearly mentioned in the Terms and References (ToR) of the Committee as approved by the Board of Directors of Generation Next Fashions Limited. The committee discharged its responsibility by holding a meeting and provide the Board, management based on its observation considering current situation and suggest what need to be adopt/insert/amend by the company. In the meeting the committee assist/recommended the Board to determine the qualifications, attributes, experiences etc. of directors and top level executives and determine their remuneration and as well.

Evaluation Criteria of Directors/Top Level Executive of the Company:

The evaluation/assessment of the Directors and



the Top Level Executive of the Company is to be conducted as and when required and to satisfy the requirements of the Corporate Governance Code and as well as company's policy.

- I. Leadership & stewardship abilities
- II. Contributing to clearly define corporate objective & plans;
- iii. Communication of expectations & concerns clearly with subordinates;
- iv. Obtain adequate, relevant & timely information from external sources;
- v. Review & approval achievement of strategic and operational plans, objectives, budgets;
- vi. Regular monitoring of corporate result against projections;
- vii. Identify, monitor & mitigate significant corporate risks;
- viii. Assess policies, structures & procedures;
- ix. Direct, monitor & evaluate KMPs, senior officials;
- x. Review management's succession plan;
- xi. Effective meetings
- xii. Assuring appropriate board size, composition, independence, structure;
- xiii. Clearly defining roles & monitoring activities of committees;
- xiv. Review of corporation's ethical conduct;

Activities of NRC during the year:

During the year the NRC accomplished the following activities:

- i. Reviews the status of the Board composition along with their qualification, experience, attributes, independence of board members made recommendation thereof;
- II. Reviewed the top level executive of the company and placed at different levels and determine their selection criteria, remuneration based on performance among others etc.
- III. Putting recommendation on the draft code of conduct of the Chairperson, other Board members & Chief Executive Officer to Board.
- IV. Reviews the company's human resources policy and recommended on it.
- v. Overseen other issues within the Code of Conduct of the NRC.

Reporting by the NRC to the Board:

The NRC Committee regularly report on its work to the Board and the report includes a summary of the matters addressed in the meeting. The NRC expressing its view to the Board that the nomination, retirement, re-election & remuneration of directors & top level executives are adequate for presenting true and fair view of the Administration & HR department and also expressed that the internal control of the company is quite well.

The composition of the Nomination & Remuneration Committee and the attendance of its members in the meetings for the year ended 30th June, 2021 are shown below:

Name of Directors	Position	NRC Committee Meeting		
		Meeting Held	Attended	Percentage (%)
Mr. Mehdi Mahmood Haque	Chairman	1	1	100
Mr. Sadad Rahman	Member	1	1	100
Mr. Ahmed Monabbi	Member	1	1	100
Md. Mohammed Shahjahan	Secretary	1	1	100

Mehdi Mahmood

Mehdi Mahmood Haque
Chairman of NRC Committee
& Independent Director

MD

Mohammed Shahjahan
Member Secretary of NRC
Committee & Company Secretary

Purchase & Procurement Committee:

1. Rajiv Sethi, Chairman
2. Alavee Azfar Chaudhury, Member
3. Mark Niranjana Chowdhury, Member

Operation & Maintenance Committee:

1. Alavee Azfar Chaudhury, Chairman
2. Rajiv Sethi, Member
3. Mohammed Shahjahan, Member

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.

BOARD ORGANIZATION & STRUCTURE

a) Role of the Board and its composition

The Directors of the Board are appointed by the shareholders at Annual General Meeting consist of 07 Directors including three 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 ensuing year are decided in advance and notice of each Board Meeting is served in writing well in advance.

MANAGEMENT TEAM

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

GNFL believes in Integrity, reliability and transparency to the nation by following good, effective and sound corporate governance within the organization. The company also believes that, corporate governance can play a vital role in making bridges among the management, the shareholders and the statutory bodies.





FOR THE YEAR ENDED 30th JUNE, 2021





G. KIBRIA & CO.
CHARTERED ACCOUNTANTS

GENERATION NEXT

>gmni

member
an association of
legally independent
accounting firms
partnering for success

Independent Auditor's Report

To the Shareholders of GENERATION NEXT FASHIONS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of GENERATION NEXT FASHIONS LIMITED (hereinafter referred to as the "Company") namely the Statement of Financial Position as at 30 June 2021 and the related Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and according to the best of our information and explanation given to us, the accompanying financial statements give true and fair view, in all material respects, the statements of Financial Position of the company as at 30 June 2021 and of its Financial Performance and Statement of Cash Flows for the year then ended and in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) and comply with the Securities and Exchanges Rules 1987, The Companies Act 1994, and other applicable Laws and Regulations.

Basis for Opinion

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

Emphasis of Matters

We refer to note no: 2.16, 5.00, 5.01 regarding the valuation and year end count of inventory by management. Our opinion is not modified in respect of these matters.

Key Audit Matters

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

Inventory Valuation	
Key audit matter	How the matter was addressed in our audit
See Note 5 to the financial statements	
At 30 June 2021 inventory to the value of Tk. 2,803,226,438 is held on the financial position. Inventory is disclosed in note 5-Inventories. Most of the inventories are of specialized in nature	We verified the appropriateness of management's assumptions applied in calculating the value of the inventory as per International Accounting Standard (IAS) by:

Head Office: Sadhan Bima Sadan (5th Floor) 24-25, Dilkusha Commercial Area Dhaka-10000, Bangladesh
Branch Office: Plot 51, Floor-2, Road 14, Block-G, Nilkoter, Gulshan-1, Dhaka-1212.
 TEL OFF : 02-223388071, 02-223355324, 48812330, 48812331
 E-mail : gkibria@gkibriaandco.com, kibria09@hotmail.com, Web : http://gkibriaandco.com



and required to be maintained in controlled environment. Regular monitoring is required as the inventories are material by its value, quantity and its nature.

Our reporting date, inventories are carried at the lower of cost and net realizable value. As such, the company applies judgement in determining the appropriate values of inventory in accordance with International Accounting Standards.

Assessing the reasonableness of the methodologies applied by management for consistency with prior years and using the information obtained as evidence for evaluating the appropriateness of the assumptions made in the current year.

Understanding, evaluating and testing key internal controls with particular focus on management's monitoring and review of provision for inventories.

Recalculating the arithmetical accuracy of the computations.

Physical count of inventory at the reporting date was done by management. We verify the inventory physically on test basis during the our audit period and reconciling the count result to the inventory listing to test the accuracy of data at the reporting date which was counted by management.

Verify the receiving and consumption of inventory with chalan, MRR, Import documents on test basis to confirm closing raw materials & accessories and work in progress at the reporting date.

Check the accounting records relating to inventory purchase and finished goods on test basis.

Revenue recognition

Key audit matter

How the matter was addressed in our audit

See Note 20 to the financial statements

Accuracy of recognition, measurement, presentation and disclosures of revenue and other related balances in view of IFRS-15 "Revenue from Contracts with Customers" The application of the accounting standard involves certain key judgments relating to identification of the contract with a customer, identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized when a performance obligation is satisfied. Additionally, revenue accounting standard contains disclosures which involves

Principal Audit Procedures

We assessed the Company's process to identify the impact of the revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.

Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct



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CHARTERED ACCOUNTANTS



collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of the decontrols.

Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.

Selected a sample of continuing and new contracts and performed the following procedures:

Read, analyzed and identified the distinct performance obligations in these contracts.

Compared these performance obligations with that identified and recorded by the Company.

Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.

Samples in respect of revenue recorded upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services including customer acceptances, subsequent invoicing and historical trend of collections and disputes.

Check the collection of the export sales with export realization certificate from bank.

Short- & Long-Term Loan

Key audit matter

How the matter was addressed in our audit

See Note 11, 12, 15 & 19 to the financial statements

As at 30 June 2021, the reported amount of total short & long-term loan is Tk. 721,833,110 (Note: 11 & 12) and Tk 2,215,082,852 (Note: 15 & 19)

In order to obtain the completeness and accuracy of the measurement of said loan, we have tested the following key control activities:

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E-mail : gkibria@gkibriaandco.com, kibria03@hotmail.com, Web : <http://gkibriaandco.com>



respectively. The company borrowed fund from various finance institution and other source.

The company may face difficulties due to unfavorable movement in interest rate, monetary policy and adverse variance between import & export that may result in short-term cash flow crisis.

- Attends the actual position of loan.
- Checking the bank statement.
- Checking the loan agreement.

Our substantive procedure in relating to these Loan recognition and measurements are following:

- Checked the bank statement also with the opening balance.
- Checked the recording of the transaction
- We verified sanction letter, loan schedule and bank statements to confirm the loan outstanding and found that the balance had been reported in the financial statements accurately.
- We also checked the financial expenses and classification of loan and repayment schedule as well.

Recovery Assessment of Trade Receivable

Key audit matter

How the matter was addressed in our audit

See Note 6 to the financial statements

The total amount of trade receivable is Tk. 1,869,557,088 at 30 June 2021. Customers in different business segments and jurisdictions are subject to their independent business risk.

Our audit procedures of assess the recoverability of trade receivables including the following:

- Evaluating the Company's policy for making allowance for doubtful debts with reference to the requirements of the prevailing accounting standards;
- Checked on test basis of the Invoices in connection with closing Accounts Receivable;
- Checked the list of customers in connection with closing Accounts Receivable;

COVID-19 Impact on Financial Statements

COVID 19 is a force event, unique in nature has diveded the world and mankind. Efforts are underway to contain and recover.

From early March 2020, there has been health related safety prioritized restrictions on auditor's travel, meetings and access to resources/sites in some jurisdictions, limitation in providing supporting documents and explanations by the concerned resources of the company.

Auditor's and the firms under force majeure event applied best judgments under the force majeure compulsion and the circumstances in developing alternative audit procedures to gather sufficient explanations as practicable. Bangladesh Banks Involvements and contributions and Initiations on relevant material issues controls and remedies as appropriate and practicable were taken in to cognizance as audit evidences.

The financial institution in Bangladesh is in the

Regulatory initiatives (FRC) and stimulus packages are under constant evaluations of the Government to



G. KIBRIA & CO.
CHARTERED ACCOUNTANTS

GENERATION NEXT

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process of (I) credit risk due to high level of default loan; mostly centering around the Limited Companies (both publicly traded and other limited companies not operating diligently) (II) market risk due to COVID-19 Pandemic that would lead to recession and the (III) operational risk due to loss of business opportunities and continuation with operational and maintenance over heads.

Furthermore, to extend that there are Control deficiencies-A control deficiency exists when the design or operation of a control does not allow management to prevent or detect misstatements in a timely manner. Design deficiency occurs when: a requisite control is missing, or an existing control is ineffective because it is not properly designed.

Economy is the lifeline of the Country, Institutions, community, environment and Individuals. Providing finance is neither fruitful nor rewarding, unless effective feedback provides transparency and accountability and assists in educating the market.

That, in turn would assist improving the process itself, while also embedding the proper cause and effect mind set within involved people and processes that is critical to achieving better results and further to improve the standard of submissions in the future. If these are not made sustainable; the money, time and resources will not be appropriately applied to defend the total investments. The Challenges ahead are huge, that would be addressed both by invention and discoveries and also with cognizance to the nature and nurture. Last but not the least, there is always light at the other end of a tunnel.

sustain business operations by enhancing the process of attention to loan covenants and lender requirements & Export receivable collection. Clients that were financially healthy entering 2020 may have found themselves with cash shortfalls by February onwards and would likely to continue until COVID is contained.

On collective success assurance upon COVID, company is committed to visualize that authority always flows from top to bottom, responsibility flows from bottom to top and communicating across the company that, accountability cannot be delegated and escaped.

Auditor's extended professional skepticism and judgments- based assurances under the circumstances, and relatively practicable support in the interest of Country's banking business to a broader perspective.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, and the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, 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 accounts, records and other statutory books as required by law have been kept by the company so far as it appeared from our examinations of those books and proper returns adequate for the purpose of our audit have been received by us;
- c) The information and explanations required by us have been received and found satisfactory;
- d) The statement of Financial Position, Statement of profit or loss & other Comprehensive Income and Statement of Changes in Equity and Statement of Cash Flows of the Company dealt with by the report are in agreement with the books of account and returns;
- e) The expenditure was incurred for the purpose of the Company's business.

Location: Dhaka
Date: 27 October 2021

G. Kibria & Co.
Sultan Moheuddin, FCA
Partner, G. Kibria & Co.
Chartered Accountants
DYC: 2111071530A5817186

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GENERATION NEXT FASHIONS LIMITED

Statement of Financial Position

As at June 30, 2021

Particulars	Notes	Amount In Taka	
		30-Jun-2021	30-Jun-2020
A. NON-CURRENT ASSETS		4,689,532,477	4,625,699,275
Property, Plant & Equipment	Annexure-1	4,344,984,677	4,188,713,410
Capital Works-in-Progress	04	344,547,800	436,985,865
B. CURRENT ASSETS		4,759,208,393	4,601,479,769
Inventories	05	2,803,226,438	2,578,734,896
Accounts Receivable	06	1,669,557,088	1,712,151,838
Advances, Deposits and Pre-Payments	07	181,809,030	173,685,566
Cash & Cash Equivalents	08	104,615,837	136,907,468
C. CURRENT LIABILITIES & PROVISIONS		1,853,201,164	1,695,441,827
Accounts & Other Payables	09	60,964,440	72,238,084
Accrued Expenses	10	492,687,037	477,859,204
Bank Overdraft	11	46,736,838	46,775,468
Short Term Bank Credits	12	675,096,273	571,160,749
Deferred L/C Liabilities	13	62,718,592	95,736,030
Refundable IPO/Unclaimed Dividend Account	14	2,711,264	2,682,934
Current Maturity of Long Term Loans	15	512,286,720	428,989,358
D. NET CURRENT ASSETS (B-C)		2,906,007,229	2,906,037,942
E. NET ASSETS (A+D)		7,595,539,706	7,531,737,217
F. SHAREHOLDERS' EQUITY		5,892,743,575	5,889,423,873
Share Capital	16	4,949,745,550	4,949,745,550
Share Premium		236,779,111	236,779,111
Revaluation Surplus	17	389,418,045	396,943,196
Retained Earnings	18	316,800,868	305,956,016
G. LONG TERM LOAN	19	1,702,796,132	1,642,313,344
H. LIABILITIES & SHAREHOLDERS' EQUITY (F+G)		7,595,539,706	7,531,737,217
Net Assets Value Per Share (NAVPS)	29	11.91	11.90

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


Chairman


Managing Director


Director


Company Secretary


Chief Financial Officer

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

Dhaka, 27 October 2021

REF: GKC/21-22/A/53




Sultan Moheuddin FCA
G. Kibria & Co..
Chartered Accountants
DVC: 2111071530AS817185

GENERATION NEXT FASHIONS LIMITED

Statement of Profit or Loss and Other Comprehensive Income For the year ended June 30, 2021

Particulars	Notes	Amount in Taka	
		2020-2021	2019-2020
Sales Revenue	20	2,918,048,347	3,178,966,771
Less: Cost of Goods Sold	21	2,361,156,831	2,657,640,474
Gross Profit		556,891,516	521,326,297
Less: Administrative & Selling Expenses	22	287,299,519	293,558,232
Operating Profit		269,591,996	227,768,065
Add: Other Income	23	59,714,411	126,599,979
		329,306,407	354,368,044
Less: Financial Expenses	24	296,432,417	280,224,289
Net Profit Before Tax and WPWFs		32,873,991	74,143,755
Less: Contribution to Central Fund (RMG Sector)	25	887,765	1,076,688
Net Profit Before Tax		31,986,226	73,067,067
		28,666,524	67,519,136
Less: Current Year Tax Expenditure	26	17,564,470	28,847,334
Deferred Tax Expenditure	27	11,102,054	38,671,803
Net Profit After Tax		3,319,702	5,547,931
Other Comprehensive Income			
DTI on Depreciation of Revalued Assets	35	903,018	936,406
Other Comprehensive Income for this year		903,018	936,406
Total Comprehensive Income		4,222,720	6,484,336
Earning Per Share (EPS)	28	0.01	0.01

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


Chairman


Managing Director



Director


Company Secretary


Chief Financial Officer

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

Dhaka, 27 October 2021


Sultan Moheuddin FCA
G. Kibria & Co.
Chartered Accountants
DVC: 2111071530AS817185

REF: GKC/21-22/A/53



GENERATION NEXT FASHIONS LIMITED

Statement of Changes in Equity For the year ended June 30, 2021

(Amount in Taka)

For (01 July 2020 to 30 June 2021):

Particulars	Share Capital	Share Premium	Retained Earnings	Revaluation Surplus	Total
Balance at July 01, 2020	4,949,745,550	236,779,111	305,956,016	396,943,196	5,889,423,873
Depreciation on Revaluation Surplus	-	-	-	(7,525,151)	(7,525,151)
Depreciation on Revaluation Surplus (Net of Tax)	-	-	6,622,133	-	6,622,133
Other Comprehensive Income	-	-	903,018	-	903,018
Net Profit during the year	-	-	3,319,702	-	3,319,702
Balance at June 30, 2021	4,949,745,550	236,779,111	316,800,868	389,418,045	5,892,743,575

For (01 July 2019 to 30 June 2020):

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

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


Chairman


Managing Director


Director


Company Secretary


Chief Financial Officer

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

Dhaka, 27 October 2021

GENERATION NEXT FASHIONS LIMITED

Statement of Cash Flows For the year ended June 30, 2021

Particulars	Notes	Amount in Taka	
		2020-2021	2019-2020
A. CASH FLOWS FROM OPERATING ACTIVITIES:		(103,247,251)	(559,592,576)
Cash Received from Customers	32	2,960,230,565	3,224,015,614
Received from Other Income		59,714,411	126,599,979
Paid Suppliers	33	(1,717,165,391)	(2,436,766,671)
Paid for Operating Expenses	34	(1,388,447,514)	(1,444,843,200)
Income Tax Paid/(Deducted)		(17,579,323)	(28,598,297)
B. CASH FLOWS FROM INVESTING ACTIVITIES:		(173,848,500)	(155,154,191)
Acquisition of Fixed Assets		(272,361,229)	(12,659,583)
Assets on Deferred Part		6,074,664	
Expenditures for Capital Work-In-Progress		92,438,065	(142,494,608)
C. CASH FLOWS FROM FINANCING ACTIVITIES:		247,705,374	333,689,269
Bank Overdraft (Adjusted)/Received		(38,630)	415,343
Short Term Bank Credit (Adjusted)/Received		103,935,524	(264,812,393)
Long Term Loan (Adjusted)/Received		143,780,150	598,045,261
Share Money Deposit (Adjusted)/ Received		28,330	41,058
D. Net Increase/(Decrease) in cash & cash equivalents (A+B+C)		(29,390,377)	(381,057,498)
E. Cash & Cash equivalents at the beginning of the year		136,907,468	520,369,358
Effect of foreign exchange rate change on cash and cash equivalent		(2,901,254)	(2,404,392)
F. Cash & Cash equivalents at the end of the year (D+E)		104,615,837	136,907,468
Operating Cash Flow Per Share	30	(0.21)	(1.13)

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


Chairman


Managing Director


Director


Company Secretary


Chief Financial Officer

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

Dhaka, 27 October 2021

REF: GKC/21-22/A/53



GENERATION NEXT FASHIONS LIMITED

**Notes to the Financial Statements
For the Year Ended 30th June, 2021**

1. INCORPORATION AND BUSINESS ACTIVITIES

1.1. Reporting Entity:

Generation Next Fashions Limited was incorporated in Bangladesh under the Companies Act 1994 vide Registration No-C-53966(661)/2004 as a Private Limited Company on August 19, 2004. Later the company converted from private company into public limited company on September 19, 2010. The company was introduced in capital market through Initial public Offering (IPO) in 28th September, 2012 and listed in both Dhaka and Chittagong Stock Exchange. Current category of the company as per capital market listing is "Z".

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

The principal place of business and registered office of the company is located at Building # 348, Road# 05, DOHS Baridhara, Dhaka-1206, Bangladesh.

1.2 Nature of business

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

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1. Statement of Compliance:

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994, Securities and Exchange Rules 1987 and other relevant local laws as applicable and in accordance with International Financial Reporting Standards (IFRSs) including International Accounting Standards (IASs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IASs) and International Financial Reporting standards (IFRSs).

2.2. Measurements of the elements of financial statements:

These financial statements have been prepared based on going concern, consistency and accrual concepts and such other convention as required by IAS-1 for fair presentation of financial statements.

2.3. Components of Financial Statements:

The financial Statements of the company consist of the following components:

- a) Statement of Financial Position;
- b) Statement of Profit or Loss and Other Comprehensive Income;
- c) Statement of Changes in Equity;
- d) Statement of Cash flows and;
- e) Accounting Policies & Explanatory Notes to the Financial Statements.

2.4. Functional and presentation currency:

The financial statements are presented in Bangladesh Taka (BDT/Tk.) except where indicated otherwise, which is both functional currency and presentation currency of the company. The figures of financial statements have been rounded off to the nearest BDT/Tk. Figures in brackets indicate deductions.

2.5. Use of estimates and judgments:

The preparation of the financial statements in conformity with International Financial Reporting Standards requires measurements to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses and disclosure requirements of contingent assets and liabilities during and at the date of financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by IAS & ; Accounting policies, Changes in accounting estimates and Errors.

In Particular, significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect of the amounts recognized in the financial statements include depreciation, inventory valuation, accrued expenses and tax provision.

2.6. Reporting period:

These financial statements of the company cover a period of one year from 1st July, 2020 to 30th June, 2021.

2.7. Comparative information and rearrangements thereof:

In accordance with the provisions of IAS- 1: "Presentation of Financial Statements", Comparative Information that is available has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements.

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

2.8. Going Concern:

The company has adequate resources to continue in operation for the foreseeable future. For this reason the Directors continue to adopt Going Concern Basis in preparing the accounts. The current credit facilities and resources of the company provides sufficient fund to make the present requirement of its existing business. Neither the management nor any other authority of the company has the intention to cease or liquidate the company in near future.

During the year the company has achieved a profit of Tk. 3,289,358 /- which is a significant fall in comparison with the previous periods and which is due to disruption in business activity for the pandemic situation of COVID-19. However, the company's current ratio is 2.5 : 1 and quick ratio is 1.05 : 1 which is still assumed good to go. The total current liability of the company is only 19.61% of its total assets which is another indicator that the directors considered in measuring the potentials of the entity as a going concern.

2.9. Accrual Basis of Accounting:

An entity shall prepare its financial statements, except for cash flow information, using the

accrual basis of accounting. When the accrual basis of accounting is used, an entity recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the framework.

2.10. Offsetting:

An entity shall not offset assets and liabilities or income and expenses, unless required or permitted by IFRS.

2.11. Events after reporting Period:

According to IAS- 10: "Events after Reporting Period", events after the reporting period are those events, favorable or unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

Adjusting Events: Those that provide evidence of conditions that existed at the end of the reporting period;

Non-adjusting Events: Those are indicative of conditions that arose after the reporting period.

There was no events after reporting period of such importance for which accounting or disclosure is required to be adjusted.

The Board of Directors meeting held on 27 October 2021 recommended no dividend for the year 2020-21. These recommendations are subject to final approval by the shareholders at the forthcoming annual general meeting of the company.

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

On October 27, 2021 the Board of Directors reviewed the financial statements and authorized them for issue.

2.13. Revenue Recognition

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

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

2.14. IFRS 9 Financial Instruments

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

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

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

The entity shall recognize loss allowance or Expected Credit Loss (impairment requirement). At each reporting

date the entity account for the impairment of financial assets or financial liability in the following manner:

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

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

2.15. IFRS 16 Lease

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

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

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

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

2.16. Operating Segment

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

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

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

2.17. Depreciation on Revaluation

In accordance with the provision of IAS- 16 "Property, Plant and Equipment", The company recognized depreciation on revalued amount of assets and charged the same as expenses in income statement. As per requirement of para 41 of IAS- 16 It recognized depreciated amount from revaluation surplus less tax thereon as realized income with retain earing under the statement of changes in equity.

The company calculated and adjust the depreciation on revaluation surplus with retained earnings in line with the order of the order of honorable Tribunal (reference Tribunal Order no: I.T.A. 4391 & 4392 against appeal no 1113/1114/Circle-28/2017-2018 dated: 22.10.2018).

2.18. Valuation of Inventories

Inventories consisting of raw materials, work in progress, finished goods are valued at lower of cost and net realizable value as per IAS 2: Inventory. Cost of inventories include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost of inventories is determined by using the weighted average cost formula. Where necessary, allowance is provided for damaged, obsolete, and slow-moving items to adjust the carrying amount of inventories to the lower of cost and net

realizable value as the board approve from time to time. Net realizable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Category of Stocks	Basis of valuation
Raw Material Including WIP:	At lower of cost or net realizable value
Finished Goods:	At lower of cost or net realizable value
Materials in Transit	At lower of cost or net realizable value

Impairment of Inventories

Impairment of Inventory is made as and when inventory became obsolete or unusable or for slow moving items for which the management of the company is giving decisions from time to time. Based on sales cycle of slow-moving items, the sales prices of the products may decrease over time. The management of the Company reviews the carrying amounts of its inventory (Balance Sheet Date) to determine whether there is any indication of impairment in accordance with IAS-2: 'Inventories'. When the sales price moves below the inventory cost prices, the loss on sales is recognized immediately in the Financial Statements. However, there was no indication of impairment of inventory during the year, and as such, no adjustment was given in the Financial Statements for impairment.

The company conducted year-end inventory count held at 30/06/2021 as per accepted guideline set by management. A management expert team consisting of members with adequate knowledge & expertise was engaged in counting and valuation of inventory. The value and quantity is disclosed as Annexure-2 of Financial Statements. The breakdown of the components of inventory is disclosed in note no 05.0 & 5.1. As per accepted practice within the industry, management has made adequate declaration regarding the value & quantity of inventory as at 30/06/2021.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation used in preparation of financial statements for the year ended 30th June, 2021 are consistent with the policies and methods adopted in preparing the financial statements for the year ended 30th June, 2021.

3.1. PROPERTY, PLANT & EQUIPMENT:

Recognition and measurement

Property, plant and equipment are recognized at cost amount less accumulated depreciation in compliance with International Accounting Standard (IAS)-16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price including import duties and non-refundable taxes and any direct attributable cost of bringing the assets to its working condition for its intended use.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that future benefits associated with the item will flow to the entity

and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial year in which they incurred.

Addition during the year

Name of Property, plant and equipment	(Amount in Tk.) 2021	(Amount in Tk.) 2020
Land and Land Development	6,300,000	
Building	182,065,000	-
Plant and Machinery	72,705,647	36,566,413
Other Assets	11,290,582	6,824,494
Total	272,361,229	43,390,907

There is no intangible asset during the period and the fixed assets do not include any assets held under lease. On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the income statement which is determined with reference to the net book value of assets and net sales proceeds. However, there is no disposal or retirement of fixed asset during the current period.

Depreciation:

The Property, Plant & Equipment acquired during the year from different head of assets were available for use and were capable of operating in a manner intended by the management and generating revenue.

Depreciation has been charged on a Reducing Balance method starting from the dates when the asset was available for use and capable of generating revenue as intended by the management. However, no asset has been classified or was intended to classify as 'Held for sale' under IFRS 5 during the year.

3.2. Impairment:

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is recorded on judgmental basis, for which provision may differ in the future years based on the actual experience. An impairment loss is recognized whenever the carrying amount of the asset exceeds recoverable amount. Impairment losses, if any, are recognized in the statements of profit and loss and other comprehensive income. It was confirmed that no such fixed asset has been impaired during the period and therefore no provision has been made for that for the asset. The company does not conduct any impairment test for any financial assets during the reporting period.

3.3. Advances, deposits and prepayments:

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions or adjustments. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to Statement of Profit or Loss and Other Comprehensive Incomes.

3.4. Cash & Cash Equivalents:

Cash and cash equivalents comprise cash in hand and cash at bank which are held and available for use by the company without any restriction. Cash at bank again comprises of –

On current/ Short notice Deposit Accounts with the following banks: -

- | | |
|------------------------|----------------------------|
| 1. EXIM Bank Ltd. | 6. Social Islami Bank Ltd. |
| 2. National Bank Ltd. | 7. IFIC Bank Ltd. |
| 3. Prime Bank Ltd. | 8. Jamuna Bank Ltd. |
| 4. Southeast bank Ltd. | 9. BRAC Bank Ltd. |
| 5. Agrani Bank Ltd. | |

And FDR Accounts with Agrani Bank Ltd.

3.5. Receivables:

Accounts receivables are recognized and stated at original invoiced amounts and carried at anticipated realizable values in which goods are exported. Bad debts are written off when it is established that they are irrecoverable.

3.6. Accrued Expense and Other Payables:

Liabilities are recognized for the goods and services received, whether paid or not for those goods and services. Payables are not interest bearing and are stated at their nominal value.

3.7. Borrowing Costs:

Interest bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs. Borrowing costs directly attributable to the acquisition and construction of plant and equipment are capitalized as part of the cost of those assets, until such time as the assets is ready for their intended use. All other borrowing costs incurred during the period was recognized as revenue expenses in accordance with IAS-23: Borrowing Costs.

3.8. Responsibility for preparation and presentation of Financial Statements:

The Board of Directors is responsible for the preparation and presentation of Financial Statements under section 183 of the Companies Act 1994 and as per the provision of the Framework for the Preparation and Presentation of Financial Statements issued by the International Accounting Standards Board (IASB). Accordingly, the management has fulfilled the above provision.

3.9. Provisions and Accruals:

Provisions

Provision is recognized when Generation Next Fashions Limited has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If a transfer of economic benefit is no longer probable the provision should be reversed. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure required to settle the obligation.

Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but the financial impact of the event will only be confirmed by the outcome of some future event not wholly within the entity's control.

3.10. Foreign Currency:

Foreign currencies are translated into BDT at the rates ruling on the transaction dates. Monetary assets and liabilities are reconverted at the rates prevailing at the balance sheet date. Non-monetary assets and liabilities are reported using the exchange rate at the date of respective transactions. Differences arising on conversion are charged to statement of profit and loss and other

comprehensive income.

3.11. Taxation:

The expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit and loss except to the extent that it relates to a business combination or items recognized directly in equity.

Current tax

Current tax is, as per IAS- 12: Income Taxes, the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date and any adjustment to the tax payable in respect of the previous year. Provision for current income tax has been made on 12% on business income as per Finance Act 2020 and SRO for Garments Industries and also made 25% on other income for public limited company as prescribed on the Income Tax Ordinance 1984. The calculation has been shown in the note 26.

Deferred Tax:

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

3.12. Finance expense:

Finance expense comprises interest expenses on term loan, overdraft, and bank charges. All finance expenses are recognized in the statement of profit or loss and other comprehensive income except those are capitalized in accordance with IAS-23: Borrowing Costs.

3.13. Earnings per share:

This has been calculated in compliance with the requirements of IAS 33: Earnings per Share by dividing the 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.

3.14. Weighted Average Number of Shares:

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

3.15. Diluted Earnings per Shares

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

3.16. Employee Benefits

The company maintains defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

The company has accounted for and disclosed employee benefits in compliance with the

provisions of IAS-19: Employee Benefits.

The cost of employee benefit is charged off as revenue expenditure in the period to which the contributions relate.

The company's employee benefits include the following:

Short Term Employee Benefits

These includes better working conditions in line with overseas customer's requirement, Day care center, Health care facility, Transportation for admin and management employee, Advance against salary, Festival bonus etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

Contribution to central depository scheme Workers Welfare Participation Funds

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

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

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

3.17. Compliance with Financial Standards as applicable in Bangladesh:

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

IASs	TITLE	REMARKS
1	Presentation of Financial Statement	Complied
2	Inventories	Complied
7	Statement of Cash Flows	Complied
8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
10	Events after the Reporting Period	Complied
12	Income Taxes	Complied
16	Property, Plant & Equipment	Complied
19	Employee Benefits	Complied
21	The Effects of Changes in Foreign Exchange Rates	Complied
23	Borrowing Costs	Complied
24	Related Party Disclosures	Complied
33	Earnings per Share (EPS)	Complied
37	Provisions, Contingent Liabilities and Contingent Assets	Complied

IFRSs		
5	Non Current Asset Held for sale and Discontinued Operation	Complied
7	Financial Instrument :Disclosure	Complied
8	Operating Segment	Complied
9	Financial Instruments	Complied
15	Revenue from Contracts with Customers	Complied
16	Leases	Complied

3.18. Related party Disclosure:

For the financial year ended 30th June, 2021 the company did not enter into any financial transactions that require separate disclosure except the remuneration paid to directors.

3.19. Long Term loan:

Long term loan consists of loans and financial obligations lasting over one year. The long term loan outstanding of Generation Next Fashions Limited, as on 30th June, 2021 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	9.00 % p.a. with Quarterly rests subject to revision from time to time.
Long Term Loan	9.00 % p.a. with Quarterly rests subject to revision from time to time.
Time Loan, Packing Credit & Bill Purchase	Time Loan: 9.00 % 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: 9.00 % p.a. with Quarterly rests subject to revision from time to time

From April 01, 2020 all interest rate is calculated @ 9.00% as per recent changes in finance bill.

3.20. Short Term Loan:

Short term loan refers to a loan scheduled to be repaid in less than a year. The company obtains short term loan from various sources to finance the temporary working capital needs.

These are secured; falling due within one year. The security and other term are specified as follows:

Time Loans are fully secured by first charge on the fixed assets of the company.

Packing Credit, Bill Purchase and other Loans are against Lien on Master/Export L/Cs.

3.21. Capital Expenditure Aailed:

There was no Capital expenditure contracted but not incurred or provided for as on 30.06.2021.

There was no material capital expenditure authorized by the Board but not contracted for as on 30.06.2021.

3.22. Contingent Liabilities and Contingent Assets:

Contingent liabilities

A contingent liability arises where a past event may lead to an entity having a liability in the future but the financial impact of the event will only be confirmed by the outcome of some future event will only be confirmed by the outcome of some future event not wholly within the entity's control. A contingent liability should be disclosed in the financial statements unless the possible outflow of resources is thought to be remote.

Contingent Asset

A contingent asset is a potential asset that arise from past events but whose existence can only be confirmed by the outcome of future events not wholly within an entity's control. A contingent asset should be disclosed in the financial statements only when the expected inflow of economic benefits is probable.

The company does not have any contingent liability or contingent assets as on 30.06.2021

3.23. Claims not Acknowledged:

There was no claim against the Company not acknowledged as debt as on 30.06.2021.

3.24. Credit Facilities Aailed:

Credit facilities available with COVID -19 facilities to the Company were from banks as on 30.06.2021 and Trade credit available in the ordinary course of business. No other credit facilities were available to the company as on 30.06.2021.

3.25. Commission, Brokerage or Discount Against Sales:

No other commission, brokerage or discount was incurred or paid by the company against sales during the year ended June 30, 2021

3.26. Employees:

Number of employees whose salary was below Tk. 10,000 is 1974 as on 30.06.2021

Number of employees whose salary was above Tk. 10,000 is 2197 as on 30.06.2020.

3.27. Capacity utilization:

Particulars	Capacity	Actual Production	Percentage
Garments*	50,00,000 Dozens	3,250,000 Dozens	65%
Fabrics	11,500 MT	8,050 MT	70%
Dyeing	12,000 MT	8,400 MT	70%

Reason: Actual production as per market demand

*Based on present product mix.

3.28. Managerial Remuneration

3.28.1 Total remuneration of managers aggregates during the year ended June 30, 2021 is

Tk. 32,550,408/- and remuneration for Managing Director is 2,400,00/-

3.28.2 Total remuneration of managers aggregates during the year ended June 30, 2020 is

Tk. 39,867,852/- and remuneration for Managing Director is 2,400,00/-

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

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

a. Interest rate risks:

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

Management perception:

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

b. Exchange rate risks:

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

Management perception:

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

c. Industry risks:

Industry risks refers to the risk of increased competition from foreign and domestic sources leading

to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and result of operation.

Management perception:

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

d. Market and technology-related risks:

i) Market risks:

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

Management perception:

With the exception of this reporting period due to pandemic situation of COVID-19, Market for the Company's products is growing at an exponential rate with growth of urbanization and incremental income level of consumers along with their preference to convenience. Therefore, market risks will be minimal.

ii) Technology-related Risks:

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

Management perception:

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

e. Potential or existing government regulations risks:

The Company operates under Companies Act, 1994, Income Tax Rules, 1984; VAT and Supplementary Duties Act, 2012 and VAT and Supplementary Duties Rules, 2016. Any abrupt changes of the policies made by the regulatory authorities may affect its activities.

Management perception:

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

f. Potential changes in global or national policies:

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

Management perception:

The Company can prosper in a situation of political stability and a congenial business environment. Political turmoil and disturbance are bad for the economy and so also for this sector. The Company is

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

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

- I. We avail the COVID-19 loan initiative by Government of Bangladesh.
- II. We downsize the workforce to cut down cost at a tolerable level.
- III. We renegotiate with our customers to rearrange the export schedule and took confirmation for not cancel the "Call on Hold" orders.

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



always aware of all types of turnmolls and if the smooth supply of material is hampered or faces any kind of disruptions, it will supply it in future and try to keep its operation smooth.

g. Operational Risks:

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

Management perception:

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

h. Input Cost Risks:

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

Management perception:

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

3.30. Significant Deviation in Net operating cashflow per share (NOCPS)

The NOCPS of the company falls significantly for the year ended 30th June, 2021 and come to Tk.(0.21) which were Tk.(1.13) for the year ended 30th June, 2020.

During the early phase of the outbreak of COVID-19 pandemic, the company had to reclassify significant number of work order as 'Call on Hold' from its major customer PRIMARK. As a result, the cash received from customer/export realization is 8% lower in current year. On the other hand, the cash received from other income is 53% lower in current year. All this issue together, imposes an adverse effect on reported NOCPS for the year ended 30th June, 2021.

3.31. Implications of COVID-19 on our business:

The COVID-19 pandemic has developed rapidly in 2021. The resulting impact of the virus on the operations and measures taken by the Government of Bangladesh has very positive impact on the overall RMG business in the country.

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

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

1. 8.21% decline in total revenues for the year ended 30th June, 2021 compared with the year ended 30th June, 2020.
2. Closure of the group's production facilities and export activities from Chittagong port in the reporting period.
3. Unwanted stoppage of Capital Work in Progress.
4. Number of work Orders from major customer PRIMARK reclassified as "Call on Hold".
5. Redundancy cost of temporary workforce.

04 Capital Works-in-Progress

Buildings

Total

Opening Works-in-Progress

Add: Addition during the year

Less: Adjustment during the period

Closing Balance during the period

05 Inventories

Raw Materials (Note-5.1)

Work-in-Process

Finished Goods

Materials In Transit

Total

4,91,700 Dozens

05.1 Raw Materials

Yarn

Fabrics

Chemicals

Accessories

Total

1,347,813 Kgs (2019-2020: 1,881,369 Kgs)

555,426 Kgs; (2018-2019: 593,359 Kgs)

06 Accounts Receivables

Blue Ribbon International (HK) Limited

Boohoo.Com UK Limited

Budget T-Shirt Ltd.

Distra Warenhandels-ges. MBH

Deltex Handelsgesellschaft

DOWGWON CLOTHING PROMOTION

DUO Fashion GmbH

DYNAMIC APPARELS PTY LTD.

Fashion Link

Hago

IQ Apparel LLC

JAINCO UK LIMITED

JCORP INC.

Jansen Fashion Group GMBH

NTD Apparel Inc.

KIK TEXTILIEN UND NON-FOOD GMBH

KLEIDER SOURCING LTD.

LEFTIES

Lowlan Fashion International

LLC China Supply International

Amount In Taka	
30 June 2021	30 June 2020
344,547,800	436,985,865
344,547,800	436,985,865
436,985,865	294,491,257
89,626,935	142,494,608
526,612,800	436,985,865
182,065,000	-
344,547,800	436,985,865
847,170,191	866,972,295
886,874,808	713,887,129
1,060,656,579	993,742,824
8,524,860	4,132,648
2,803,226,438	2,578,734,896
491,358,711	489,155,887
160,962,336	175,142,416
110,132,125	106,328,329
84,717,019	96,345,663
847,170,191	866,972,295
1,154,778	26,481,103
127,044,436	14,698,710
1,095,096	-
26,026,624	31,029,016
-	1,296,543
250,522	-
131,008,324	-
1,810,479	-
8,758,748	554,728
502,250	9,529,114
811,792	3,600,053
2,457,630	-
3,052,192	-
-	5,317,544
-	19,002,600
130,048,678	4,309,575
2,806,294	-
15,048,705	-
143,576,792	8,511,473
3,792,913	-

	Amount In Taka	
	30 June 2021	30 June 2020
LPP S. A.	25,505,858	8,337,653
MAD ENGINE LLC	20,812,408	3,491,667
MISSGUIDED LTD.	211,862,454	-
PEPKOR UK RETAIL LIMITED	-	1,436,405
Takko Holding GMBH	-	2,255,690
Target Australia PTY Limited	-	4,391,721
Other Receivables (Note: 06.1)	9,851,115	3,129,884
OVS SPA	3,796,461	-
PIAZZA ITALIA SPA	68,155,155	-
PRETTYLITTLETHING.COM	62,372,637	-
Primark Stores Limited	538,575,216	1,535,876,387
PROMODA TEXTILE HK LTD.	2,376,922	-
RUA LANDRI SALES	1,028,993	-
SPORTLIFE BRANDS LLC	44,111,385	-
SUSPECT LINGERIE LTD.	523,025	-
SUSSAN CORPORATION	4,725,036	-
TAKKO Holding GMBH	31,641,635	-
Wing Fat Enterprises Limited	-	11,166,621
VA-YOLA Garments Ltd.	160,522	-
Vermont Teddy Bear Company Inc	38,940,919	-
VRG S.A. UL	1,086,569	-
Wing Fat Enterprises Ltd.	2,252,205	-
ZAK CORP. LIMITED	2,532,320	17,735,351
Total	1,669,557,088	1,712,151,838

The receivable of the Company decreased due to decrease of current sales of the company for different products. The other reason for decrease of receivable due to some realization from last year holds up consignment by our Major customer PRIMARK. The customer did not cancel any order fully but postponed some orders due to pandemic situation..The company now started shipment for those orders gradually as per customers guideline.

Ageing of Trade Receivables

More than six months	767,904,056
Less than six months	901,653,032
	1,669,557,088

The classification of receivables as required by the Schedule XI of the Companies Act, 1994 are given below:

i) Receivables considered good in respect of which the company is fully secured.	1,669,557,088	1,712,151,838
ii) Receivables considered good in respect of which the company holds no security other than the debtor personal security.	-	-
iii) Receivables considered doubtful or bad.	-	-

	Amount in Taka	
	30 June 2021	30 June 2020
iv) Accounts Receivable due by any director or other officers of the company or any of them either severally or jointly with any other person or receivables due firms or private companies respectively in which any director is a partner or a director or a member.	-	-
v) Receivables due by companies under the same management.	-	-
vi) The maximum amount of receivables due by any directors or other officers of the company at any time during the year to be shown by way of a note.	-	-

06.1 Other Receivables

Gimex Clothing Limited	2,855,380	619,953
Gumit Textile Limited	1,882,397	149,656
JMS Composite Knitware Ltd.	-	317,226
Rose Intimate Limited	1,623,454	-
Shad Fashions	2,565,134	-
Sisa Composit Limited	924,750	-
SA Sourcing Ltd.	-	2,043,049
Total	9,851,115	3,129,884

07 Advances, Deposit and Prepayments

Advances (Note: 07.1)	180,259,130	172,135,666
Deposits	1,549,900	1,549,900
Total	181,809,030	173,685,566

The classification of Advances, Deposits & Prepayments as required by the Schedule XI, Part I, Para 6 of the Companies Act, 1994 are given below:

i) Advance, deposits & prepayment considered good and in respect of which the company is fully secured.		
ii) Advance, deposits & prepayment considered good for which the company holds no security.	180,557,825	172,274,361
iii) Advance, deposits & prepayment considered doubtful or bad.	-	-
iv) Advance, deposits & prepayment due by directors or other officers of the company or any of them either severally or jointly with any other person or Advance, deposits & prepayment due by firms or private companies respectively in which any director is a partner or a director or a member.	1,251,205	1,411,205
v) Advance, deposits & prepayment due by companies under the same management.	-	-
vi) The maximum amount due by directors or other officers of the company at any time during the year.	-	-

07.1 Advances

Advance against Salary
Advance Income Tax Note: 07.1(a)
Advance against Purchase / Expenses Note: 07.1(b)
Advance against House Rent
Advance for Construction & Others Note: 07.1(c)
Gas Line and Other Installation
Total

Amount in Taka	
30 June 2021	30 June 2020
1,251,205	1,411,205
160,190,311	142,610,988
3,315,772	7,819,929
1,580,000	2,375,122
9,044,972	12,591,552
4,876,870	5,326,870
180,259,130	172,135,666

07.1(a) Advance Income Tax

Opening Balance
Add: Addition During the Year

142,610,988	114,012,691
17,579,323	28,598,297
160,190,311	142,610,988

07.1(b) Advance against Purchase / Expenses

Mr. Alnal Haque
Mr. Basek Hossen
Mr. Mustafizur Rahman
Hi Tech Colour Chem
Word of Technology
Khan Enterprise
Total

1,692,742	1,932,229
-	1,512,500
972,530	-
-	2,525,200
650,500	1,500,000
-	350,000
3,315,772	7,819,929

07.1(c) Advance for Construction & Others

Azim Engineering Workshop & Thai Aluminum
Hasib Thai
Prepaid Insurance
Boiler Solutions Point
Genesis Technologies Ltd.
Total

-	1,050,000
2,082,714	3,845,600
5,527,258	4,536,182
1,020,000	1,543,020
415,000	1,616,750
9,044,972	12,591,552

08 Cash & Cash Equivalents

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

9,065,198	5,373,328
95,550,639	131,534,140
104,615,837	136,907,468

08.1 Cash in Hand

Balance in Central Cash
Balance in Factory Cash
Total

5,712,563	5,122,468
3,352,635	250,860
9,065,198	5,373,328

08.2 Cash at Banks

On Current/Short Notice Deposit Accounts Note: 08.2(a)
On Fixed Deposit Receipt (FDR) Accounts Note: 08.2(b)
Total

79,355,235	116,062,483
16,195,404	15,471,657
95,550,639	131,534,140

08.2(a) On Current/Short Notice Deposit Accounts

Bank Name	A/c Number	Branch Name	Amount in Taka	
			30 June 2021	30 June 2020
EXIM Bank Ltd.	711100038467	Gulshan Br.	73,268	74,188
National Bank Ltd.	1067001667322	Gulshan Br.	19,522	20,232
Prime Bank Ltd.	2118313015706	Gulshan Br.	4,994	5,684
Southeast Bank Ltd.	101110011987	Gulshan Br.	5,574	1,447,111
Southeast Bank Ltd.	13100001554	Gulshan Br.	10,417	-
Southeast Bank Ltd.	15100001563	Gulshan Br.	156,568	-
Southeast Bank Ltd.	1015200000041	Gulshan Br.	3,829,577	3,620,414
Southeast Bank Ltd.	1015400000003	Gulshan Br.	17,469,710	16,642,015
Southeast Bank Ltd.	1015400000041	Gulshan Br.	5,237	203,338
Southeast Bank Ltd.	1015400000043	Gulshan Br.	-	640,165
Southeast Bank Ltd.	1015400000044	Gulshan Br.	71	71
Southeast Bank Ltd.	1015400000048	Gulshan Br.	162	162
Southeast Bank Ltd.	1015400000049	Gulshan Br.	-	82,260
Southeast Bank Ltd.	1015400000051	Gulshan Br.	7,509,411	1,671,165
Southeast Bank Ltd.	1015400000058	Gulshan Br.	-	31,807
Southeast Bank Ltd.	1015400000063	Gulshan Br.	-	577,466
Southeast Bank Ltd.	1015400000075	Gulshan Br.	-	28
Southeast Bank Ltd.	1015400000086	Gulshan Br.	-	215,375
Southeast Bank Ltd.	1015400000095	Gulshan Br.	6,975	6,975
Southeast Bank Ltd.	1015400000120	Gulshan Br.	-	10
Southeast Bank Ltd.	1015400000132	Gulshan Br.	-	726,986
Southeast Bank Ltd.	1015400000134	Gulshan Br.	12,865	21,265
Southeast Bank Ltd.	1015400000139	Gulshan Br.	1,146	1,146
Southeast Bank Ltd.	1015400000143	Gulshan Br.	-	157,520
Southeast Bank Ltd.	1015400000187	Gulshan Br.	-	1,446,276
Southeast Bank Ltd.	1015400000188	Gulshan Br.	-	43
Southeast Bank Ltd.	1015400000201	Gulshan Br.	-	62
Southeast Bank Ltd.	1015400000202	Gulshan Br.	19,029	19,029
Southeast Bank Ltd.	1015400000203	Gulshan Br.	-	66
Southeast Bank Ltd.	1015400000204	Gulshan Br.	-	44
Southeast Bank Ltd.	1015400000205	Gulshan Br.	-	803,651
Southeast Bank Ltd.	1015400000216	Gulshan Br.	-	7
Southeast Bank Ltd.	1015400000218	Gulshan Br.	-	3
Southeast Bank Ltd.	1015400000248	Gulshan Br.	12,221	12,221
Southeast Bank Ltd.	1015400000249	Gulshan Br.	-	20,153
Southeast Bank Ltd.	1015400000288	Gulshan Br.	-	18
Southeast Bank Ltd.	1015400000289	Gulshan Br.	-	386,666
Southeast Bank Ltd.	1015400000290	Gulshan Br.	-	2,031,658
Southeast Bank Ltd.	1015400000291	Gulshan Br.	-	1,937,431
Southeast Bank Ltd.	1015400000292	Gulshan Br.	5,503	5,503
Southeast Bank Ltd.	1015400000327	Gulshan Br.	12,735	12,735
Southeast Bank Ltd.	1015400000370	Gulshan Br.	-	1,539,672
Southeast Bank Ltd.	1015400000371	Gulshan Br.	-	45,699
Southeast Bank Ltd.	1015400000373	Gulshan Br.	-	187,749

			Amount in Taka	
			30 June 2021	30 June 2020
Southeast Bank Ltd.	1015400000374	Gulshan Br.	4,672	4,672
Southeast Bank Ltd.	1015400000375	Gulshan Br.	3,186	3,186
Southeast Bank Ltd.	1015400000442	Gulshan Br.	26,578	300,986
Southeast Bank Ltd.	1015400000445	Gulshan Br.	2,041	2,041
Southeast Bank Ltd.	1015400000467	Gulshan Br.	3,728	3,728
Southeast Bank Ltd.	1015400000476	Gulshan Br.	6,707	6,707
Southeast Bank Ltd.	1015400000477	Gulshan Br.	331	137,040
Southeast Bank Ltd.	1015400000499	Gulshan Br.	514	514
Southeast Bank Ltd.	1015400000501	Gulshan Br.	-	779,457
Southeast Bank Ltd.	1015400000511	Gulshan Br.	-	316,609
Southeast Bank Ltd.	1015400000512	Gulshan Br.	-	608,315
Southeast Bank Ltd.	1015400000513	Gulshan Br.	-	2,033,887
Southeast Bank Ltd.	1015400000515	Gulshan Br.	-	431,695
Southeast Bank Ltd.	1015400000521	Gulshan Br.	-	105,704
Southeast Bank Ltd.	1015400000532	Gulshan Br.	-	77
Southeast Bank Ltd.	1015400000533	Gulshan Br.	-	214,450
Southeast Bank Ltd.	1015400000538	Gulshan Br.	-	558,687
Southeast Bank Ltd.	1015400000541	Gulshan Br.	-	51,791
Southeast Bank Ltd.	1015400000567	Gulshan Br.	-	3,674,203
Southeast Bank Ltd.	1015400000573	Gulshan Br.	9,337	254,225
Southeast Bank Ltd.	1015400000625	Gulshan Br.	602	602
Southeast Bank Ltd.	1015400000638	Gulshan Br.	-	3,351,921
Southeast Bank Ltd.	1015400000651	Gulshan Br.	-	1,827,385
Southeast Bank Ltd.	1015400000652	Gulshan Br.	-	1,142,219
Southeast Bank Ltd.	1015400000653	Gulshan Br.	-	50,422
Southeast Bank Ltd.	1015400000654	Gulshan Br.	-	959,571
Southeast Bank Ltd.	1015400000655	Gulshan Br.	-	168
Southeast Bank Ltd.	1015400000657	Gulshan Br.	-	2,428,723
Southeast Bank Ltd.	1015400000658	Gulshan Br.	-	702,030
Southeast Bank Ltd.	1015400000667	Gulshan Br.	-	151,105
Southeast Bank Ltd.	1015400000675	Gulshan Br.	-	981,600
Southeast Bank Ltd.	1015400000718	Gulshan Br.	29,499	707,637
Southeast Bank Ltd.	1015400000719	Gulshan Br.	-	449,337
Southeast Bank Ltd.	1015400000720	Gulshan Br.	-	1,250,038
Southeast Bank Ltd.	1015400000721	Gulshan Br.	-	885,793
Southeast Bank Ltd.	1015400000746	Gulshan Br.	-	680,092
Southeast Bank Ltd.	1015400000749	Gulshan Br.	-	1,772,390
Southeast Bank Ltd.	1015400000767	Gulshan Br.	1,347	1,347
Southeast Bank Ltd.	1015400000800	Gulshan Br.	33,054	33,054
Southeast Bank Ltd.	1015400000801	Gulshan Br.	-	2,751,206
Southeast Bank Ltd.	1015400000803	Gulshan Br.	-	266,782
Southeast Bank Ltd.	1015400000804	Gulshan Br.	-	233,733
Southeast Bank Ltd.	1015400000805	Gulshan Br.	-	650,223
Southeast Bank Ltd.	1015400000807	Gulshan Br.	3,502,413	-
Southeast Bank Ltd.	1015400000810	Gulshan Br.	-	2,674,618

			Amount in Taka	
			30 June 2021	30 June 2020
Southeast Bank Ltd.	1015400000811	Gulshan Br.	-	378,218
Southeast Bank Ltd.	1015400000813	Gulshan Br.	-	974,758
Southeast Bank Ltd.	1015400000865	Gulshan Br.	-	3,426,731
Southeast Bank Ltd.	1015400000866	Gulshan Br.	25,959	-
Southeast Bank Ltd.	1015400000868	Gulshan Br.	2,874	-
Southeast Bank Ltd.	1015400000893	Gulshan Br.	-	3,051,287
Southeast Bank Ltd.	1015400000896	Gulshan Br.	14,944	-
Southeast Bank Ltd.	1015400000928	Gulshan Br.	-	2,408,777
Southeast Bank Ltd.	1015400000930	Gulshan Br.	1,015	-
Southeast Bank Ltd.	1015400000965	Gulshan Br.	-	578,332
Southeast Bank Ltd.	1015400001000	Gulshan Br.	766,893	-
Southeast Bank Ltd.	1015400001035	Gulshan Br.	17,155	-
Southeast Bank Ltd.	1015400001097	Gulshan Br.	2,840	-
Southeast Bank Ltd.	1015400001100	Gulshan Br.	11,175	-
Southeast Bank Ltd.	1015400001101	Gulshan Br.	1,568	-
Southeast Bank Ltd.	1015400001113	Gulshan Br.	14,309	-
Southeast Bank Ltd.	1015400001149	Gulshan Br.	2,666	-
Southeast Bank Ltd.	1015400001152	Gulshan Br.	8,331	-
Southeast Bank Ltd.	1015400001165	Gulshan Br.	9,771	-
Southeast Bank Ltd.	1015400001215	Gulshan Br.	814	-
Southeast Bank Ltd.	1015400001223	Gulshan Br.	9,811	-
Southeast Bank Ltd.	1015400001224	Gulshan Br.	18,566	-
Southeast Bank Ltd.	1015400001238	Gulshan Br.	18,530	-
Southeast Bank Ltd.	1015400001250	Gulshan Br.	17,710	-
Southeast Bank Ltd.	1015400001269	Gulshan Br.	4,502	-
Southeast Bank Ltd.	1015400001319	Gulshan Br.	524	-
Southeast Bank Ltd.	1015400001336	Gulshan Br.	14,693	-
Southeast Bank Ltd.	1015400001363	Gulshan Br.	43,183	-
Southeast Bank Ltd.	1015400001370	Gulshan Br.	22,992	-
Southeast Bank Ltd.	1015400001400	Gulshan Br.	326,164	-
Southeast Bank Ltd.	1015400001401	Gulshan Br.	3,546,967	-
Southeast Bank Ltd.	1015400001419	Gulshan Br.	704,287	-
Southeast Bank Ltd.	1015400001434	Gulshan Br.	166,743	-
Southeast Bank Ltd.	1015400001441	Gulshan Br.	24,369	-
Southeast Bank Ltd.	1015400001448	Gulshan Br.	134,695	-
Southeast Bank Ltd.	1015400001451	Gulshan Br.	764,955	-
Southeast Bank Ltd.	1015400001455	Gulshan Br.	4,351	-
Southeast Bank Ltd.	1015400001469	Gulshan Br.	2,111,657	-
Southeast Bank Ltd.	1015400001477	Gulshan Br.	20,068	-
Southeast Bank Ltd.	1015400001495	Gulshan Br.	59,973	-
Southeast Bank Ltd.	1015400001504	Gulshan Br.	403,905	-
Southeast Bank Ltd.	1015400001518	Gulshan Br.	365,836	-
Southeast Bank Ltd.	1015400001519	Gulshan Br.	53,096	-
Southeast Bank Ltd.	1015400001525	Gulshan Br.	4,053	-
Southeast Bank Ltd.	1015400001536	Gulshan Br.	2,259,569	-

			Amount in Taka	
			30 June 2021	30 June 2020
Southeast Bank Ltd.	1015500000256	Gulshan Br.	1,115,886	539,880
Southeast Bank Ltd.	1015600000040	Gulshan Br.	657	9,358,155
Southeast Bank Ltd.	1015600000100	Gulshan Br.	1,707,288	2,160,443
Southeast Bank Ltd.	1015600000103	Gulshan Br.	2,960,658	3,174,386
Southeast Bank Ltd.	1015600000109	Gulshan Br.	903	-
Social Islami Bank Ltd.	0181360001416	Foreign Ex. Br	91,199	90,685
IFIC Bank Ltd.	1002390905001	Gulshan Br.	12,742	160,749
Jamuna Bank Ltd.	00060210017279	Dilkusha Br.	91,983	93,133
Agrani Bank Limited	0200012747551	Banani Corporate Br.	3,647,008	18,133,057
Agrani Bank Limited	0200015218555	Banani Corporate Br.	20,998,017	-
Premier Bank Limited	018911100000067	Gulshan Br.	1,190,311	749,417
BRAC Bank Ltd.	1501201918541001	Gulshan Br.	2,411,566	2,383,213
BRAC Bank Ltd.	1501201918541002	Gulshan Br.	233,362	233,512
BRAC Bank Ltd.	1501201918541003	Gulshan Br.	4,617	4,104
BRAC Bank Ltd.	1501201918541004	Gulshan Br.	4,800	4,496
BRAC Bank Ltd.	1501201918541006	Gulshan Br.	66,812	67,502
BRAC Bank Ltd.	1501201918541007	Gulshan Br.	56,919	57,609
Total			79,355,295	116,062,483

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

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

Bank Name	Branch Name		
Agrani Bank Limited	-	Banani Corporate Br.	5,398,468
Agrani Bank Limited	-	Banani Corporate Br.	5,398,468
Agrani Bank Limited	-	Banani Corporate Br.	5,398,468
Agrani Bank Limited	-	Banani Corporate Br.	-
Agrani Bank Limited	-	Banani Corporate Br.	5,157,219
Agrani Bank Limited	-	Banani Corporate Br.	5,157,219
Agrani Bank Limited	-	Banani Corporate Br.	5,157,219
Total			16,195,404

09 Accounts & Other Payables

Allm Printing	-	4,089,698
Sf Apparels Limited	497,920	-
Chemitex	-	1,424,570
Chowdhury Trading	-	8,533,790
City Chemical	-	1,596,864
DB Tex Limited	453,209	-
Exim Chem Corporation	8,294,800	-
Dibline Textile Limited	111,301	-
The Delta Spinning Mills Ltd.	-	3,485,040
Mahin Printing & Fashion	235,575	-
Metro Spinning Mills Ltd.	-	5,860,293
MN Dyeing Printing & Washing Mills Ltd.	14,868	-
MS Knit Fabric	189,696	-
Mithila Enterprise	2,326,751	-

M & U Packaging Limited
N Salam Textile
Gumti Textile Limited
Other Payables (Note: 9.1)
Total

These are unsecured, payable within one year.

Amount In Taka	
30 June 2021	30 June 2020
1,894,124	
2,205,192	-
2,571,119	5,718,493
42,169,886	41,529,336
60,964,440	72,238,084

09.1 Other Payables

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

1,722,650	2,227,810
26,294,052	25,388,162
13,117,130	13,177,689
526,848	385,230
509,206	350,445
42,169,886	41,529,336

10 Accrued Expenses

Audit fee
Salaries and Wages Payable
Gas Bill
Electricity Bill
Ornate Security Service Ltd.
Telephone Bill and Others Utilities
Annual Listing Fees & Other
Workers' Participation/Welfare Funds (Note: 10.1)
Provision for tax (Note: 10.2)
Deferred Tax Liability (DTL)
Total

550,000	550,000
65,033,723	63,323,120
7,762,569	6,850,139
944,227	519,154
203,467	117,134
230,100	435,481
4,902,452	3,004,452
6,929,880	24,692,710
216,740,901	199,176,431
189,389,618	179,190,583
492,687,037	477,859,204

10.1 Workers' Participation/Welfare Funds

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

Less: Adjustment during the year

24,692,710	47,846,900
-	-
24,692,710	47,846,900
17,762,830	23,154,190
6,929,880	24,692,710

These are unsecured, falling due within one year.

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

10.2 Provision for tax

Accounting Year	Assessment Year	Amount	Status
July 2020 to June 2021	2021-2022	17,564,470	Return Not Yet Due.
July 2019 to June 2020	2020-2021	28,847,334	Return Submitted.
July 2018 to June 2019	2019-2020	24,028,862	Return Submitted.
July 2017 to June 2018	2018-2019	36,070,992	Return Submitted.
July 2016 to June 2017	2017-2018	28,600,471	Under Appeal.
Jan 2016 to June 2016	2016-2017	14,131,959	Under ADR.

2015
Amount after Adjustment up to assessment year
upto 2015-2016 (Tk. 46,463,103- Tk. 5,000,000)

2016-2017

26,033,710

41,463,103

216,740,901

Under ADR.

Assessment Completed/ Agreed.

11 Bank Overdraft

Bank Name	Br Name	Amount in Taka	
		30 June 2021	30 June 2020
Southeast Bank Ltd. CC A/c 01073300000167	Gulshan Br.	46,736,838	46,775,468
Total		46,736,838	46,775,468

Fully secured by 1 (one) undated cheque to cover the entire the limit along with a letter of authority to insert date on the cheque and personal guarantee of the Directors of the Company.

12 Short Term Bank Credits :

Southeast Bank Ltd.:

Time Loan	210,730,867	241,687,074
Covid Loan	246,573,929	80,643,893
Bill Purchase	2,362,635	6,998,382
Other Loans	215,428,841	241,831,400
Total	675,096,273	571,160,749

These are secured, falling due within one year. The security and other term are specified as follows:

Time Loans are fully secured by first charge on the fixed assets of the Company.

Packing Credit, Bill Purchase and other Loans are against Lien on Master/Export L/C.

13 Deferred L/C Liabilities:

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

56,643,928	65,004,706
6,074,664	30,731,324
62,718,592	95,736,030

13.1 Deferred L/C Liabilities against Purchase:

Basic Thread Industries Ltd.	1,402,665	-
Akbar Cotton Mills Ltd	-	5,775,000
Active Zipper Limited	1,773,834	-
Bellwoven Bengla Limited	1,104,326	-
BestTrims FastQ (BD) Ltd.	2,314,715	-
Chemitex	3,314,650	-
Changzhou Baoxin	-	3,956,820
Continental Seining Mills Ltd	3,486,000	-
Chowdhury Trading	2,560,565	-
Salham Cotton Mills Ltd	-	12,888,330
Samuda Spec - Chem Limited	1,620,000	-

Bengal Lavers & Accessories
 Gulshan Spinning Mills Ltd.
 Alraze Spinning Mills Ltd
 I. M. CHEMICAL
 Israq Spinning Mills Ltd
 Jaba Textile Mills Ltd.
 Allplast Bangladesh Limited
 Musharaf Composit Textile Ltd.
 Nassa Taipei Spinners Ltd.
 Other Deferred L/C Liabilities
 Pakiza Cotton Mills Ltd
 Tara Spinning

Amount in Taka	
30 June 2021	30 June 2020
-	729,662
8,477,309	4,136,580
-	4,114,320
-	3,441,950
3,444,500	-
2,474,645	-
813,400	1,205,820
10,420,858	-
4,133,400	2,766,960
304,617	4,003,104
4,639,700	18,236,400
4,358,745	3,749,760
56,643,928	65,004,706

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

13.2 Deferred Liabilities against Assets:

Dudaud Machinery
 Run Well (Shangong) Machinery Co. Ltd.
 Brother Machine (Asia) Limited
 Pegasus Sewing Machine Pte Ltd.

2,838,699	-
3,235,965	-
-	10,697,400
-	20,033,924
6,074,664	30,731,324

14 Refundable IPO/Unclaimed Dividend Account

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

Bank Name

A/C No.

Branch

BRAC Bank Ltd 1501201918541001 Gulshan Br.
 BRAC Bank Ltd 1501201918541002 Gulshan Br.
 BRAC Bank Ltd 1501201918541003 Gulshan Br.
 BRAC Bank Ltd 1501201918541004 Gulshan Br.
 BRAC Bank Ltd 1501201918541007 Gulshan Br.

2,411,566	2,383,213
233,362	233,512
4,617	4,104
4,800	4,496
56,919	57,609
2,711,264	2,682,934

Total

** With refer to "Bangladesh Securities and Exchange Commission" Directive Ref. No. BSEC/CMRRCD/2021-386/03 dated January 14, 2021 and Notification Ref. No. BSEC/CMRRCD/2021-391/20/Admin/121 dated June 01, 2021 published on June 27, 2021 and also letter Ref. No. SEC/SRMIC/165-2020/part-1/166 dated July 06, 2021, we will be required to transfer unclaimed/undistributed/unsettled dividend upto 2017 in cash to Capital Market Stabilization Fund. But to extend the time for the transfer, we submit a time extension letter to BSEC at 29 August 2021 and reference of the letter are GNFL/SD/2021/0192

15 Current Maturity of Long Term Loans

Current portion of Long Term Bank Loans Tk. 512,286,720/- (2019-2020; Tk. 428,989,358/-) has been

shown under the head Current Liabilities which is payable within June -2022.

Amount in Taka	
30 June 2021	30 June 2020
512,286,720	428,989,358
512,286,720	428,989,358

16 Share Capital

16.1 Authorised Capital

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

5,000,000,000 **5,000,000,000**

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

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

2,243,634,000	2,243,634,000
2,706,111,550	2,706,111,550
4,949,745,550	4,949,745,550

The Shareholding position of the Company are as under :

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

Particulars	No. of Shareholders	No. Of Shares	Percentage	Amount in Taka
Less than 500 Shares	4,078	777,935	0.16	7,779,350
501 to 5,000 Shares	10,959	23,437,947	4.74	234,379,470
5,001 to 10,000 Shares	3,008	22,611,958	4.57	226,119,580
10,001 to 20,000 Shares	2,317	33,714,871	6.81	337,148,710
20,001 to 30,000 Shares	953	23,763,935	4.80	237,639,350
30,001 to 40,000 Shares	517	18,146,300	3.67	181,463,000
40,001 to 50,000 Shares	395	18,278,027	3.69	182,780,270
50,001 to 100,000 Shares	726	52,923,959	10.69	529,239,590
100,001 to 1,000,000 Shares	499	116,986,698	23.63	1,169,866,980
Above 1,000,000 Shares	31	184,332,925	37.24	1,843,329,250
Total	23,483	494,974,555	100.00	4,949,745,550

17 Revaluation Surplus

Land & Land Development
Building
Plant & Machinery

136,740,234	136,740,234
182,833,254	186,564,545
77,369,708	81,441,798
396,943,196	404,746,577
Less: Depreciation on Revaluation Surplus	7,525,151
Total	389,418,045

S.F. Ahmed & Co, Chartered Accountants revalued the fixed assets of the Company as of 31 December

2008, following "depreciated current cost method", resulting in a revaluation surplus at Tk.506,889,888.

18 Retained Earnings

Opening Balance
Add: Current Period Profit
Add: Depreciation on Revaluation Surplus (Net of Tax)
Add : Other Comprehensive Income
Less: Bonus Share Issue

Amount in Taka	
30 June 2021	30 June 2020
305,956,016	292,604,704
3,319,702	5,547,931
309,275,717	298,152,635
6,622,133	6,866,975
903,018	936,406
316,800,868	305,956,016
-	-
316,800,868	305,956,016

19 Long Term Loans

Term Loan	Southeast Bank Ltd.
Office Space	LankaBangla Finance Ltd.
Office Space	IPDC Bangladesh Ltd.
Car Loan	IPDC Bangladesh Ltd.
Total	

1,462,346,229	1,403,142,300
134,157,709	121,508,568
105,907,311	110,564,573
384,883	7,097,903
1,702,796,132	1,642,313,344

Amount in Taka	
01.07.2020 to 30.06.2021	01.07.2019 to 30.06.2020

20 Sales Revenue

2,918,048,347	3,178,966,771
2,918,048,347	3,178,966,771

Export sales revenue is recognised for 1,352,752 Dozens at USD: 34,738,670.80 @ average Tk. 84.00 Equivalent to Tk. 2,918,048,347/- (2019-2020: 1,576,868 Dozens at USD: 37,844,842.51 @ average Tk. 84 equivalent to Tk. 3,178,966,771) when delivery challan is issued.)

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

21 Cost of Goods Sold

Opening Stock of Raw Materials
Add: Purchases (Note : 21.1)
Less: Closing Stock of Raw Materials (Note : 05.1)
Material Consumed
Add: Direct Labour
Prime Cost
Add: Factory Overhead (Note : 21.2)
Cost of Manufacturing

866,972,295	703,163,427
1,662,407,433	2,462,938,854
847,170,191	866,972,295
1,682,209,537	2,299,129,986
691,729,122	712,957,109
2,373,938,659	3,012,087,095
227,119,606	249,599,941
2,601,058,265	3,261,687,036

Add: Opening Work-In-Process (Note: 05.00)
Less: Closing Work-In-Process (Note: 05.00)
Cost of Goods Manufactured
Add: Opening Stock of Finished Goods (Note: 05.00)
Less: Closing Stock of Finished Goods (Note: 05.00)
Cost of Goods Sold

Amount in Taka	
30 June 2021	30 June 2020
713,887,129	440,639,225
886,874,808	713,887,129
2,428,070,586	2,988,439,132
993,742,824	662,944,166
1,060,656,579	993,742,824
2,361,156,831	2,657,640,474

21.1 Purchases of Raw Materials

Yarn	2,508,021 Kgs (2019-2020: 5,304,791 Kgs Kgs)
Fabrics	1,262,007 Kgs (2019-2020: 1,456,950 Kgs)
Chemicals	732,984 Kgs (2018-2019: 1,847,204 Kgs)
Accessories	
Total	

914,324,088	1,379,245,758
365,729,635	517,217,159
199,488,892	295,552,662
182,864,818	270,923,274
1,662,407,433	2,462,938,854

21.2 Factory Overhead

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

840,000	840,000
3,854,204	7,706,256
110,285,463	112,881,603
74,422,433	76,088,559
-	7,394,430
3,686,839	3,372,148
5,217,837	6,095,252
7,088,676	11,391,000
4,662,107	5,942,765
1,085,645	1,215,062
8,674,332	8,681,337
6,378,600	7,237,925
923,470	753,604
227,119,606	249,599,941

22 Administrative & Selling Expenses

Staff Salaries
Directors' Remuneration
Bonus
Freight Charge
Buying House Expenses
Utility Charge
Entertainment
C & F Charges
Courier & Postage

172,220,135	175,621,127
7,800,000	9,600,000
18,423,687	17,725,128
4,738,886	15,589,861
15,247,080	5,601,352
1,158,509	894,885
857,956	936,094
8,373,746	9,135,932
2,616,342	1,644,063

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

Amount In Taka	
30 June 2021	30 June 2020
2,688,214	2,343,131
2,346,000	2,346,000
852,561	429,688
5,804,498	5,941,137
550,000	550,000
1,356,000	1,356,000
3,513,375	3,074,627
535,955	502,628
1,967,048	1,787,525
14,780,096	17,060,497
2,918,048	3,178,967
1,495,528	1,249,376
423,315	506,367
7,026,650	7,873,344
344,825	439,807
4,999,045	4,666,827
2,901,254	2,404,392
412,532	341,231
125,600	45,000
822,634	713,246
287,299,519	293,558,232

23 Other Income

Income from Cash Incentive
Other Revenues
Interest on Bank Deposits
Total

57,604,700	124,272,500
1,152,345	985,474
957,366	1,342,005
59,714,411	126,599,979

24 Financial Expenses

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

19,197,660	16,663,611
21,748,382	60,072,546
220,263,755	171,961,014
2,534,776	181,487
32,687,844	31,345,631
296,432,417	280,224,289

25 WPFs/ Contribution to Central Fund (RMG Sector)

840,665	1,076,688
840,665	1,076,688

As per Bangladesh Bank Circulars order by Bangladesh Government Circular Pattra No. FEPD (Raptani Nitee) 220/2016-18. The concern Bank deducts @ 0.03% on export proceeds of 100% export oriented Garments Business as Central Fund (RMG Sector) which will deposit to Sonali Bank Limited, Ramna Corporate Branch, A/c: 0442636001018

26 Current Year Tax Expenditure

Particulars	Amount	Rate	Amount
Other Than Business Income:			
Other Revenues	1,152,345	25.00%	288,086
Income from Cash Incentive	57,604,700	10.00%	5,760,470
Interest on Investment and Deposits	957,366	25.00%	239,342
	59,714,411		6,287,898

Tax on Business Income:

Provision for Business Income Tax : (Higher of following two figures)	11,276,572
Minimum tax on Gross Receipt U/S 82C(4) 0.6% (Proportionate)	5,464,599
Tax Deducted at source from business income	17,564,470
Total Provision for Income Tax	17,564,470

27 Deferred Tax:

Opening Balance of DTL

	179,190,582	141,455,186
DTL on carrying amount of cost base:	31,224,356	32,160,761
	147,966,227	109,294,425
	179,190,582	141,455,186
DTL on revaluation surplus of Building	182,833,254	186,564,545
DTL on revaluation surplus of Plant & Machinery	77,369,708	81,441,798
	260,202,963	268,006,343
	12%	12%
	31,224,356	32,160,761

Computation of DT Expenses for this reporting period :

	DTL	DTL
Difference on Tax base & carrying amount		
Written Down Value as per Accountant Policy (with revaluation part)	4,344,984,677	4,188,713,410
Less: Written Down Value on Revaluation Part	389,418,046	396,943,197
Written Down Value without Revaluation	3,955,566,631	3,791,770,213
Less: Written Down Value as per third schedule	2,369,794,663	2,558,718,318
Taxable Assets	1,585,771,968	1,233,051,895
	12%	12%
	190,292,636	147,966,227
For this year	179,190,582	109,294,425
Less: Opening	11,102,054	38,671,802
Deferred Tax Expenses for this year (Transfer to PL)	903,018	936,406
Less: Transfer to OCI for depreciation on revalued portion	10,199,036	37,735,386
Net Amount transfer to PL		
Depreciation on Building on Revaluation part for this year	3,656,665	3,731,291
Depreciation on Plant & Machinery on Revaluation part for this year	3,868,485	4,072,090
	7,525,151	7,803,381
	12%	12%
	903,018	936,406
Closing Deferred Tax Liability (opening + Net amount for this year)	189,389,618	179,190,582

28 Earning Per Share (EPS)

Profit attributable to Ordinary Shareholders
Total Weighted Average 128.2
Earnings per share - Basic

Amount in Taka	
30 June 2021	30 June 2020
3,319,702	5,547,931
494,974,555	494,974,555
0.01	0.01

28.1 Earning Per Share (EPS) - Diluted

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

28.2 Weighted Average Number of Ordinary Share:

Opening No. of Share in existence
Share Allotment from Opening Share Money Deposits
Share Allotment from New Share Money Deposits
Issuance of Bonus Share
Weighted Average Share Money Deposits (in share)
Total Weighted

494,974,555	494,974,555
-	-
-	-
-	-
-	-
494,974,555	494,974,555

29 Net Assets Value per Share (NAV)

Net Asset Value (NAV)
Total Weighted Average Number of Ordinary Shares
Net Asset Value per Share (NAV) (a/b)

5,892,743,575	5,889,423,873
494,974,555	494,974,555
11.91	11.90

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

Net Operating Cash Flows
Weighted Average Number of ordinary shares
Net Operating Cash Flows per Share (NOCFPS) (a/b) - Basic

(103,247,251)	(559,592,576)
494,974,555	494,974,555
(0.21)	(1.13)

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

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

31 Reconciliation of Net Income or Net Profit with Cash Flows from Operating Activities (Indirect Method) the requirement of Bangladesh Securities and Exchange Commission notification no. BSEC/CMRRCD/2006-158/308/Admin/81, Dated 08 August 2018.

Particulars

Net Profit before Tax 31,986,226 73,067,067

Adjustments to reconcile net income to net cash provided by operating activities:

Non-Cash Items:

Depreciation on Fixed Assets	116,089,961	118,822,740
Financial Expenses	296,432,417	280,224,289
Other Income	59,714,411	126,599,979
Contribution to Central Fund (RMG Sector)	887,765	1,076,688
Foreign Exchange Gain/ (Loss)	2,901,254	2,404,392
Income Tax Provision	(28,666,524)	(67,519,136)

		Amount in Taka	
		30 June 2021	30 June 2020
Changes in Operating Activities:		(219,483,504)	(686,367,639)
Increase/ Decrease in Inventories		(224,491,541)	(721,861,773)
Increase/ Decrease in Trade and other Receivables		42,594,750	45,390,074
Increase/ Decrease in Advance, Deposits and Prepayments		(8,123,464)	(20,743,743)
Increase / Decrease in Accounts Payable & Others		(11,273,644)	(22,451,538)
Increase/Decrease in Deferred L/C Liabilities		(39,092,102)	2,630,064
Increase/Decrease in Deferred Liabilities for Assets Part		6,074,664	
Increase/ Decrease in Accrual Expenses		14,827,833	30,669,278
Financial Expenses		(296,432,417)	(280,224,289)
Other Income		(59,714,411)	(126,599,979)
Contribution to Central Fund (RMG Sector)		(887,765)	(1,076,688)
Deferred Liabilities for Assets Part		(6,074,664)	
Net Cash Generated from Operating Activities		(75,519,066)	(506,059,664)
32 Cash Received from Customer			
Sales Revenue	2,918,048,347	3,178,966,771	
Add: Decrease in Accounts receivable	42,594,750	45,390,074	
Less: Unrealized Foreign Exchange gain/(Loss)	412,532	(341,231)	
	2,960,230,565	3,224,698,076	
33 Cash Paid to Suppliers			
Material Consumed	1,442,308,103	1,695,083,424	
Less: Increase in Deferred Liabilities	(33,017,438)	(2,630,064)	
Add: Deferred Liability Assets Part	6,074,664		
Less: Decrease in Accounts Payable	(11,273,644)	22,451,538	
Add: Increase in Inventory	224,491,541	721,861,773	
	1,717,165,391	2,442,026,799	
34 Paid for Operating Expenses			
Direct Labour	691,729,122	712,957,109	
Factory Overhead	227,119,606	249,599,941	
Office & Administrative Expenses	287,299,519	293,558,232	
Financial Expenses	296,432,417	280,224,289	
Contribution to Central Fund (RMG Sector)	887,765	1,076,688	
Less: Depreciation	(116,089,961)	(118,822,740)	
Less: Realized Exchange Gain/ (Loss)	(2,901,254)	(2,404,392)	
Less: Unrealized Exchange Gain/ (Loss)	(412,532)	(341,231)	
Less: Increase AIT	(17,579,323)	(28,598,297)	
Tax (Current Tax+Deferred Tax)	28,666,524	67,519,136	
Add: Increase Advance Prepayment	8,123,464	20,743,743	
Less: Increase Accrued Expenses	(14,827,833)	(30,669,278)	
	1,388,447,514	1,444,843,200	
35 DTI transferred from DTL for depreciation on revaluation surplus			
12% on Depreciation charged this year on revalued assets	903,018	936,406	
	903,018	936,406	

Annexure-1

Property, Plant & Equipment: (PPE) Tk. 4,344,984,677/-

Particulars	Cost or Valuation			Rate of Depn. (%)	Depreciation			Written down value as on 30.06.2021
	Balance as on 01.07.2020	Addition or valuation during the period	Balance as on 30.06.2021		Balance as on 01.07.2020	Charged during the period	Balance as on 30.06.2021	
Land & Land Development	249,687,532	6,300,000	255,987,532	-	-	-	-	255,987,532
Building	3,288,593,274	182,065,000	3,470,658,274	2%	346,708,333	58,888,272	405,596,606	3,065,061,668
Plant & Machinery	1,320,129,680	72,705,647	1,392,835,327	5%	446,715,965	44,044,051	490,760,016	902,075,311
Vehicles	80,203,266	-	80,203,266	10%	34,237,533	4,596,573	38,834,106	41,369,160
Other Assets	120,285,550	11,290,582	131,576,132	10%	42,524,061	8,561,064	51,085,126	80,491,006
Total	5,058,899,302	272,361,229	5,331,260,531	-	870,185,892	116,089,961	986,275,854	4,344,984,677
Total as on June 30, 2020	5,013,508,995	49,890,907	5,063,400,902	-	731,989,132	118,822,740	870,185,892	4,189,719,410

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

Total Carrying value as on 30 June 2021

Revalued portion of Land, Buildings and Plant & Machinery (revaluation surplus)
Cost based carrying value of PPE

4,344,984,677
389,418,045
3,955,566,632
4,344,984,677

Particulars	Amount in Taka	
	2020-2021	2019-2020
Total Depreciation Charge during the year	116,089,961	118,822,740
Allocation of total depreciation:		
Factory Overhead (Note: 21.2)	110,285,463	112,881,603
Administrative & Selling Expenses (Note: 22)	5,804,498	5,941,137
Total	116,089,961	118,822,740



GENERATION NEXT FASHIONS LTD.

Inventories as on 30' June, 2021

SL No.	Item	Category	Qty. (DOZ,KG,YDS)	Closing Stock -Value In BDT.	Remarks
01	Yarn Stock	Stock	1,347,813	491,358,711	
02	Fabrics	Stock	376,684	160,962,336	
03	Work In Process	Garments	1,792,593	323,742,244	
		Knit	411,577	149,822,644	
		Dyeing	863,221	413,309,921	
04	Finished Product (RMG)		491,095	1,060,656,579	
05	Accessories			84,717,019	
06	Dyes & Chemicals			110,132,125	
07	Materials In Transit			8,524,860	
	Total :			2,803,226,438	

GENERATION NEXT FASHIONS LTD.

Chemicals Balance As on 30 June, 2021

Annexure-2

45	Polyester Leveling Agent	Rockadye PLA	1,070	291.00	311,373
46	Brightner	Synowhite 4BK	3,251	340.40	1,106,785
47	Brightner	IMC 4BK	3,557	284.24	1,011,185
48	Polyester Brightner	ROCKADYE- PB 100 (BN)	8,754	625.00	5,471,250
49	Rubbing Fastness	Wei Rubbing Fastness 82	2,365	245.00	579,425
50	Stabilizer Agent	BK PSB -Peroxide stabilizer	254	950.00	241,300
51	ETP	Ume Powder	56,252	14.00	787,528
52	ETP	Ferrous Sulphate	62,512	12.00	750,144
53	ETP	Polyelectro Lyte	54,526	16.00	872,416
54	Peroxide Killer	Perox 2Y	2,562	80.00	204,960
55	Finishing Agent	Careguard FF	38	955.00	35,908
56	Finishing Agent	Bactoguard guard FL	34	2,150.00	73,100
57	Finishing Agent	Clearsil VENO	20	655.00	13,100
58	Silvadin 930	Silvadin 930	6	3,000.00	19,200
59	Polyester Brightner	Optical Brightener DBBN	4	680.00	2,906
60	Anti- Microbial and anti order protection	Finofresh	35	1,740.00	60,900
61	Antibackstaining Agent	Antibackstaining	94	120.00	11,232
62	Syno White BYB	Syno White BYB	2,562	450.00	1,152,900
63	Fixing Agent	Fixing ECO	2,654	256.00	679,424
64	Finishing Agent	GSM. Increling agent	26	350.00	9,100
65		Visco-SR	70	550.00	38,555
66		AquaSoft -NASS	20	320.00	6,400
Total=			181,415		42,452,323

GENERATION NEXT FASHIONS LTD.

Chemicals Balance As on 30 June, 2021

Sl No	Type Of Chemicals	Name of Chemical	Closing Balance	Average Price Per Kg	Total Balance Taka
1	BASIC CHEMICAL	Glackal Acetic Acid	420	65.70	27,594
2	BASIC CHEMICAL	Reacid BBS (Neutralizer)	708	90.00	63,733
3	BASIC CHEMICAL	Hydrogen Peroxide	2,021	39.10	79,026
4	BASIC CHEMICAL	Soda Ash Light	7,335	31.40	230,324
5	BASIC CHEMICAL	Glober Salt	203,539	18.60	3,785,831
6	BASIC CHEMICAL	Caustic Soda	9,584	42.00	402,528
7	BASIC CHEMICAL	Hydrose Powder	703	155.00	108,965
8	BASIC CHEMICAL	Soda ash Substitute	27,332	74.70	2,041,682
9	Anti backstaining	DNG Blue Dispers	2,525	279.71	706,268
10	Detergent Agent	Saltex clean WT	506	240.00	121,516
11	Detergent Agent	Shunsol APC60	1,250	195.00	243,750
12	Detergent Agent	Samwet BLN 65%	125	196.00	24,500
13	Anticreasing Agent	Rocksolud-ACA	3,272	117.90	385,731
14	Anticreasing Agent	Unifoam PWD	500	1,245.00	622,500
15	Sequestering Agent	Shuntex DBC	251	80.00	20,080
16	Sequestering Agent	Samseq ASA/USA	1,132	79.00	89,404
17	Sequestering Agent	Komplex New Conc	921	119.00	109,647
18	Stabilizer Agent	Shuntex UFB	1,250	82.00	102,500
19	Stabilizer Agent	Samper STB	2,822	79.00	222,926
20	Peroxide Killer Agent	Shunsol DRA	1,252	80.00	100,160
21	Peroxide Killer	Samper -KLR	2,161	79.00	170,693
22	Brightener	Synowhite 4BK(Klaco)	7,542	450.00	3,393,900
23	Levelling	Commodity LE 101	4,521	190.90	863,059
24	Levelling	Shuntex DES	2,560	120.00	307,200
25	Levelling	Samlev FSA	170	120.00	20,400
26	Levelling	Versapers -95	1,243	240.70	299,093
27	Antifoam Agent	Versaquest 2010	315	120.00	37,793
28	Soaping agent	Wash RAS	1,250	120.00	150,000
29	Soaping Agent	Rockudye SPS	2,541	55.00	139,755
30	Soaping agent	Samsop-ABS	1,646	261.45	430,462
31	Fixing Agent	Rockafix FKA	2,520	290.00	730,800
32	Cationic Softner	Cationic Softener Flake -EW -8	2,510	290.00	727,900
33	Cationic Softner	Rockanin SCP NEW	3,254	157.70	513,156
34	Cationic Softner	Samsop New -CAT	2,542	245.00	622,790
34	Cationic Softner	Softly BD New	209	245.00	51,303
35	Enzyme	Bio Polishing Enzym GBL	2,541	295.00	749,595
36	Enzyme	Versatex PC 300	1,416	280.00	396,375
37	Viscoses bleaching(Basic Ch.)	Alp Clean	1,452	280.00	406,560
38	Silicon Softner	Softly SLC M40	2,142	200.00	428,400
39	Silicon Softner	Rockasoft Extra con	365	500.00	182,500
40	Silicon Softner	Samsop-HSS	8,525	220.00	1,875,500
41	Silicon Softner	Micosil New Conc	2,800	540.00	1,512,000
42	Hydrochloric Softner	Rocka Piling APA Con	4,522	545.00	2,464,490
43	Oil Remover	Rocksol RK	7,852	291.00	2,284,932
44	Polyester Levelling Agent	Polyester Levelling Agent PLA B7	2,632	291.00	765,912

REF: GKC/21-22/A/53



GENERATION NEXT FASHIONS LTD.

Dyes Chemical Balance As on 30 June, 2021

SLNo	Type Of Dyes	NAME OF DYES	Closing Balance Qty in KG	Ave Price Per Kg BDT.	Total Balance BDT
1	Reactive Dyes	Corazol Red RD Grains	425	518	220,061
2	"	Corazol Yellow RD Grains	511	560	286,310
3	"	Corazol Blue RD Grains	508	540	274,294
4	"	Corazol Turquoise Blue G 266%	466	556	259,231
5	"	Corazol Brill. Blue R Spec 150%	13	2,175	28,376
6	"	Corazol Orange RD Grains	2,562	1,137	2,913,250
7	"	Coarafx Yellow GD-R	1,798	432	776,034
8	"	Coarafx Red ME4B P150%	2,919	299	872,110
9	"	Coarafx Red GDB	932	448	417,867
10	"	Coarafx Navy RFT Grains	1,106	398	440,436
11	"	Coarafx Black GDNN	256	305	78,193
12	"	Coarafx Violet GDB	152	450	68,400
13	Polyster Dyes	Coralene Navy XF DS	262	400	104,800
14	"	Coralene Yellow XF	2,562	500	1,281,000
15	"	Coralene Blue XF	100	540	54,000
16	"	Coralene Luminous Yellow 10GN	119	1,342	159,138
17	"	Coralene Luminous Orange F-CR	171	1,342	229,004
18	"	Coralene Lumi Pink RBSF	562	1,494	840,215
19	"	Coralene Red Violet FBL 200%	115	1,300	149,500
20	Reactive Dyes	Coralite Yellow FL-2R Grains	1,117	1,336	1,492,647
21	"	Coralite Blue FL-R Grains	1,317	1,328	1,748,976
22	"	Coralite Red FL-2B Grains	218	1,336	290,659
23	Reactive Dyes	JAKAZOL YELLOW DSR	5,047	374	1,884,878
24	"	JAKAZOL NAVY DSG	6,043	390	2,357,481
25	"	JAKAZOL BLACK CELB	2,000	286	572,700
26	"	JAKAZOL DEEP RED SLR	6,500	407	2,643,550
27	"	JAKAZOL YELLOW LD	6,200	465	2,881,760
28	"	Jakofix Red ME3BL	3,250	531	1,726,400
29	"	JAKAZOL TURQUOISE BLUE G 266	2,931	527	1,544,957
30	"	JAKAZOL RED XS	2,365	299	706,734
31	Reactive Dyes	Jakazol Blue LDN	610	540	329,168
32	"	Jakazol Red LDN	1,072	457	489,203
33	"	Remazol Blue RR	99	457	45,386
34	"	Synozol Yellow K-3RS	1,048	304	318,656

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35	"	Synozol Red K-3BS	780	298	232,520
36	"	Synozol Navy Blue KBF	554	298	164,995
37	"	Synozol Blue KBR	739	665	491,760
38	"	Synozol Itra Yellow DS	300	665	199,500
39	"	Synozol Navy DSR	900	656	590,400
40	"	Synozol Ultra Black DM	4,050	241	976,064
41	Polyster Dyes	Disperses Yellow 211 200%	300	950	285,000
42	"	Disperses Blue 56 100%	853	1,200	1,023,600
43	Reactive Dyes	Liyuansol Brilliant Blue RSPL 150%	919	2,490	2,287,486
44	"	Liyuansol Blue BLF	400	1,520	608,000
45	"	Liyuansol Scarlet FL3GL	530	1,250	662,500
46	"	Liyuansol Yellow HS-3R	1,900	580	1,102,000
47	"	Liyuansol Deep Red HSD	780	1,200	936,000
48	"	Liyuansol Br.Red SB	230	3,100	713,000
49	"	Liyuansol Black BSP	1,280	580	742,400
50	"	Liyuansol Yellow 3RE 150%	909	340	309,344
51	"	Liyuansol Red HS-3B	445	486	215,885
52	"	Corazol Red XRFT	941	506	476,429
53	"	Corazol Yellow XRFT	937	498	466,765
54	"	Rulhuzol Red 3BS	515	515	265,225
55	"	Fucozol Navy Blue USB	210	825	173,250
56	"	Fumofix Rubine XF	190	750	142,500
57	"	Fumofix Gloden Yellow XG	180	652	117,360
58	"	Remazol Yellow RR	1,498	925	1,385,774
59	Polyster Dyes	Anocron Rubine PUSD	952	1,350	1,285,200
60	"	Anocron Brill Red PUD	26	4,650	120,565
60	"	Anocron Turquoise Blue PUD BS	750	2,750	2,062,500
61	"	Anocron Navy EXSF/DRD	970	680	659,600
62	Reactive Dyes	Anocron Brill Yellow PUDSD	1,667	950	1,583,650
63	Reactive Dyes	Remazol Brill Yellow 3GL	121	820	99,222
Total=			6,564		48,863,868

Annexure-2

GENERATION NEXT FASHIONS LTD.

Dyes & Chemical (Printing Section)

Balance As on June30, 2021

Sl No.	CHEMICAL NAME	Chemical Supplier	Rate	Closing Balance	Value in BDT.
01	SC-20 W WHITE	DYSIN	450	200	90,000
02	SC-20 C CLEAR	DYSIN	400	200	80,000
03	BR 1000 HN	DYSIN	625	120	75,000
04	AQUASOL TS	DYSIN	1,400	160	224,000
05	PHOTOCURE TXR	DYSIN	1,000	140	140,000
06	SP -1300 HV	DYSIN	1,000	110	110,000
07	HARDENER - A	DYSIN	1,000	400	400,000
08	HARDENER- DL	DYSIN	1,000	40	40,000
09	FLORITEX DBCN	DYSIN	400	50	20,000
10	FLORITEX EF-BEW-NM	DYSIN	435	420	182,700
11	DYAPRINT PTD-298(DM-5298)	DYSIN	340	200	68,000
12	SHINURA BINDER NBR-5/NK R-5HN	DYSIN	500	200	100,000
13	SUNITEX SC-100A	DYSIN	1,035	420	434,700
14	GENETEX FHR (PUFF)	DYSIN	810	620	502,200
15	Sunitex Sc- 126A (GEL)	DYSIN	880	180	158,400
16	NK COUPER EL-594	DYSIN	600	600	360,000
17	WHITE NR-101HN	DYSIN	675	900	607,500
18	Nylon Fixer 104	ALPHA CORPORATION	5,715	120	685,800
19	SUPER BOND TEX -1000 (TABLE GUM)	ALPHA CORPORATION	350	1,300	455,000
20	NPP 880 C5 (SUPER PINGMENT CLEAR)	ALPHA CORPORATION	527	1,800	947,700
21	DE 4014 (Anti Blocking Agent)	ALPHA CORPORATION	730	250	182,500
22	DE 505 (Cross Linking Agent)	ALPHA CORPORATION	1,845	400	738,000
23	NPP 641 W(RIP RUBER WHITE)	ALPHA CORPORATION	432	330	142,560
24	NPP641 C(RIP RUBER CLEAR)	ALPHA CORPORATION	432	275	118,800
25	G 431 (GLITTER PASTE)	ALPHA CORPORATION	850	60	51,000
26	NPP 505(SUPER FOIL PASTE)	ALPHA CORPORATION	1,750	30	52,500
27	BIN-1600 (BINDER)	ALPHA CORPORATION	510	55	28,050
28	NPP6150(ANTI FOIL PASTE)	ALPHA CORPORATION	1,150	15	17,250
29	G 451 (FLOCK PASTE)	ALPHA CORPORATION	825	5	4,125
30	NPP588C (MATT CLEAR)	ALPHA CORPORATION	750	30	22,500
31	NPP 1102C(TAPPETTA CLEAR)	ALPHA CORPORATION	1,150	120	138,000
32	NPP 22ETY(PUFF PASTE)	ALPHA CORPORATION	975	30	29,250
33	FF 870 (SHINE STAR)	ALPHA CORPORATION	1,800	30	54,000

REF: GKC/21-22/A/53



34	PLASTISOL CLEAR	ALPHA CORPORATION	1,000	256	256,000
35	PLASTISOL RED	ALPHA CORPORATION	1,200	526	631,200
36	PLASTISOL OIL	ALPHA CORPORATION	1,200	326	391,200
37	PLASTISOL WHITE	ALPHA CORPORATION	1,000	50	50,000
38	PLASTISOL YELLOW	ALPHA CORPORATION	1,200	65	78,000
39	PLASTISOL BLACK	ALPHA CORPORATION	1,000	20	20,000
40	PLASTISOL PUFF	ALPHA CORPORATION	1,200	5	6,000
41	PLASTISOL FLUORESCENT ORANGE	ALPHA CORPORATION	1,300	18	23,400
42	BEZAPRINT PINK BW	H.S Corporation	7,370	5	36,850
43	BEZAPRINT RED KF	H.S Corporation	2,625	219	574,875
44	BEZAPRINT TURQUISE GT	H.S Corporation	1,925	129	248,325
45	BEZAPRINT GREEN BT	H.S Corporation	1,660	54	89,640
46	BEZAPRINT YELLOW -RR	H.S Corporation	1,915	125	239,375
47	BEZAPRINT NAVY TR	H.S Corporation	2,770	321	889,170
48	SW 127 ROSE	DYSIN	1,335	210	280,350
49	SW 117 PINK	DYSIN	1,538	140	215,320
50	SW 115 LEMON YELLOW	DYSIN	1,570	125	196,250
51	SW 114 ORNGE	DYSIN	1,590	125	198,750
52	SW 147 VIOLET	DYSIN	1,520	320	486,400
53	SW 113 RED	DYSIN	1,420	252	357,840
54	RYUDYE W RUBINE FF2B	DYSIN	2,905	326	947,030
55	RYUDYE W GOLD YELLOW -FFRG	DYSIN	1,795	4	7,180
56	FORMOTON YELLOW- HYR	DYSIN	3,370	6	20,220
57	FORMOTON ORANGE- HOR	DYSIN	3,770	5	18,850
58	FORMOTON BLUE FR -HBB	DYSIN	800	10	7,996
59	FORMOTON SKY BLUE -HBG	DYSIN	750	4	3,000
60	FORMOTON NAVY BLUE -HBV	DYSIN	945	652	616,140
61	FORMOTON GREEN HGS	DYSIN	1,064	4	4,256
62	RYUDYE W BLUE GLK	DYSIN	728	10	7,280
63	FORMOTON RED HRY	DYSIN	2,070	6	12,420
64	FORMOTON RED HRO	DYSIN	6,370	6	38,220
65	FORMOTON YELLOW -HYB	DYSIN	3,170	3	9,510
66	DUTEX BLACK DA NG-20	DYSIN	480	14	6,720
67	MESH 110 NO(YARD)	DYSIN	250	97	24,250
68	MESH 130NO(YARD)	DYSIN	200	100	20,000
69	MESH 150NO (YARD)	DYSIN	250	26	6,500

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70	MESH 12T NO(Glitter)	DYSIN	380	7	2,660
71	MESH 200NO (YARD)	ALPHA CORPORATION	350	50	17,500
72	GUM (LTR)	ALPHA CORPORATION	320	21	6,720
73	NAIL POLISH	ALPHA CORPORATION	1,000	120	120,000
74	COPPER FOIL PAPER(ROLL)	ALPHA CORPORATION	7,200	66	475,200
75	GOLDEN FOIL PAPER (ROLL)	ALPHA CORPORATION	7,200	23	165,600
76	SILVER FOIL PAPER (ROLL)	ALPHA CORPORATION	7,200	25	180,000
77	MULTI FOIL PAPER (ROLL)	ALPHA CORPORATION	11,900	55	654,500
78	BLACK FOIL (ROLL)	ALPHA CORPORATION	10,500	25	262,500
79	LIGHT GOLDEN FOIL (ROLL)	ALPHA CORPORATION	7,500	1	7,500
80	SILVER GLITTER	ALPHA CORPORATION	1,350	93	125,550
81	PINK RAMBOW GLITTER	ALPHA CORPORATION	1,800	7	12,600
82	RED GLITTER	ALPHA CORPORATION	1,750	6	10,500
83	KHAKI GLITTER	ALPHA CORPORATION	1,500	3	4,500
84	RAINBOW GLITTER GREEN	ALPHA CORPORATION	2,300	4	9,200
85	LIGHT GOLDEN GLITTER	ALPHA CORPORATION	1,700	4	6,800
86	BLACK GLITTER	ALPHA CORPORATION	1,700	86	146,200
87	PINK GLITTER FIRE	ALPHA CORPORATION	2,300	10	23,000
88	DEEP RED GLITTER	ALPHA CORPORATION	1,575	18	28,350
89	MULTI GLITTER	ALPHA CORPORATION	1,700	120	204,000
90	G- 3214 (GLITTER)	ALPHA CORPORATION	1,900	105	199,500
91	G-2103H (GLITTER)	ALPHA CORPORATION	1,200	19	22,800
92	NAVY BLUE FLOCK POWDER	ALPHA CORPORATION	850	10	8,500
93	YELLOW FLOCK POWDER	ALPHA CORPORATION	850	450	382,500
94	ORANGE FLOCK POWDER	ALPHA CORPORATION	1,200	125	150,000
95	F-ORANGE FLOCK POWDER	ALPHA CORPORATION	1,250	325	407,500
96	F-PINK FLOCK POWDER	ALPHA CORPORATION	1,350	254	342,900
97	FLOCK POWDER PINK(TEX)	ALPHA CORPORATION	1,500	310	464,502
98	FLOCK POWDER BLUE	ALPHA CORPORATION	1,000	32	32,000
99	BLACK FLOCK (NYLON)	ALPHA CORPORATION	1,200	54	64,800
Total				16,803	18,815,934



Generation Next Fashions Limited

Head Office: House # 348, Road # 05, DOHS Baridhara, Dhaka-1206,
Telephone: +8802 8411623, 8412625 & Fax: +8802 8416491, Website: www.gnf-bd.com

PROXY FORM

I/We of
..... being a shareholder of Generation Next Fashions Limited, do hereby appoint of as my/our
proxy to attend vote in my/our behalf at the 17th Annual General Meeting (AGM) of the Company to be held on 28 December 2021, Time 11.30
AM virtually by using digital platform through the following link: <http://gennext17thagm.digitalagmbd.net> and at any adjournment thereof or any
poll that may be taken in consequence thereof and to vote on my/our behalf as he/she thinks appropriate on all resolutions.

As witness my/our hand this day of 2021

Affix Revenue
Stamp of Tk. 20.00

(Signature of Shareholder)

Shareholders BO ID No.

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No. of Shares Hold:

Note:

- Note: 1. The proxy form, duly filled and stamped must be deposited at the Head Office not later than 72 (Seventy-Two) hours before the time fixed for the meeting.
2. Signature of the shareholder should agree with the specimen signature registered with the Company of BO Account/CDBL Record.

(Signature of Proxy)

(Authorized Signature)

Generation Next Fashions Ltd.

(Signature Verified)



Generation Next Fashions Limited

Building#348, Road#5, DOHS Baridhara, Dhaka- 1206, Bangladesh
8412625 & Fax: +8802 8416491, Website: www.gnf-bd.com

ATTENDANCE SLIP

I/We do hereby record my/our presence at the 17th Annual General Meeting of Generation Next Fashions Limited to be held on 28 December 2021, Time 11.30 AM virtually by using digital platform through the following link: <http://gennext17thagm.digitalagmbd.net>

Name of the Shareholder/Proxy:

Shareholders BO ID No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

(Authorized Signature)

Generation Next Fashions Ltd.

(Signature of Shareholder)

Note: Please present this attendance slip at the registration desk/ mailed send to share@gnf-bd.com on the AGM date.