

Issuer:



Issue Manager:



“If you have any query about this document, you may consult issuer, issue manager and underwriter”

PROSPECTUS
of
“Generation Next Fashions Limited”

Public offer of 30,000,000 ordinary shares of Tk. 10/- each at par totaling to Tk. 300,000,000.00

Opening date for subscription: September 16, 2012 Closing date for subscription: September 20, 2012

For Non-Resident Bangladeshi Quota, subscription opens on: September 16, 2012

For Non-Resident Bangladeshi Quota, subscription closes on: September 29, 2012

Manager to the Issue

BRAC EPL Investments Limited

WW Tower, Level 9

68, Motijheel C/A, Dhaka 1000

Tel: +88(02) 9514731-40

Fax: +88(02) 7116418

Website: www.bracepl.com

Underwriters

BMSL Investment Limited

Sadharon Bima Tower (7th Floor)

37/A Dilkusha C/A, Dhaka-1000

BANCO Finance and Investment Ltd.

Baitul View Tower (11th floor)

56/1, Purana Paltan, Dhaka-1000

BRAC EPL Investments Limited

WW Tower, Level-9

68 Motijheel C/A, Dhaka-1000

Royal Green Capital Market Limited

Diganto Tower (1st Floor)

12/1, R. K. Mission Road, Dhaka-1203

PLFS Investments Ltd.

Paramount Heights, 65/2/1, Box Culvert Road ,

Purana Paltan, Dhaka 1000

Date of publication of Prospectus: _____

The issue shall be placed in “N” Category

Generation Next Fashions Limited

Building # 348, Road # 5

DOHS Baridhara, Dhaka-1206

Tel: +880-2-8413189, 8410190, 8414302

Fax: +880-2-8416491

Web: www.gnf-bd.com

“CONSENT OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND/OR AUDITOR”

Issuer:



Issue Manager:



AVAILABILITY OF PROSPECTUS

Prospectus of Generation Next Fashions Limited may be obtained from following addresses:

Company	Contact person	Contact Number
Generation Next Fashions Limited Building # 348, Road # 5 DOHS Baridhara, Dhaka-1206	General Manager (Admin, HR & Compliance) & Company Secretary	Tel: +880-2- 8413189, 8410190, 8414302 Fax: +880-2- 8416491

Managers to the Issue:	Contact person	Contact Number
BRAC EPL Investments Limited WW Tower, Level 9 68, Motijheel C/A, Dhaka 1000	Zahedul Arefin Director, Head of Corporate & Institutional Banking	Tel: 8829241, 53, 68, Ext.: 202 Fax: 8829445, 8829417 zahedul.arefin@bracepl.com

Underwriters:	Contact person	Contact Number
Banco Finance and Investment Limited Baitul View Tower (11th floor) 56/1, Purana Paltan, Dhaka-1000	Kazi Saifur Rahman Managing Director & CEO	Tel: 7124438, 7125703 Fax: 7125634 banco.bd@gmail.com
PLFS Investments Limited Paramount Heights, 65/2/1, Box Culvert Road, Purana Paltan, Dhaka 1000	Mustofa Kamal Chief Executive Officer	Tel: 7119654 Fax: 7125396
BMSL Investment Limited Sadharon Bima Tower (7th Floor) 37/A Dilkusha C/A, Dhaka-1000	Md. Dalil-Ul Haque Managing Director	Tel: 7110408, 7175151 Fax: 9562780
Royal Green Capital Market Limited Diganto Tower (1st Floor) 12/1, R. K. Mission Road, Dhaka-1203	Md. Golam Sarwar Bhuiyan Managing Director	Tel: 7169428, 9570624 Fax: 7123820
BRAC EPL Investments Limited WW Tower, Level-9 68 Motijheel C/A, Dhaka-1000	Zahedul Arefin Director, Head of Corporate & Institutional Banking	Tel: 8829241, 53, 68, Ext.: 202 Fax: 8829445, 8829417 zahedul.arefin@bracepl.com

Stock Exchanges:	Available at	Contact Number
Dhaka Stock Exchange Ltd. 9/F Motijheel C/A, Dhaka 1000	DSE Library	7175705-9
Chittagong Stock Exchange Ltd CSE Building, 1080, Sheikh Mujib Road, Chittagong 4100	CSE Library	031-714632-3 031-720871-3

Prospectus would also be available on the web site of SEC (www.sec bd.org), DSE (www. dsebd.org), CSE (www.csebd.com), Generation Next Fashions Limited (www.gnf-bd.com) and Issue Manager (www.bracepl.com) and Public Reference Room of the Securities and Exchange Commission (SEC) for reading and studying.

NAME AND ADDRESS OF THE AUDITORS

Ata Khan & Co
Chartered Accountants
67 Motijheel C/A, Dhaka 1000
Tel: 9560933, 9552833, 9560716

Issuer:



Issue Manager:



Fax: (8802) 9567351

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Issuer:



Issue Manager:



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ACRONYMS

BAS	Bangladesh Accounting Standard
BO	Beneficiary Owner
CA	Chartered Accountant
CCA	Current Cost Accounting
CDBL	Central Depository Bangladesh Limited
Certificate	Share Certificate
CIB	Credit Information Bureau
CSE	Chittagong Stock Exchange Limited
Delminler	Party Name for Dyeing Machine Purchase
DMS 11 HT	Brand Name of Dyeing Machine
DSE	Dhaka Stock Exchange Limited
FC Account	Foreign Currency Account
Fleece	Fabric Composition
French	Fabric Composition
FY	Financial Year
GNFL	Generation Next Fashions Limited
GSM	Grams per square meter
IIFT	International Institute of Fashion Technology
Interlock	Fabric Composition
IPO	Initial Public Offering
Jersey	Fabric Composition
KW	Kilo Watt
Lectra CAD/CAM	Automated Cutting and Marker Making Machine.
Lycra	Fabric Composition
MFA	Multi Fiber Agreement
MT	Metric Ton
MW	Mega Watt
NAV	Net Asset Value of the Company
NBR	National Board of Revenue
NRB	Non-Residential Bangladeshi
Pique	Fabric Composition
Pointelle	Fabric Composition
Poly-rayon	Fabric Composition
Rib	Fabric Composition
ROA	Return on Assets
ROE	Return on Equity
R&D	Research & Development

Issuer:**Issue Manager:**

RJSC	Registrar of Joint Stock Companies and Firms
RMG	Readymade Garments
SEC	Securities and Exchange Commission
Securities/shares	Shares of Generation Next Fashions Limited
Semi-Jacquered	Fabric Composition
SND Account	Special Notice Deposit Account
Subscription	Application money
Terry	Fabric Composition
Thermal	Fabric Composition
WDV	Written Down Value
WPPF	Workers' Profit Participation Fund
VAT	Value Added Tax
Viscose	Fabric Composition
VSAT	Video Satellite



SECTION 1: Disclosure in respect of issuance of security in DEMAT form

As per provision of the Depository Act, 1999 and regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (right/bonus) will be issued in dematerialized form only.

SECTION 2: Conditions under section 2CC of the Securities and Exchange Ordinance, 1969

PART-A

1. The company shall go for Initial Public Offer (IPO) for 30,000,000 Ordinary Shares of Tk. 10.00 each at par worth Tk. 30,00,00,000.00 (Tk. Thirty Crore) following the Securities and Exchange Commission (Public Issue) Rules, 2006, the Depository Act, 1999 and regulations made there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within 3 (Three) working days of issuance of the consent letter. The issuer shall post the full prospectus, vetted by the Securities and Exchange Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, within 3 (Three) working days from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to SEC, the stock exchanges and the Issue manager a diskette containing the text of the vetted prospectus in "MS - Word" format.
3. Sufficient copies of prospectus shall be made available by the issuer so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the Issue manager. The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus has been published.
4. The company shall submit 40 (Forty) copies of the printed prospectus to the Securities and Exchange Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
5. The issuer company and the issue manager shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through email, simultaneously with publication of the abridged version of the prospectus, to the Bangladesh Embassies and Missions abroad and shall also ensure sending of the printed copies of abridged version of the prospectus and application forms to the said Embassies and Missions within 5 (Five) working days of the publication date by Express Mail Service (EMS) of the postal department. A compliance report shall be submitted in this respect to the SEC jointly by the issuer and the Issue manager within 2 (Two) working days from the date of said dispatch of the prospectus and the forms.
6. The paper clipping of the published abridged version of the prospectus, as mentioned at **condition no. 2 above**, shall be submitted to the Commission within 24 hours of the publication thereof.



7. The company shall maintain separate bank account(s) for collecting proceeds of the Initial Public Offering and shall also open Foreign Currency (FC) account(s) to deposit the application money of the Non Resident Bangladeshis (NRBs) for IPO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. The company shall open the above-mentioned accounts for IPO purpose; and close these accounts after refund of over-subscription money. Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy to the effect that no visa is required for traveling to Bangladesh.
8. The issuer company shall apply to all the stock exchanges in Bangladesh for listing within 7 (Seven) working days from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to SEC, to the stock exchanges.
9. The following declaration shall be made by the company in the prospectus, namely: -

“Declaration about Listing of Shares with the stock exchange (s):

None of the stock exchange(s), if for any reason, grants listing within 75 (Seventy Five) days from the closure of subscription, any allotment in terms of this prospectus shall be and the company shall refund the subscription money within 15 (Fifteen) days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (Seventy Five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid 15 (Fifteen) days, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (Two Percent) per month above the bank rate, to the subscribers concerned.

The Issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within 7 (Seven) days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.”

10. The subscription list shall be opened and the sale of securities commenced after **25 (Twenty Five) days** of the publication of the abridged version of the prospectus and shall remain open for **5 (Five) consecutive banking days**.
11. A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking “Account Payee only”. The NRB applicants shall send applications to the issuer company within the closing date of the subscription so as to reach the same to the company by the closing date plus 9 (Nine) days. Applications received by the company after the above time period will not be considered for allotment purpose.
12. The company shall apply the spot buying rate (TT clean) in US Dollar, UK Pound Sterling and Euro of Sonali Bank Ltd, which shall be mentioned in the Prospectus, as prevailed on the date of opening of the subscription for the purpose of application of the NRBs and other non-Bangladeshi persons, where applicable.
13. The Company and the issue manager shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshi(s), if applicable, for allotment of shares.



14. Upon completion of the period of subscription for securities, the issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the preliminary status of the subscription within 5 (Five) working days, in respect of the following matters, namely: -
 - a. Total number of securities for which subscription has been received;
 - b. Amount received from the subscription; and
 - c. Amount of commission paid to the bankers to the issue.
15. The issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the list of valid and invalid applicants (i.e. final status of subscription) in electronic form in 2 (Two) CDs and final status of subscription to the Commission within **3 (Three) weeks** after the closure of the subscription along with bank statement (original), branch-wise subscription statement. The list of valid and invalid applicants shall be finalized after examination with the CDBL in respect of BO accounts and particulars thereof.
16. The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than 5 (Five) weeks from the date of the subscription closure), if any of the following events occur:
 - a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the stock exchange(s) concerned; or
 - b) At least 50% of the IPO is not subscribed.
17. **20% of total public offering shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী, 10% of total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the Commission, and the remaining 60% shall be open for subscription by the general public. In case of under-subscription under any of the 20% and 10% categories mentioned above, the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the managers to the issue shall jointly conduct an open lottery of all the applicants added together.**
18. All the applicants shall first be treated as applied for one minimum market lot of **500 shares worth Taka 5,000/-** (Taka Five thousand only). If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned hereinabove, the issuer and the Issue manager shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the issuer, the stock exchanges and the applicants, if there be any.
19. **An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
20. **The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.**
21. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.**



22. Lottery (if applicable) shall be held within **4 (Four) weeks** from closure of the subscription date.
23. The company shall issue share allotment letters to all successful applicants within **5 (Five) weeks** from the date of the subscription closing. Within the same time, refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest, through direct deposit to the applicant's bank account as far as possible/ Account Payee Cheque/ refund warrants with bank account number, bank's name and branch as indicated in the securities application forms payable at Dhaka/ Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet/ Bogra, as the case may be subject to condition no. 20 above.

Refund money of the unsuccessful applicants shall be credited directly to their respective bank accounts, who have chosen the option in the IPO application forms, as maintained with the bankers to the issue or any other banks mentioned in the application.

A compliance report in this regard shall be submitted to the Commission within 7 (Seven) weeks from the date of closure of subscription.

24. The company shall furnish the List of Allotees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty Four) hours** of allotment.
25. In the event of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s) (subject to Para -16 above). The issuer must notify the underwriters to take up the underwritten shares within 10 (Ten) days of the closing of subscription on full payment of the share money within 15 (Fifteen) days of the issuer's notice. The underwriter shall not share any underwriting fee with the Issue manager, other underwriters, issuer or the sponsor group.
26. All issued shares of the issuer at the time of according this consent shall be subject to a **lock-in period of 3 (Three) years** from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons (other than Directors and those who hold 5% or more shares in the company), who have subscribed to the shares of the company within immediately preceding two years of according consent shall be subject to a **lock-in period of 1 (One) year** from the date of issuance of prospectus or commercial operation, whichever comes later.

27. In respect of shares of Sponsors/Directors/Promoters (if in paper format) shall be handed over to security custodian bank registered with SEC and shall remain till completion of lock in and the name and branch of the bank shall be furnished to the Commission jointly by the issuer and Issue manager, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and will remain in lock-in under CDBL system and issuer will submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with lock-in confirmation with SEC within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to SEC.
28. The company shall apply to the stock exchanges for listing within 7 (Seven) working days of issuance of this letter and shall simultaneously submit to the Commission attested copies of the application filed with the stock exchanges.

Issuer:



Issue Manager:



29. **The Company shall not declare any benefit/dividend based on the financial statements for the year ended on December 31, 2011 before listing of its capital with stock exchange(s).**

PART-B

1. The issuer and the Issue Manager shall ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity with the conditions of this letter without any error/omission, as vetted by the Securities and Exchange Commission.
2. The issue manager shall carefully examine and compare the published abridged version of the prospectus on the date of publication with the copy vetted by SEC. If any discrepancy/ inconsistency is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to SEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under 'Due Diligence Certificates' provided with SEC.
3. Both the issuer company and the issue manager shall, immediately after publication of the prospectus and its abridged version, jointly inform the Commission in writing that the published prospectus and its abridged version are verbatim copies of the same as vetted by the Commission.
4. The fund collected through Public Offering shall not be utilized prior to listing with stock exchanges and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
5. The company shall furnish report to the Commission and to the stock exchanges on utilization of Public Offering proceeds within **15 (Fifteen) days** of the closing of **each month** until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.
6. All transactions, excluding petty cash expenses, shall be effected through the company's bank account(s).
7. Proceeds of the Public Offering shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the shareholders Meeting under intimation to SEC and stock exchanges.
8. Directors on the Company's Board will be in accordance with applicable laws, rules and regulations.
9. The financial statements should be prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as required by the Securities and Exchange Rules, 1987.

PART-C

1. All the above conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the prospectus immediately after the page of the table of contents, with a reference in the table of contents, prior to its publication.
2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

**PART-D**

1. As per provision of the Depository Act, 1999 & regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (Including rights/bonus) will be made in dematerialized form only.

An applicant (including NRB) shall not be able to apply for allotment of shares without Beneficial Owners (BO) account.

1. 2. The company and the issue manager shall ensure due compliance of all the above conditions and the Securities and Exchange Commission (Public Issue) Rules, 2006.

SECTION 3: General Information

- **BRAC EPL Investments Limited**, the Issue manager, has prepared this prospectus based on the information provided by **Generation Next Fashions Ltd.** (the Company/the Issuer) and also upon several discussions with the Managing Director and concerned executives of the issuer company. The Directors, including Managing Director of Generation Next Fashions Ltd. and BRAC EPL Investments Limited collectively and individually, having made all reasonable inquiries, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material aspects and that there are no other material facts, the omission of which would make any statement herein misleading.
- No person is authorized to give any information or to make any representation not contained in this prospectus, and if given or made, any such information or representation must not be relied upon as having been authorized by the Issuer Company or Issue Manager.
- The Issue as contemplated in this document is made in Bangladesh and is subject to the exclusive jurisdiction of the courts of Bangladesh. Forwarding this prospectus to any person resident outside Bangladesh in no way implies that the Issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.
- A copy of this prospectus may be obtained from the Head Office of Generation Next Fashions Limited, BRAC EPL Investments Limited (BRAC EPL), the Underwriters and the Stock Exchanges where the securities will be listed.



SECTION 4: Declarations and Due Diligence Certificates

DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTORS, INCLUDING THE CEO OF GENERATION NEXT FASHIONS LIMITED IN RESPECT OF THE PROSPECTUS

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity and accuracy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative action against any or all of us as, it may deem fit.

We also confirm that full and fair disclosure has been made in this prospectus to enable the investors to make a well-informed decision for investment.

Sd/-

Mr. Tauhidul Islam Chaudhury
Chairman

Sd/-

Mr. Rajiv Sethi
Director

Sd/-

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

Sd/-

Mohd. Akhter
Director

Sd/-

Mr. Javed Opgenhaffen¹
Managing Director

CONSENT OF THE DIRECTOR(S) TO SERVE AS DIRECTOR(S)

We hereby confirm that we have been serving as Director(s) of Generation Next Fashions Limited and continue to act as a Director of the Company.

Sd/-

Mr. Tauhidul Islam Chaudhury
Chairman

Sd/-

Mr. Rajiv Sethi
Director

Sd/-

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

Sd/-

Mohd. Akhter
Director

Sd/-

Mr. Javed Opgenhaffen
Managing Director

¹ Mr. Opgenhaffen is also a shareholder and director of the Company.

Issuer:



Issue Manager:



**DECLARATION ABOUT THE FILING OF PROSPECTUS WITH
REGISTRAR OF JOINT STOCK COMPANIES AND FIRMS**

A dated and signed copy of this prospectus has been filed for registration with the Registrar of Joint Stock Companies and Firms (RJSC), Bangladesh as required under Section 138 (1) of the Companies Act, 1994, on or before the date of publication of this prospectus in the newspaper.

**DECLARATION BY THE ISSUER ABOUT THE APPROVAL
FROM THE SEC FOR ANY MATERIAL CHANGES**

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statements made in the prospectus subsequent to the preparation of the prospectus and prior to its publication shall be incorporated in the prospectus and the said prospectus should be published with the approval of the Commission.

For Issuer

Sd/-

Javed Opgenhaffen

Managing Director

Generation Next Fashions Limited

Dated: October 26, 2011

**DECLARATION BY THE ISSUE MANAGER ABOUT THE APPROVAL
FROM THE SEC FOR ANY MATERIAL CHANGES**

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statements made in the prospectus subsequent to the preparation of the prospectus and prior to its publication shall be incorporated in the prospectus and the said prospectus should be published with the approval of the Commission.

For Manager to the Issue

Sd/-

Khaled Y. Farazi

Managing Director & CEO

BRAC EPL Investments Limited

Dated: October 26, 2011

Issuer:



Issue Manager:



DUE DILIGENCE CERTIFICATE OF MANAGER TO THE ISSUE

Subject: Public Offer of 30,000,000 Ordinary Shares of BDT 10/- each at par, totaling to BDT 300,000,000/- of Generation Next Fashions Limited

We, the under-noted Manager to the Issue to the above-mentioned forthcoming issue, state as follows:

1. We, while finalizing the draft prospectus pertaining to the said issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; and
2. On the basis of such examination and discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue, and the contents of the documents, and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) The draft prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements connected with the said issue have been duly complied with; and
- (c) The disclosures made in the draft prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue.

For Managers to the Issue

Sd/-

Khaled Y. Farazi
Managing Director & CEO

Date: July 23, 2012

Issuer:



Issue Manager:



DUE DILIGENCE CERTIFICATE OF THE UNDERWRITER(S)

Subject: Public Offer of 30,000,000 Ordinary Shares of BDT 10/- each at par, totaling to BDT 300,000,000/- of Generation Next Fashions Limited

We, the under-noted Underwriter(s) to the above mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant for our underwriting decision; and
2. On the basis of such examination; and the discussions with the company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue, and the contents of the documents, and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) All information as are relevant to our underwriting decision have been received by us and that the draft prospectus forwarded to the Commission has been approved by us;
- (b) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within fifteen (15) days of calling up thereof by the issuer; and
- (c) This underwriting commitment is unequivocal and irrevocable.

For Underwriter(s)

Sd/-

Managing Director & CEO

Banco Trans World (Bangladesh) Limited

Date: July 24, 2012

PLFS Investments Limited

Royal Green Capital Market Limited

BMSL Investment Limited

BRAC EPL Investments Limited



SECTION 5: Risk Factors

1. Interest Rate Risk

Interest rate risk is the risk that company faces due to unfavorable movements in interest rates. Changes in the government's monetary policy along with increased demand for loans/investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

Management Perception:

The management of the Company is always aware of the interest rates at which the debts of the company are being financed. Management finances long-term funds using fixed interest rate debt and finances short-term funds at reasonable competitive rates. The company has been repaying borrowed funds on a continuous basis to reduce such interest risk.

2. Exchange Rate Risk

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

Management Perception:

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

3. Industry Risks

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

Management Perception:

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

4. 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.

5. Technology Related Risks Potential

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

Management Perception:

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

6. Potential or Existing Government Regulations

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

Management Perception:

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

7. Changes in Global or National Policies

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

Management Perception:

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

8. History of Non-Operation, if any

The company does not have any history of non-operation.

9. Operational Risks

Non-availabilities of materials/equipment/services may affect the smooth operational activities of the Company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, terrorist attacks, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses.

Management Perception:

The compensation as well the benefit package will restrain the employees to leave their assignment and go for any employee movement for higher benefit packages. The Company is equipped with power backup and security systems, which reduce operational risk. Besides, the equipment is under insurance coverage in order to get reasonable compensation for any damages.

Issuer:



Issue Manager:



SECTION 6: Capital Structure

Capital Structure:

PARTICULARS	Amount in Taka
Authorized Capital	
200,000,000 Ordinary Shares of Tk. 10 each.	2,000,000,000
1. Issued, Subscribed & Fully Paid Up	
81,885,000 Ordinary Shares of Tk. 10 each	818,850,000
5,280,000 Bonus Share of Tk. 10 each	52,800,000
Total 87,165,000 shares issued, subscribed & fully paid up before IPO	871,650,000
2. Initial Public Offering (IPO):	
Issue of 30,000,000 Ordinary Shares of Tk. 10 each	300,000,000
Total Paid Up Capital after IPO (1+2)	1,171,650,000

SECTION 7: Use of Proceeds

Utilization Plan of Tk.30.00 Crore

Proceeds from initial public offering will be used for repayment of outstanding loan.

Sl	Particulars	Amount	Implementation Schedule
01	Partial repayment of Term Loan (Note: 27 and 31 of the audited accounts for the year ended Dec 31, 2011); Southeast Bank Ltd, Gulshan Br, Dhaka.	300,000,000	Within one month after receiving IPO Fund
Total		300,000,000	

* No contract was made with regard to IPO proceed utilization

Sd/-
Javed Opgenhaffen
Managing Director

Sd/-
Mark Niranjana Chowdhury
General Manager, Finance

Date: July 18, 2012



SECTION 8: Description of Business

Generation Next Fashions Limited: Company Profile

Generation Next Fashions Limited (GNFL) was incorporated in Bangladesh under the Companies Act 1994 on August 19, 2004 with an authorized capital of BDT 500.0 million and paid up capital of BDT 47.2 million to carry out business of spinning, weaving and manufacturing of various types of ready-made garments of international standard and design.

At present the paid up capital of the company is BDT 871.65 million and authorized capital is BDT 2,000.0 million.

GNFL is a 100% export oriented textile and apparel company operating in Bangladesh. It started commercial operation in July 30, 2006. The Company manufactures composite knit garments and various types of ready-made garments such as T- Polo Shirt, T-Shirt, Men Polo Shirt Short Sleeve, Ladies Polo Shirt Short Sleeve, Basic T-Shirt and Printed T-Shirt, Women's or Girls Trouser, Ladies Pant, Ladies Jacket, Men's 2PK Woven Short Trial, Basic T-Shirt and Static T-Shirt, Ladies Night Wear Set, Military Jogger, Women Flannel Pyjama, Basic Drive+Fusion Tee, Ladies Tank Top etc., and exports to the North American and European markets (Auditor's Certificate in this regard is included in the Additional Disclosure part of the prospectus). The company has the following major production departments:



i. Knitting:

The Company has 17 state-of-the-art LKM machines and 4-track knitting machines with Full Lycra Feeders from Memminger, Germany. The knitting machines consist of 18, 20, 24 and 28 gauges. The knitting plant is capable of producing pique, jersey, rib, interlock, thermal, pointelle, fleece, french terry, semi-jacquered and other fabrics. The

knitting section also has fully computerized collar and cuff making machines.



2. Dyeing:

The dye house consists of the machinery with a capacity of processing and dyeing 5000 MT per year. The dyeing section is made up of multi-rope weight fabric as well as very sensitive fabrics such as viscose,





poly-rayon and various fabrics made from man-made fibers or blended fibers or blended fibers along with lycra-based products which require soft handling during the dyeing process. The plant also has the DMS 11 HT machine from Delminler capable of dyeing more base fabrics. The dye house is extremely flexible and is able to process a variety of different fabrics from very light GSM to heavy GSM.

3. Finishing and Garments:

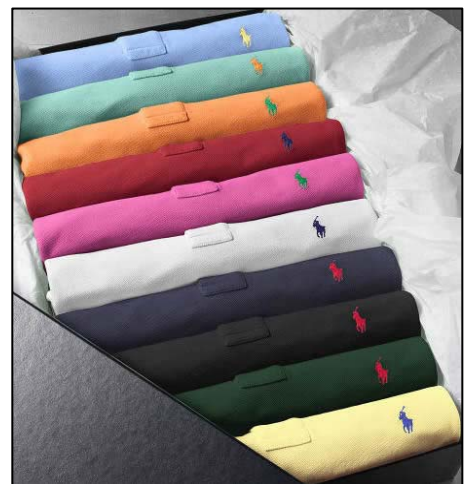
The plant also has a versatile and flexible finishing range for tubular fabrics as well as open-width fabrics. The machine range was carefully selected from Europe and USA. The access rise and attachments related to the finishing range allow this section of the plant to process a diverse selection of fabrics from cotton, lycra, blended fabric, man-made fibers etc to manufacture T- Polo Shirt, T-Shirt, Men Polo Shirt Short Sleeve, Ladies Polo Shirt Short Sleeve, Basic T-Shirt and Printed T-Shirt, Women's or Girls Trouser, Ladies Pant, Ladies Jacket, Men's 2PK Woven Short Trial, Basic T-Shirt and Static T-Shirt, Ladies Night Wear Set, Military Jogger, Women Flannel Pyjama, Basic Drive+Fusion Tee, Ladies Tank Top etc.



The dyeing and finishing plant has very experienced and innovative technical and mechanical engineering teams from India. The garment factory is situated in a separate building within the complex and is tailor-made to accommodate better line layout and a comfortable working environment to facilitate more efficient production. Each sewing floor has approximately 27,000 square feet. The sewing floor consists of 650 machines. The garment factory has auto-spreaders and lectra CAD/CAM systems in place to boost its sewing capabilities.

Products of the company

The core business of Generation Next Fashions Limited is to carry out business in spinning, knitting, weaving, manufacturing of textile and various types of ready-made garments of international standard and design. The products line includes jersey, pique, fleece, rib, interlock, pointelle, French terry, semi-jacquered, etc which are knit garments and T- Polo Shirt, T-Shirt, Men Polo Shirt Short Sleeve, Ladies Polo Shirt Short Sleeve, Basic T-Shirt and Printed T-Shirt, Women's or Girls Trouser, Ladies Pant, Ladies Jacket, Men's 2PK Woven Short Trial, Basic T-Shirt and Static T-Shirt, Ladies Night Wear Set, Military Jogger, Women Flannel Pyjama, Basic Drive+Fusion Tee, Ladies Tank Top etc. which are woven garments. The woven garment products of GNFL are categorized in two broad categories which are ladies wear and men's wear. Among the entire product line, 70% are ladies wear, of which 50% are camis and rest are short sleeve tops, 10% are men's t-shirt and 20% are polo shirt.



a. Products/service that accounts for more than 10% of the company's total revenue

No product of the company contributes more than 10% to the company's total revenue.



b. Associates, subsidiary/related holding company and their Core areas of business

Generation Next Fashions Limited does not have any subsidiary /related holding or associate company. But it has investment in A.J. Corporation in which all of the directors are also directors of GNFL. However, the company has already withdrawn the investment in A.J. Corporation Limited. Auditor's Certificate in this regard is included in the Additional Disclosure part of the prospectus.

c. Distribution of products/services

It delivers the product to the transport of the buyers. Work happens virtually round the clock in three shifts. GNFL has a highly computerized environment. All plants and offices are linked via VSAT. This includes the point of shipment – Chittagong; which is just 250 kilometers away from Dhaka.

d. Competitive Condition of Business

Faria Knit Composit Ltd, Sharmin Apparels Ltd, Jamuna Knit Composite Ltd, Chaity Knit Composite Ltd., Fakir Apparels Ltd., Viyellatex Limited are the competitors of GNFL.

e. Sources and availability of raw materials and principal suppliers

Name of Suppliers	Country	Raw Materials
Sufia Cotton Mills Ltd	Bangladesh	Yarn
Asian Specialised Textile	Bangladesh	Yarn
Pakiza Cotton Mills Ltd	Bangladesh	Yarn
Al-Haz Karim Textile Mills Ltd	Bangladesh	Yarn
Tamijuddin Textile Mills Ltd	Bangladesh	Yarn
K.B Traders	Bangladesh	Chemical
Pioneer International	Bangladesh	Chemical
Nahar Spinning Mills Limited,	India	Yarn
Vardhaman Textile Limited	India	Yarn
Omit Spinning Mills Limited	India	Yarn

f. Sources of and requirement for power, gas and water or any other utilities

Power: Besides Palli Bidyut Samiti connection, GNFL owns 1.3 MW gas generator and a 700 KW diesel generator to ensure constant power supply.

Water: It has deep tube well for water supply.

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

g. Customer providing 10% or more revenues

The company has one customer - Primark Stores Limited, in Dublin, Ireland which purchases more than 10% of the company's product.

h. Description of contract with Principal Suppliers/Customers

The company does not have any contract with any of its suppliers/customers.

i. Description of any material patents, trademarks, licenses or royalty agreements

Issuer:



Issue Manager:



The company does not have any material patents, trademarks, licenses or royalty agreements.

j. No. of Employees as on December 31, 2011

Classes of Employees	Permanent	Daily Basis/Contract	Total
Officers	2331	425	2756

k. Production Capacity

As per Audited Accounts for the year ended Dec 31, 2011

Particulars	Capacity	Actual Production	Capacity Utilization
Garments	2,625,000 Dozens	1,910,064 Dozens	72.8%
Fabrics	5,000 MT*	3500 MT	70.0%
Dyeing	5000 MT	3500 MT	70.0%

* MT stands for Metric Ton

Item wise capacity and utilization of Garments:

For the year ended Dec 31, 2011

Name	Capacity	Utilization
Basic	15,750,000 Pcs	11,460,384 Pcs
Value Added	15,750,000 Pcs	11,460,384 Pcs



SECTION 9: Description of Property

Location of principal plants and other property of the company and their condition

1. The company has its head office (rented) at Building # 348, Road # 5, DOHS, Baridhara, Dhaka-1206. The factory is located at Dhonaid, Earpur, Savar, Dhaka. The factory is situated in an area of 435.75 decimal lands which is owned by the company.

	Daag No.	Area
1.	2119, 2120, 2121	224.00 dcml
2.	2118	74.25 dcml
3.	2119, 2120, 2121	8.25 dcml
4.	2119, 2121	45.00 dcml
5.	2119, 2120, 2121	74.25 dcml
6.	2118	10.00 dcml
	Total	435.75

The lands with deed date in 2010 were fully paid for by the company in 2005. The company made a bainanama with Mr. Tauhidul Islam Chaudhury, Chairman of GNFL, to purchase these lands (serial no. 1, 3 and 5) in 2006; however, the lands' transfer deeds were completed in October, 2010. The company took possession and used these lands since 2005, therefore, it regarded the lands as its own assets and included in the accounts in 2006.

Auditors Response regarding Inclusion of lands in the Company's financial statements

In this regard, we certify that-

- (a) Mr. Tauhidul Islam Chowdhury, the Company's Chairman transferred the lands by "bainanama with the Company" and "physical possession to the Company" in 2005; and the Company accepted such lands as noted in the Company's Board decision on 6 February 2005 and "registration of such lands" was completed in the Company's name in October 2010; and
- (b) The original cost of the lands were recorded in the Company's financial statements for the year ended 31 December 2006; the revaluation surplus on such lands were incorporated in the financial statements for the year ended 31 December 2008; and the costs of registration of such lands were accounted for in the financial statements for the year ended 31 December 2010.

Sd/-

Moqbul Ahmed FCA

Partner, Ata Khan & Co., Chartered Accountants

Date: January 8, 2012



The fixed assets are situated in the factory of the company and the company does not have any plant and machineries that are reconditioned or second-hand for production purposes.

Particulars	Written down value as on 31.12.2011
Land & Land Development	222,985,500
Building	560,084,783
Plant & Machinery	621,763,354
Vehicles	13,626,839
Other Assets	14,429,634
Total	1,432,890,110

2. Company owns all the operating assets and they are situated at head office and at the factory place. The head office is taken on lease by the company.
3. The property except the Head Office is owned by the company. There is hypothecation on the fixed and floating assets of the company against the term loan with Southeast Bank Limited, Gulshan Branch.
4. The date of expiration and name of lessor (s) for the Head Office are given in the “Operating lease during last five years” part of this prospectus.



SECTION 10: Plan of Operation and Discussion of Financial Condition

a. Internal and external sources of cash

As per Audited Accounts (Amount in BDT)

Particulars	For the year ended 31.12.11	For the year ended 31.12.10	For the year ended 31.12.09
Share capital	871,650,000	350,000,000	47,200,000
Share Premium	250,000,000	-	-
Proposed Bonus Share	-	-	52,800,000
Share Money Deposit	-	212,950,000	200,000,000
Retained Earnings	344,903,991	162,491,926	80,290,691
Total	1,466,553,991	725,441,926	380,290,691
External Sources of Cash			
Long Term Bank Loans	355,019,693	583,182,263	574,797,718
Short Term Loans	597,384,088	459,312,951	251,024,241
Total	952,403,781	1,042,495,214	825,821,959

b. Material commitment for capital expenditure

The company does not have any material commitment for capital expenditure except for the regular expansion of the business.

c. Causes for material changes

Particulars	For the year ended 31.12.11	For the year ended 31.12.10	For the year ended 31.12.09
Sales Revenue	1,393,627,887	1,289,543,519	1,014,538,165
Cost of Goods Sold	1,082,489,912	1,021,092,324	807,425,529
Gross Profit	311,137,975	268,451,195	207,112,636
Administrative & Selling Expenses	95,186,547	98,747,472	79,651,392
Operating Profit	215,951,428	169,703,723	127,461,244
Others Income	156,542,529	112,505,521	115,397,056
Financial Expenses	153,988,754	169,149,917	164,891,128
Net Profit Before Tax	218,505,203	113,059,327	77,967,172
Provision for Income Tax	36,093,138	19,269,786	8,491,050
Net Profit/ (Loss) After Tax	182,412,065	93,789,541	69,476,122

Reasons for changes in revenue, operating expenses and net profit:

Growth:	2011	2010	2009
Revenue	8.07%	27.11%	68.78%
Cost of goods sold	6.01%	26.46%	82.09%
Administrative & Selling Expenses	-3.61%	23.97%	59.97%
Net Profit	94.49%	35.00%	36.02%



Revenue of the company gradually increases due to the rising demand for the ready-made garment products in the international market especially in U.S.A. and European markets. Cost of goods sold increases due to the increase in volume of goods purchased to meet the rising demand. In FY 2009, cost of goods sold as a percentage of revenue increases as wage of garment labor increased. In 2010 and 2011, the rise in cost of goods sold is relatively lower than that of 2009 due to gaining more economies of scale for bulk production which is also the reason for the decrease in administrative expenses in 2011. Increase in administrative & selling expenses in 2009 and 2010 was caused by the rise in staff remuneration. Growth in net profit occurred as revenue increased over the years due to rising demand for the products. However the growth in net profit in 2011 was fueled by increase in the export sales revenue and other income including interest income on investment in A.J. Corporation, and decrease in administrative & selling and financial expenses.

d. Seasonal aspect of the Company's business

There is no such seasonal aspect of the company's business as it receives orders from the buyers throughout the year.

e. Known trends, events or uncertainties

Political unrest, strike, natural/social disasters, economic recession are the known events that may affect the Company's ability to conduct businesses in full force and may affect its performance in future.

f. Change in the assets of the Company used to pay off any liabilities

No asset of the Company has been used to pay off any liabilities.

g. Loan taken from or given to holding/parent company or subsidiary company

The company does not have any holding/parent or subsidiary company. Thus, there is no scope for it to take any loan from any holding/parent or subsidiary company or to provide any loan to any such companies.

a. Future contractual liabilities

The company neither has any future contractual liabilities nor has any plan to enter into any contractual liabilities other than normal course of business within next one year that would impact the financial fundamentals of the company.

b. Estimated Future capital expenditure

The company does not have any estimated future capital expenditure except for the regular expansion of the business.

c. VAT, income tax, customs duty or other tax liability

VAT: VAT is not applicable for GNFL as it is a 100% export oriented company.

Customs duty: There is no outstanding customs duty from the company.

Tax:

Income year	Assessment Year	Amount of Tax Paid	Status
2006	2007-2008	BDT 64,436	As per the Income Tax Certificate (আয়কর প্রত্যয়ন পত্র) issued by DCT of Circle 7, Tax Zone-3, Dhaka dated 31/10/2011, the income tax of the company for the assessment years up to 2010-2011 has been settled.
2007	2008-2009	BDT 4,295,643	
2008	2009-2010	BDT 4,440,860	
2009	2010-2011	BDT 6,102,051	
2010	2011-2012	BDT 5,277,466	Return Submitted on October 8, 2011. Assessment is not yet completed.

Issuer:**Issue Manager:**

It is mentionable here that the company submitted tax returns 2006, 2007, 2008 and 2009 were submitted at a time on 06/09/2010. In this regard, the auditor provided explanation that the management of the company has updated all its regulatory affairs on its conversion from private company into public company in 2010. The company management has undertaken that it will submit its income-tax returns within due date in future. The company's tax liabilities till 2009 have already been settled with DCT.

d. Operating Lease agreement during last five years

Particulars of Rented Premises	Area (Sft)	Monthly Rent (BDT)
Corporate Head Office Building # 348, Road # 5, DOHS, Baridhara, Dhaka-1206 Dhaka-1205 (from 10-Feb-06 to 30-Apr-11; 1 st May, 2011 to 30 th April, 2015)	2,600	1,10,000.00

e. Financial Lease commitment during last five years

The company has not entered into any financial lease commitment in the last five years.

f. Personnel related scheme

The company's remuneration packages include salary and allowances, festival bonus transport facility, conveyance allowance, maternity incentive and group medical insurance.

g. Breakdown of Estimated expenses for IPO

I. Issue Management Fee is BDT 2,000,000.00

II. Underwriting Commission: 0.5% on 50% of public offer. The details of the floatation cost for the IPO is given below:

Particulars	Rate	Amount (BDT)
Issue Management Fee	Fixed	2,000,000
Underwriting Fee	0.50% on BDT 150.0 million	750,000
Bankers' to the Issue Fee	0.10% on the fund to be collected	300,000
Regulatory Fee:		
SEC Application Fee	Fixed	10,000
SEC Consent Fee	0.15% on the issue size	450,000
Stock Exchange Fees:		
DSE Application Fee	Fixed	5,000
Listing Fee DSE & CSE	0.25% on first BDT 100 million	3,714,950
	0.15% on the rest amount	
Annual Listing Fee_ DSE & CSE	Above BDT 1000 million paid up capital	200,000
CDBL related expenses:		
Total CDBL Fee		655,000
Post Issue Expenses:		
Lottery Fee		1,255,800
Printing and Publication Costs	Approximate	2,000,000
Lottery Arrangement, Data Entry, Refund	Approximate	2,000,000
Others	Approximate	500,000
Total		13,840,750

h. Revaluation of company's assets and summary thereof

Issuer:



Issue Manager:



Particulars of the assets	Name of the Valuer	Qualification of the Valuer	Date of Revaluation	Original Cost	Value of Assets prior to revaluation	Value of Assets after revaluation	Revaluation Surplus
Lands & lands development	S.F. Ahmed & Co.	Chartered Accountants	31-Dec-08	25,760,159	81,134,766	217,875,000	136,740,234
Buildings & other constructions	S.F. Ahmed & Co.	Chartered Accountants	31-Dec-08	765,275,638	88,045,584	318,684,805	230,639,221
Plant & machinery	S.F. Ahmed & Co.	Chartered Accountants	31-Dec-08	599,015,605	437,814,673	577,325,106	139,510,433
Total	.			1,390,051,402	627,713,334	1,134,603,222	506,889,888

Revaluer's certificate on revaluation surplus of Plant and Machinery.

Please refer to your letter dated February 10, 2012 requesting for above.

We certify, based on the information and explanation provided by you, that the surplus on revaluation of Plant and Machinery of your Company as of 31 December 2008 arose mainly from (i) increase in current cost of Plant and Machinery in foreign currencies as of December 31, 2008 compared to the acquisition cost thereof in foreign currencies prior to that date; and (ii) depreciation of Bangladesh Taka against foreign currencies as at December 31, 2008 compared to exchange rate of such currencies on the date of acquisition thereof prior to that date.

We believe accordingly that the increase in the value of Plant and Machinery of Generation Next Fashions Limited as of 31 December 2008 after use thereof for two years, is justified.

Sd/-

S.F Ahmed & Co.

Chartered Accountants

Date: February 18, 2012

Work done by S.F. Ahmed & Co. as valuer:

Following is a list of the major works done previously by S.F. Ahmed & Co.:

1. Ananda Shipyard and Slipways Ltd.
2. RAK Pharmaceuticals Ltd.
3. Rakeen Development (Pvt.) Ltd.
4. LSI Industries Ltd.
5. International Leasing and Financial Services Ltd.
6. Novartis Bangladesh Ltd.
7. Bangladesh Services Ltd.
8. Jamuna Bridge Authority
9. Unique Hotel & Resorts Limited

Reason for Valuation: To reflect fair value of the property in terms of the prevailing market price of the properties.

Summary of Valuation Report:

All the lands, buildings, plant, and machinery as of 31 December 2008 of Generation Next Fashions Ltd. were physically verified in order to ascertain, amongst others, their existence, physical condition, usage, and probable remaining useful lives. Other fixed assets (Furniture and Fixtures,

Issuer:**Issue Manager:**

Office Equipment and Vehicles), being insignificant/immaterial- only 3% of the written down value of the fixed assets on historical cost basis, were kept outside the scope of the physical verification works. Based on the Current Cost Accounting (CCA) Method, the value of the fixed assets of GNFL at 31 December 2008 comes to Taka 1,134,603,222 from the historical cost of Taka 627,713,334. Therefore, the revaluation surplus is Taka 506,889,888 of which Taka 136,740,234 comes from lands & lands development, Taka 230,639,221 comes from buildings & other constructions, Taka 139,510,433 comes from plant & machinery. The value of lands and lands development increases by one-sixty-nine percent (169%) while the value of buildings and other constructions increases by two-sixty-two percent (262%) after revaluation. Plant and machinery value also increases after revaluation and the increase is by thirty two percent (32%).

i. Transaction between subsidiary/Associate/holding company and issuer

The company does not have any subsidiary or associate or related holding company. Thus there is no scope for any transaction between such parties.

Auditors' Certificate regarding any allotment of shares to directors and subscribers to the Memorandum of Association and Articles of Association for any consideration otherwise than for cash

We certify, based on our examination of the financial statements of Generation Next Fashions Limited for the year ended December 31, 2011 that the Company had allotted of shares for any consideration otherwise than for cash to the following directors and subscribers to the Memorandum of Association and Articles of Association:

Description	No. of Shares	Amount in Taka
Bonus Shares allotted to Mr. Tauhidul Islam Chaudhury	2,712,710	27,127,100
Bonus Shares allotted to Mrs. Saida Muna Tasneem	274,070	2,740,700
Bonus Shares allotted to Shaheen Akhter Chaudhury	27,970	279,700
Bonus Shares allotted to Mr. Wahid Salam	1,258,470	12,584,700
Bonus Shares allotted to Mr. Rajiv Sethi	742,780	7,427,800
Bonus Shares allotted to Mr. Javed Opgenhaffen	264,000	2,640,000
Total	5,280,000	52,800,000

Dated, Dhaka
March 20, 2012

Sd/-
ATA KHAN & CO.
Chartered Accountants

j. Declaration regarding suppression of material information**DECLARATION FOR NON-SUPPRESSION OF ANY MATERIAL INFORMATION**

This is to declare that to the best of our knowledge and belief no information, facts or circumstances that are disclosable have been suppressed, which can change the terms and conditions under which the offer has been made to the public.

Sd/-
Javed Opgenhaffen
Managing Director

Dated: October 26, 2011



SECTION 11: Board of Directors

a. Directors' Particulars

Sl. No.	Name	Position	Age (Years)	Experience (Years)	Nominated by	Period of Nomination
1	Mr. Tauhidul Islam Chaudhury	Chairman	49	27	N/A	N/A
2	Mr. Rajiv Sethi	Director	43	22	N/A	N/A
3	Mr. Javed Opgenhaffen	Managing Director & Director	26	4	N/A	N/A
4	Mr. Mohd. Akhter	Director	48	30	N/A	N/A
5	Mr. Mark Niranjana Chowdhury	Director	41	10	New England Equity Ltd.	*

* Until further information

Sl. No.	Name	Position	Date of First Becoming Director	Expiration of Current Terms
1	Mr. Tauhidul Islam Chaudhury	Chairman	19/8/2004	8th AGM in 2012
2	Mr. Rajiv Sethi	Director	17/2/2007	8th AGM in 2012
3	Mr. Javed Opgenhaffen	Managing Director & Director	15/1/2011	9th AGM in 2013
4	Mr. Mohd. Akhter	Director	28/03/2012	10 th AGM in 2014
5	Mr. Mark Niranjana Chowdhury (nominated by New England Equity Ltd)	Director	16/04/2012	10th AGM in 2014

Legal opinion regarding whether New England Equity Limited can nominate and officer of Generation Next Fashions Limited as a nominee director of Generation Next Fashions Limited:

To Whom It May Concern:

This is to certify that Mr. Mark Niranjana Chowdhury, an employee of Generation Next Fashions Limited (GNFL), has been nominated as a director in the same company by New England Equity Limited. In this regard, there is no law that prevents an employee in the company to be a nominee director in the same company in which he/she serves as a nominated director.

Sd/-

Fakir Abdul Mannan

Advocate

Bangladesh Supreme Court

Date: June 10, 2012



b. Directors' Involvement in other companies

Name	Involvement in other Companies	Position
Mr. Tauhidul Islam Chaudhury	Price Point Apparel Ltd.	Chairman
	T.J & Company Limited	Chairman
	T.S Enterprise Limited	Chairman
	A. J. Corporation Ltd.	Chairman
Mr. Rajiv Sethi	A. J. Corporation Ltd.	Managing Director
Mr. Mohd. Akhter	Landscape Limited	Chairman
	New M. Chan Trading	Proprietor
Mr. Javed Opgenhaffen	A. J. Corporation Ltd.	Director
Mark Niranjana Chowdhury (Director Nominated by New England Equity Ltd.)	N/A	N/A

c. Family Relationship among Directors and Top Five Officers

Mr. Javed Opgenhaffen – Managing Director of the company is the son of Mr. Tauhidul Islam Chaudhury, Chairman, Generation Next Fashions Limited. There are no other family relationships among the directors and top five officers of the company.

d. Short Bio-Data of the Directors

Mr. Tauhidul Islam Chaudhury, Chairman

Mr. Chaudhury has 27 years of extensive entrepreneurial and business development experience in successfully steering export oriented Textiles and Clothing manufacturing Industrial and marketing Ventures and Projects in Bangladesh and in the USA. He successfully pioneered one of the first Bangladeshi Garment Import Houses in New York in since 90s and marketed clothing from Bangladesh and Kenya to US retailers and wholesalers.

He has over 20 years of leadership experience in RMG buying and marketing business in Bangladesh exporting the widest variety of woven and knitted RMG to the US and European markets. He also has about 20 years of professional knowledge in human resource management, social and ethical standards for global RMG sector.

Mr. Chaudhury has Professional Membership with Bangladesh Garment Manufacture's Association (BGMEA), Bangladesh Knitwear Exporter's Association (BKMEA), Bangladesh Textiles Mills Associations (BTMA) and Dhaka Chamber of Commerce and Industry (DCCI).

Mr. Rajiv Sethi, Director

Issuer:**Issue Manager:**

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

Mohd. Akhter, Director

Mr Akhter is a well-known industrialist in Bangladesh. He has an experienced background in the textile industry for over 30 years. His experience includes the management of textile enterprises such as GMG Industrial Corporation, Palash Industrial Enterprise and Rahim Textile. He is also very active in the real estate and trading sectors in Bangladesh.

Mr. Javed Opgenhaffen, Managing Director & Director

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

Mark Niranjana Chowdhury, Director nominated by New England Equity Limited.

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

e. CIB Report of the Directors

Neither the Company nor any of its directors or shareholders who hold 5% or more shares in the paid-up capital of the issuer is loan defaulter in terms of the CIB Report of the Bangladesh Bank.

f. Officers Profile

Name	Designation	Age (Years)	Qualification	Date of Joining With the company	Last 5 Years' Experience
Mr. Javed Opgenhaffen	Managing Director & Director	26	B. Sc (London)	01.1.2007	He has been working at GNFL for last 4 years. Before joining here he worked as a Management Trainee at Deutsche Bank GMBH, London.
Mr. Atiar Rahman	Executive Director	50	B. A	01.04.2009	Prior to joining here he was in Denimach Ltd.
Mr. Mark Niranjana Chowdhury	General Manager (Fin. & Acc.)	41	M. Com	14.12.2011	Prior to joining here he was in Bank Asia Ltd.
M. A Hayee	General Manager (Admin, HR & Compliance) & Company Secretary	46	M.B.A	15.01.2009	Prior to joining here he was in Walmart Global Sourcing
Mr. Abul Basar	AGM-Quality Assurance	48	B.Sc	02.07.2011	Prior to joining here he worked at Fariha Knit (Asrotex Group)

Issuer:**Issue Manager:**

Ashutosh Mathur	AGM (Processing)	34	B. Sc, Engr.	27.03.2007	Prior to joining here he was in Maral Overseas Ltd.
Farhad Hossain	General Manger (Merchandizing)	43	B.Com	05.11.2010	Prior to joining here he was in Dignity Group Ltd.
Md. Shahjahan	General Manager (Production)	49	B. Com.	01.04.2009	Prior to joining here he worked at Denimach Ltd.
Mr. Abdul Khaleque	Sr. Merchandiser	43	M. Com (Management)	01.03.2011	Prior to joining here he worked at Metro Knitting & Dyeing Mills Ltd.

SECTION 12: Involvement of directors and officers in certain legal proceedings

No Director or officer of Generation Next Fashions Limited was involved in any of the following types of legal proceedings in the last 10 (ten) years:

- a. Any bankruptcy petition filed by or against any company of which any officer or director of the Issuer Company filing the prospectus was a director, officer or partner at the time of the bankruptcy.
- b. Any conviction of director, officer in a criminal proceeding or any criminal proceeding pending against him.
- c. Any order, judgment or decree of any court of competent jurisdiction against any director, officer permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.
- d. Any order of the Securities and Exchange Commission, or other regulatory authority or foreign financial regulatory authority, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.



SECTION 13: Certain Relationships and Related Transactions

Name of the Party	Relationship	Nature of Transaction	Transaction as on 31.12.2011 (Tk.)
A. J. Corporation Ltd.	Common Directorship	Investment by GNFL	254,725,000

Mentionable here that GNFL has already withdrawn the investment from A.J. Corporation Limited. Auditor's Certificate in this regard is included in the Additional Disclosure part of the prospectus.

The company has neither entered into during the last 2 (two) years nor have any plan to enter into any transaction with the following parties except the above:

1. Any director or executive officer of the company;
2. Any director or officer;
3. Any person owning 5% or more of the outstanding shares of the issuer;
4. Any members of the immediate family (including spouse, parents, brothers, sisters, children and in-laws) of any above persons;
5. Any transaction or arrangement entered into by the issuer or its subsidiary for a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus.
6. Any loans either taken or given from or to any director or any person connected with the director, and if any loan has been taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan.
7. Any director holding any position, apart from being a director in the issuer company, in any company, society, trust, organization or proprietorship or partnership firm.
8. Directors' position in other companies is included in Directors ownership in other Companies part of the prospectus.
9. The Directors enjoyed interest or facilities whether pecuniary or non-pecuniary from the company has been disclosed in the Executive Compensation part of the prospectus.



SECTION 14: Executive Compensation

a. Remuneration Paid To Top Five Salaried Officers During Last Accounting Year

Particular	Designation	Amount (Taka) paid in Jan – Dec, 2011
Mr. Atiar Rahman	Executive Director	2,400,000
Mr. Tauhidul Islam Chaudhury	Chairman*	1,200,000
Mr. Javed Opgenhaffen	Managing Director & Director*	1,200,000
Mr. Rajiv Sethi	Director*	1,200,000
Mr. Wahid Salam	Director*	1,200,000
Shaheen Akhter Chaudhury	Director*	1,200,000
Mr. Md. Shahjahan	G. M (Production)	1,200,000
Mr. Anwar Hossain, ACA	G. M (F & A)	1,200,000
Mr. M A Hayee	General Manager (Admin, HR & Compliance) & Company Secretary	1,200,000
Mr. Ashutosh Mathur	AGM (Processing)	967,500
Abdul Khaleq (01.03.2011)	Sr. Manager Merchandising	650,000
Abdus Sobahan Molla (15.09.2011)	Manager Merchandiser	192,500
Total		7,427,400

* The Board of Directors are paid remunerations as per audited accounts.

b. Aggregate Amount of Remuneration Paid to the Directors and Officers during Last Accounting Year

Particular	Amount (Taka) paid in Jan 2011 – Dec 2011
Directors' remuneration (as per audited accounts)	6,000,000
Officers	45,599,921
Total	51,603,941

c. Remuneration paid to Director who was not an Officer of the Company during Last Accounting Year: Nil.

d. Future Compensation to Directors or Officers: There is no contract with any director or officer for future compensation.

e. Pay Increase Intention: Except for normal annual increment and allowances, GNFL has no plan to increase the remuneration paid to directors and officers in the current year.



SECTION 15: Options granted to Directors, Officers and Employees

The Company did not grant any option to any Officer, Director and all other employees of the Company or to any other person involved with the Company.

SECTION 16: Transaction with the Directors and Subscribers to the Memorandum

The Directors and subscribers to the Memorandum of the Company have not received any benefits from the company other than remunerations paid to them as officers and dividends declared in AGMs as disclosed in the executive remuneration part of the prospectus.

The company purchased land of 306.5 decimal from Mr. Tauhidul Islam Chaudhury- Chairman of GNFL and Ms. Saida Muna Tasneem- subscriber to the Memorandum in 2010. GNFL paid BDT 16,634,000 to Mr. Tauhidul Islam Chaudhury and Ms. Saida Muna Chaudhury against the land. The cost of the lands was Tk.16,634,000. Details of the transactions are as follows:

Transferor	Decimals	Value (Tk.)	Transfer Dated	Year of Payment
Tauhidul Islam Chaudhury and Saida Muna Tasneem	224.00	12,156,000	24/10/10	2005
Tauhidul Islam Chaudhury	8.25	448,000	15/10/10	2005
Tauhidul Islam Chaudhury	74.25	4,030,000	24/10/10	2005

GNFL has made an investment in 2010 amounting BDT 22.15 crore in A.J. Corporation in which Mr. Tauhidul Islam Chaudhury- Chairman, Mr. Rajiv Sethi- Director, and Mr. Javed Opgenhaffen- Managing Director and Director of GNFL are also Directors. However, GNFL has already withdrawn the investment from A.J. Corporation. Auditor's Certificate in this regard is included in the Additional Disclosure part of the prospectus.

Issuer:



Issue Manager:



SECTION 17: Tangible Assets per Share and Net Asset Value per Share

Auditors' Certificate on Net Tangible Assets Value per Share

"We have examined the calculation of Net Tangible Asset per share of the Company as of December 31, 2011 which has been prepared by the management of Generation Next Fashions Ltd. The preparation of the aforesaid calculation of Net Tangible Asset per share is the responsibility of the company's Management. Our responsibility is to review it and opinion as to whether it has been properly prepared using acceptable principles and on the basis of Audited Financial Statements for the year ended December 31, 2011."

Based on our review, we hereby certify that the Company has properly prepared the calculation of Net Tangible Asset per share using acceptable principles and on the basis of Audited Financial Statements for the year ended December 31, 2011, as below:

Particulars	December 31, 2011
Non Current Assets & Investments	2,267,152,561
Current Assets	1,014,789,672
Total Assets	3,281,942,233
Current Liabilities	953,478,661
Non Current Liabilities	355,019,693
Total Liabilities	1,308,498,354
Net Assets	1,973,443,879
Number of Paid-up Shares (in Quantity)	87,165,000
Net Tangible Assets Value per unit of Share	22.64
Face Value per share	10.00

Dated, Dhaka;
March 20, 2012

Sd/-
ATA KHAN & CO.
Chartered Accountants

Issuer:**Issue Manager:**

SECTION 18: Ownership of the Company Securities

SL. No.	Name of Shareholders	Status	Address	No. of Shares	Amount (Tk.)	% of Shareholding
1	Mr. Tauhidul Islam Chaudhury	Chairman	H # 27/E, R # 10, Banani, Dhaka	6,014,549	60,145,490	6.90%
2	Mr. Javed Opgenhaffen	Managing Director & Director	H # 27/E, R # 10, Banani, Dhaka	9,310,091	93,100,910	10.68%
3	Mr. Rajiv Sethi	Director	House # 281, Sector 14 Gurgaon, Haryana, India	2,343,300	23,433,000	2.69%
4	Mr. Md. Akhter	Director	House # 01, Road # 140, Flat # C 2 Gulshan-1, Dhaka-1212	11,812,290	118,122,900	13.55%
5	New England Equity Ltd.	Director (nominated Mr. Mark Niranjana Chowdhury as representative director)	BSEC Bhaban, Level 4, 102 Kazi Nazrul Islam Avenue, Karwan Bazar, Dhaka 1215	13,000,000	130,000,000	14.91%
6	Mr. Wahid Salam	Shareholder	House # 02, road # 119, Gulshan, Dhaka	1,708,000	17,080,000	1.96%
7	Shaheen Akhter Chaudhury	Shareholder	H # 27/E, R # 10, Banani, Dhaka	108,470	1,084,700	0.12%
8	Mehmood Equities Ltd.	Shareholder	Spring Garden (B-3 3rd floor), H # 13, R # 113/A, Gulshan-2, Dhaka-1212	2,350,000	23,500,000	2.70%
9	Assign Holding Ltd.	Shareholder	Awal Centre, (14th Floor), 34, Kamal Ataturk Avenue, Banani C/A, Dhaka.	150,000	1,500,000	0.17%
10	Mrs. Mehtab Hussain Khan	Shareholder	H # 02, R # 119, Gulshan, Dhaka	100,000	1,000,000	0.11%
11	Mrs. Irin Pervin	Shareholder	H # 60/A, Flat # 5/A, R # 05, Banani DOHS, Dhaka.	100,000	1,000,000	0.11%
12	Mr. Syed Golam Wadud	Shareholder	797, Ibrahimpur Dhaka Cant, Dhaka.	125,000	1,250,000	0.14%
13	Mrs. Tanipa Wadud	Shareholder	Sharp Securities Limited (8th Floor), North Tower, Sector # 07, Dhaka.	25,000	250,000	0.03%
14	Mr. Waheedur Gorky Rahman	Shareholder	Plot # 37A, Road # 43 C, Gulshan-2, Dhaka	100,000	1,000,000	0.11%
15	Meghna Life Insurance Co. Ltd.	Shareholder	Biman Bhaban (2nd Floor), 100 Motijheel C/A, Dhaka.	50,000	500,000	0.06%
16	Karnaphuli Insurance Co. Ltd.	Shareholder	Biman Bhaban (2nd Floor), 100 Motijheel C/A, Dhaka.	50,000	500,000	0.06%
17	Mrs Farzana Ahmed	Shareholder	Amin Court, 62-63, Motijheel Dhaka-1000	50,000	500,000	0.06%

Issuer:**Issue Manager:**

18	Olympic Industries Limited	Shareholder	Amin Court (6 th Floor), 62-63 Motijheel Dhaka-1000	100,000	1,000,000	0.11%
19	Captain M. Moazzam Hossain	Shareholder	House # 271, Road # Eastern Road, DOHS Baridhara, Dhaka-1206	1,150,000	11,500,000	1.32%
20	Mr. Yousuf Ismail	Shareholder	House # 271, Road # Eastern Road, DOHS Baridhara, Dhaka-1206	1,200,000	12,000,000	1.38%
21	Mr. Matiur Rahman	Shareholder	Rail Road, Jessore	1,400,000	14,000,000	1.61%
22	Mr. Tariq Ismail	Shareholder	109, Kakrail Road, Dhaka.	100,000	1,000,000	0.11%
23	BRAC Bank Limited	Shareholder	1, Gulshan Avenue, Gulshan-1 Dhaka-1212.	1,000,000	10,000,000	1.15%
24	Mr. Syed Tawqir Hussain	Shareholder	South Breeze Apartment, Apt # W3, 8 South Gulshsan Avenue, Dhaka-1212	110,000	1,100,000	0.13%
25	Cosmopolitan Traders (Pvt.) Ltd.	Shareholder	18, Karwan Bazar C/A, Dhaka-1215	700,000	7,000,000	0.80%
26	Mr. Saifur Rahman	Shareholder	Gulshan Tower, Road # 53, Plot # 31, Gulshan-2, Dhaka	100,000	1,000,000	0.11%
27	Transcom Limited Staff Provident Fund	Shareholder	Gulshan Tower, Plot No.31, Road No.53, Gulshan North C/A, Gulshan - 2, Dhaka	200,000	2,000,000	0.23%
28	Marina Tea Company Limited	Shareholder	Apt # W-2,8 Gulshan Avenue (South) Dhaka-1212	100,000	1,000,000	0.11%
29	Monipur Tea Company Limited	Shareholder	Apt # W-2,8 Gulshan Avenue (South) Dhaka-1212	100,000	1,000,000	0.11%
30	Mr. Maiz Majibur Rahman	Shareholder	House # 13, R # 109, Gulshan, Dhaka-1212.	200,000	2,000,000	0.23%
31	Mr. Rajeeb Bhattacharjee	Shareholder	Apt # A 2, House # 73 B, Road # 6, Old DOHS Banani Dhaka	100,000	1,000,000	0.11%
32	BRAC EPL Stock Brokerage Ltd.	Shareholder	WW Tower, level # 9, 68 Motijheel C/A, Dhaka-1000	1,000,000	10,000,000	1.15%
33	Mrs. Lafifa Yousuf	Shareholder	Awal Centre (14th Floor), 34, Kamal Attartuk Av. Banani, C/A, Dhaka-1213	250,000	2,500,000	0.29%
34	Beximco Holdings Limited	Shareholder	House # 17, Dhanmondi R/A, Road # 02, Dhaka-1205	13,000,000	130,000,000	14.91%
35	Mr. Major Md. Rabiul Alam	Shareholder	Appt # 2B, House # 73/C, Central Road, Dhanmondi, Dhaka-1205	100,000	1,000,000	0.11%
36	Mr. Richard D. Rozario	Shareholder	14/28, Block # B, Babor Road, Mohammadpur, Dhaka-1207	473,880	4,738,800	0.54%
37	Mr. Md. Wahid Miah	Shareholder	69/1, Green Road Dhaka	1,026,120	10,261,200	1.18%
38	Mrs. Bilkis Fatima Jesmin	Shareholder	WW Tower, Level 8, 68 Motijheel C/A, Dhaka-1000	400,000	4,000,000	0.46%
39	Mr. R.Y Shamser	Shareholder	House # 348, Road # 05, DOHS Baridhara, Dhaka-1206	500,000	5,000,000	0.57%

Issuer:**Issue Manager:**

40	Mr. Abdur Rahman	Shareholder	House # 42, Road # 03, Sector # 04, Uttara, Dhaka-1230	500,000	5,000,000	0.57%
41	Mercantile Securities Limited	Shareholder	Paramount Heights (13 th Floor) 65/2/1, Box Culvert Road, Purana Paltan Dhaka-1000	100,000	1,000,000	0.11%
42	Mercantile Securities Investor's Portfolio A/C	Shareholder	Mercantile Securities Ltd., Paramount Heights (13 th Floor) 65/2/1, Box Culvert Road, Purana Paltan Dhaka-1000	2,020,000	20,200,000	2.32%
43	Mrs. Poly Rani Shaha	Shareholder	Ta-90, Middle Badda (4 th Floor) Gulshan Link Road, Gulshan 1 Dhaka	300,000	3,000,000	0.34%
44	Mr. Omar Mohammad Bhai	Shareholder	62-63, Motijheel C/A Amin Court (6th Floor) Dhaka	75,000	750,000	0.09%
45	Mr. Raja Mohammad Bhai	Shareholder	House # NWE 11A, Road # 57, Gulshan-2, Dhaka-1212	100,000	1,000,000	0.11%
46	Mrs. Sakina Miraly	Shareholder	House # 11A, Road # 57, Gulshan-2, Dhaka-1212	200,000	2,000,000	0.23%
47	Mrs. Nurjehan Hudda	Shareholder	House # 11A, Road # 57, Gulshan-2, Dhaka-1212	950,000	9,500,000	1.09%
48	Mr. Mohammad Bhai	Shareholder	62-63, Motijheel C/A Amin Court (6th Floor) Dhaka	300,000	3,000,000	0.34%
49	Mrs. Pankaj Roy	Shareholder	House # 21, Road # 31 (Old), Dhanmondi R/A, Dhaka-1209	100,000	1,000,000	0.11%
50	Mrs. Tanveer Ali	Shareholder	House # 11, Road # 67, Gulshan-2, Dhaka-1212	110,000	1,100,000	0.13%
51	Mrs. Abdus Sattar	Shareholder	House # 08, Kamal Attaturk Avenue, Gulshan, Dhaka	800,000	8,000,000	0.92%
52	Mrs. Ahad Mohammad Bhai	Shareholder	House # NWE 11 A, Road # 57 Gulshan-2, Dhaka-1212	425,000	4,250,000	0.49%
53	Mr. Md. Alauddin	Shareholder	House # 100/1, Naya Paltan (1 st Floor), Dhaka-1000	50,000	500,000	0.06%
54	Mr. Ganesh Chandra Pramanik	Shareholder	109, Motijheel C/A, Dhaka-1000	50,000	500,000	0.06%
55	IFIC Securities Limited	Shareholder	BDBL Building (10 th Floor), 8 Rajuk Avenue, Dhaka-1000	2,000,000	20,000,000	2.29%
56	Mr. Md. Khabir Uddin	Shareholder	House # 8/A/5, Road # 14, New Dhanmondi, Dhaka-1209	500,000	5,000,000	0.57%
57	Mrs. Shamim Ara Begum	Shareholder	House # 40, Flat # B-5, Block # F, Metropolitan Housing Society, Babor Road, Mohammadpur Dhaka-1207	100,000	1,000,000	0.11%
58	Mr. M.A Hayee	Shareholder	Flat # B-4, Keri Neer, 47/1, Ahmed Nagar, Mirpur-1, Dhaka-1216	86,000	860,000	0.10%
59	Mr. Mahabub Hasan	Shareholder	897, Shahid Bagh, Razar Bagh, Dhaka	14,000	140,000	0.02%

Issuer:**Issue Manager:**

60	Mrs. Farzana Moazzam	Shareholder	House # 271, Eastern Road, DOHS Baridhara, Dhaka-1206	100,000	1,000,000	0.11%
61	Dr. Monowar Hossain	Shareholder	Apartment # E 6, House # 24, Road # 5, Dhanmandi R/A, Dhaka-1205	200,000	2,000,000	0.23%
62	Mr. Ehsan-E-Moazzam	Shareholder	House # 271, Eastern Road, DOHS Baridhara, Dhaka-1206	200,000	2,000,000	0.23%
63	Mr. Khursid Alam Mamun	Shareholder	House # 04, Road # 31, Sector # 07, Uttara, Dhaka	50,000	500,000	0.06%
64	Equity Growth Ltd	Shareholder	BSEC Bhaban, Level 4, 102, Kazi Nazrul Islam Avenue, Kawran Bazar, Dhaka.	2,798,000	27,980,000	3.21%
65	Absolute Return Ltd	Shareholder	BSEC Bhaban, Level 4, 102, Kazi Nazrul Islam Avenue, Kawran Bazar, Dhaka.	1,245,000	12,450,000	1.43%
66	Mr. S. Golam Moala	Shareholder	House # 62, Road # 5, DOHS Banani, Dhaka-1206	1,225,000	12,250,000	1.41%
67	Agrovita Limited	Shareholder	House # 271, Eastern Road, DOHS Baridhara, Dhaka-1206	1,000,000	10,000,000	1.15%
68	Mrs. Anjuman Ara Siddiqui	Shareholder	House # 04, Road # Chatteshwary Chittagong-4000.	600,000	6,000,000	0.69%
69	Mr. Mohammad Ahsan	Shareholder	98, Bora Maghbazar, Dhaka	260,300	2,603,000	0.30%
				87,165,000	871,650,000	100%

Shares held by Officer (s):

Name of Shareholders	Address	Status	No. of Shares	(%)
Mr. Tauhidul Islam Chaudhury	H # 27/E, R # 10, Banani, Dhaka	Chairman	6,014,549	6.90%
Mr. Rajiv Sethi	House # 281, Sector 14 Gurgaon, Haryana, India	Director	2,343,300	2.69%
Mr. Md. Akhter	House # 01, Road # 140, Flat # C 2 Gulshan-1, Dhaka-1212	Director	11,812,290	13.55%
Mr. Javed Opgenhaffen	H # 27/E, R # 10, Banani, Dhaka	Managing Director & Director	9,310,091	10.68%
Mr. M.A Hayee	Flat # B-4, Keri Neer, 47/1, Ahmed Nagar, Mirpur-1, Dhaka-1216	General Manager (Admin, HR & Compliance) & Company Secretary	86,000	0.10%
Total			29,566,230	33.92%



SECTION 19: Determination of Offering Price

The company will issue 30,000,000 shares of BDT 10.00 each at par through IPO under fixed price method.

SI No.		BDT
1.	Net Asset Value per share considering revaluation reserve	22.64
	Net Asset Value per share without considering revaluation reserve	16.83
2.	Earning based value per share	20.90

a. Net Asset Value per share

	Particulars	Amount in BDT (31.12.2011)
	Non-current Assets	2,267,152,562
	Current Assets	1,014,789,671
A.	Total Assets	3,281,942,233
	Non-current Liabilities	355,019,693
	Current Liabilities	953,478,661
B.	Total Liabilities	1,308,498,354
C.	Net Asset Value	1,973,443,879
D.	Revaluation Surplus	506,889,888
E.	No. of Share	87,165,000
	NAV considering revaluation surplus (C/E)	22.64
	NAV without considering revaluation surplus ((C-D)/E)	16.83

b. Earning based Value per share

	2007	2008	2009	2010	2011	Aggregated
Net Profit (BDT)	23,789,141.00	51,077,277.00	69,476,122.00	93,789,540.79	182,412,064.71	
No. of Shares (BDT)	4,720,000	4,720,000	4,720,000	35,000,000	87,165,000	136,325,000
Weight of No. of Shares	0.035	0.035	0.035	0.257	0.639	1.00
Weighted Net Profit	823,654.84	1,768,455.88	2,405,481.72	24,079,471.32	116,632,661.80	145,709,725.56
No. of Shares before IPO						87,165,000
EPS based on weighted average net profit (BDT)						1.67
DSE Market PE as on June 30, 2012						12.5x
Price based on Earning based Value per Share (BDT)						20.90

Issuer:



Issue Manager:



SECTION 20: Market for Securities Being Offered

The issuer shall apply to all the stock exchanges in Bangladesh within seven working days from the date of consent accorded by the Commission to issue prospectus.

DECLARATION ABOUT THE LISTING OF SHARES WITH THE STOCK EXCHANGE(S)

None of the stock exchange(s), if for any reason, grants listing within 75 days from the closure of subscription, any allotment in terms of this Prospectus shall be void and the Company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchange(s), or from the date of expiry of the said 75 days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the Company's Directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Securities and Exchange Commission within seven days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.



SECTION 21: Description of Securities Outstanding or Being Offered

a) Dividend, Voting and Preemption Right

In case of any declaration of cash/stock dividend by the Company or distribution of any property of the Company, all the shareholders shall be entitled to it in proportion to their shareholdings on the date of the book closure or record date for the purpose. The Company will follow a dividend policy, which will allow it to provide a fair return on its shareholders' investment and simultaneously allow for building up of the retained earnings and reserves as a rule that would sustain growth of the Company. The share capital of the Company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the Company. All shareholders shall have the usual voting right in person or by proxy in connection with, among others, election of Directors and Auditor(s) and other usual agenda of General Meeting – Ordinary or Extra ordinary. On a show of hand, every shareholder present in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him or her. In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Rights Issue of shares in terms of the guidelines issued by the Securities and Exchange Commission from time to time.

b) Conversion and Liquidation Right

The Company in its General Meeting may convert paid-up shares to any denomination. No special preferences or privileges shall be attached to this conversion. If the company at any time issues Preference Shares or Debentures or Bonds with the consent of SEC, such holders of securities shall be entitled to convert such securities into ordinary shares if it is so determined by the company. In case of winding-up or liquidation of the Company, all shareholders have the same privileges and advantages as ordinary shareholder as regards participation in profits and voting at meetings of the Company.

c) Right for Transfer

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee other than Government duties for registering transfer of shares. No shares shall be transferred to an infant or a person of unsound mind.

d) Dividend Policy

- I. The profits of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association and subject to the provision of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid -up on the shares held by them respectively.
- II. No larger dividend shall be declared than is recommended by the directors, but the Company in its General meeting may declare a smaller dividend. If preference share dividend is not paid in one year, such unpaid dividend shall be carried forward to the next year or years; and become cumulative.
- III. The declaration of directors as to the amount of net profit of the company shall be conclusive.
- IV. No dividends shall be paid otherwise than out of the profits of the year or any other undistributed profits and general reserves. Dividend shall not carry interest as against the Company.



- V. The Directors may from time to time pay off the members such interim dividend as appear to the Directors to be justified by the profits of the Company.
- VI. A transfer of shares shall not pass the right to any dividend declared thereon after such transfer and before the registration of the transfer.
- VII. There is no limitation on the payment of dividends to the common stockholders.

e) Other Rights of Shareholders

The shareholders shall have the right to receive all periodic reports and statements, audited as well as unaudited, published by the company from time to time. The directors shall present the financial statements as required under the law and international Accounting Standards and International Financial Reporting Standards as adopted by the Institute of Chartered Accountants of Bangladesh. Financial statements will be prepared in accordance with International Financial Reporting/Accounting Standards, consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and international Financial Reporting/Accounting Standard to the shareholders regarding the Financial and operational position of the company.

In case of any declaration of stock dividend through issue of Bonus Shares, all shareholders shall be entitled to it in proportion to their shareholdings on the date of book closure or record date for the purpose.

The shareholders holding not less than 10% of the issued/fully paid up capital of the Company shall have the right to requisition Extra-Ordinary General Meeting (EGM) of the Company as provided under Section 84 of the Companies Act, 1994.



SECTION 22: Lock in Provision

All issued shares of the issuer at the time of according consent to public offering shall be subject to a lock-in period of 3 (Three) years from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons, other than directors and those who hold 5% or more, who have subscribed to the shares of the Company within immediately preceding 2 (Two) years of according consent, shall be subject to a lock-in period of 1 (One) year from the date of issuance of prospectus or commercial operation, whichever comes later.

SL. No.	Name of Shareholders	Status	Allotment before 2 yrs of Issuance of Prospectus	Allotment within 2 yrs (16.09.2010 and later) of Issuance of Prospectus	Total No. of Shares	%	Date of Issuance of Prospectus	Lock in Period
1	Mr. Tauhidul Islam Chaudhury	Chairman	5,698,430	316,119	6,014,549	6.90%		3 yrs from issue date of Prospectus
2	Mr. Javed Opgenhaffen	Managing Director & Director	3,200,000	6,110,091	9,310,091	10.68%		3 yrs from issue date of Prospectus
3	Mr. Md. Akhter	Director	4,767,000	7,045,290	11,812,290	13.55%		3 yrs from issue date of Prospectus
4	Mr. Rajiv Sethi	Director	943,300	1,400,000	2,343,300	2.69%		3 yrs from issue date of Prospectus
5	New England Equity Ltd.	Director	3,000,000	10,000,000	13,000,000	14.91%		3 yrs from issue date of Prospectus
6	Mr. Wahid Salam	Shareholder	1,708,000	-	1,708,000	1.96%		3 yrs from issue date of Prospectus
7	Shaheen Akhter Chaudhury	Shareholder	52,970		108,470	0.12%		3 yrs from issue date of Prospectus
				55,500				1 yr from issue date of Prospectus
8	Mehmood Equities Ltd.	Shareholder	1,350,000		2,350,000	2.70%		3 yrs from issue date of Prospectus
				1,000,000				1 yr from issue date of Prospectus
9	Assign Holding Ltd.	Shareholder	150,000	-	150,000	0.17%		3 yrs from issue date of Prospectus
10	Mrs. Mehtab Hussain khan	Shareholder	100,000	-	100,000	0.11%		3 yrs from issue date of Prospectus
11	Mrs. Irin Pervin	Shareholder	100,000	-	100,000	0.11%		3 yrs from issue date of Prospectus
12	Mr. Syed Golam Wadud	Shareholder	125,000	-	125,000	0.14%		3 yrs from issue date of Prospectus
13	Mrs. Tanipa Wadud	Shareholder	25,000	-	25,000	0.03%		3 yrs from issue date of Prospectus
14	Mr. Waheedur Gorky Rahman	Shareholder	100,000	-	100,000	0.11%		3 yrs from issue date of Prospectus

Issuer:**Issue Manager:**

15	Meghna Life Insurance Co. Ltd.	Shareholder	50,000	-	50,000	0.06%	3 yrs from issue date of Prospectus
16	Karnaphuli Insurance Co. Ltd.	Shareholder	50,000	-	50,000	0.06%	3 yrs from issue date of Prospectus
17	Mrs Farzana Ahmed	Shareholder	-	50,000	50,000	0.06%	1 yr from issue date of Prospectus
18	Olympic Industries Limited	Shareholder	-	100,000	100,000	0.11%	1 yr from issue date of Prospectus
19	Captain M. Moazzam Hossain	Shareholder	-	1,150,000	1,150,000	1.32%	1 yr from issue date of Prospectus
20	Mr. Yousuf Ismail	Shareholder	-	1,200,000	1,200,000	1.38%	1 yr from issue date of Prospectus
21	Mr. Matiur Rahman	Shareholder	-	1,400,000	1,400,000	1.61%	1 yr from issue date of Prospectus
22	Mr. Tariq Ismail	Shareholder	-	100,000	100,000	0.11%	1 yr from issue date of Prospectus
23	BRAC Bank Limited	Shareholder	-	1,000,000	1,000,000	1.15%	1 yr from issue date of Prospectus
24	Mr. Syed Tawqir Hussain	Shareholder	-	110,000	110,000	0.13%	1 yr from issue date of Prospectus
25	Cosmopolitan Traders (Pvt.) Ltd.	Shareholder	-	700,000	700,000	0.80%	1 yr from issue date of Prospectus
26	Mr. Saifur Rahman	Shareholder	-	100,000	100,000	0.11%	1 yr from issue date of Prospectus
27	Transcom Limited Staff Provident Fund	Shareholder	-	200,000	200,000	0.23%	1 yr from issue date of Prospectus
28	Marina Tea Company Limited	Shareholder	-	100,000	100,000	0.11%	1 yr from issue date of Prospectus
29	Monipur Tea Company Limited	Shareholder	-	100,000	100,000	0.11%	1 yr from issue date of Prospectus
30	Mr. Maiz Majibur Rahman	Shareholder	-	200,000	200,000	0.23%	1 yr from issue date of Prospectus
31	Mr. Rajeeb Bhattacharjee	Shareholder	-	100,000	100,000	0.11%	1 yr from issue date of Prospectus
32	BRAC EPL Stock Brokerage Ltd.	Shareholder	-	1,000,000	1,000,000	1.15%	1 yr from issue date of Prospectus
33	Mrs. Lafifa Yousuf	Shareholder	-	250,000	250,000	0.29%	1 yr from issue date of Prospectus
34	Beximco Holdings Limited	Shareholder	3,000,000	10,000,000	13,000,000	14.91%	3 yr from issue date of Prospectus

Issuer:**Issue Manager:**

35	Mr. Major Md. Rabiul Alam	Shareholder	100,000	-	100,000	0.11%	3 yrs from issue date of Prospectus
36	Mr. Richard D. Rozario	Shareholder	473,880	-	473,880	0.54%	3 yrs from issue date of Prospectus
37	Mr. Md. Wahid Miah	Shareholder	1,026,120	-	1,026,120	1.18%	3 yrs from issue date of Prospectus
38	Mrs. Bilkis Fatima Jesmin	Shareholder	400,000	-	400,000	0.46%	3 yrs from issue date of Prospectus
39	Mr. R.Y Shamser	Shareholder	500,000	-	500,000	0.57%	3 yrs from issue date of Prospectus
40	Mr. Abdur Rahman	Shareholder	-	500,000	500,000	0.57%	1 yr from issue date of Prospectus
41	Mercantile Securities Limited	Shareholder	-	100,000	100,000	0.11%	1 yr from issue date of Prospectus
42	Mercantile Securities Investor's Portfolio A/C	Shareholder	-	2,020,000	2,020,000	2.32%	1 yr from issue date of Prospectus
43	Mrs. Poly Rani Shaha	Shareholder	-	300,000	300,000	0.34%	1 yr from issue date of Prospectus
44	Mr. Omar Mohammad Bhai	Shareholder	-	75,000	75,000	0.09%	1 yr from issue date of Prospectus
45	Mr. Raja Mohammad Bhai	Shareholder	-	100,000	100,000	0.11%	1 yr from issue date of Prospectus
46	Mrs. Sakina Miraly	Shareholder	-	200,000	200,000	0.23%	1 yr from issue date of Prospectus
47	Mrs. Nurjehan Hudda	Shareholder	750,000		950,000	1.09%	3 yrs from issue date of Prospectus
				200,000			1 yr from issue date of Prospectus
48	Mr. Mohammad Bhai	Shareholder	-	300,000	300,000	0.34%	1 yr from issue date of Prospectus
49	Mrs. Pankaj Roy	Shareholder	-	100,000	100,000	0.11%	1 yr from issue date of Prospectus
50	Mrs. Tanveer Ali	Shareholder	-	110,000	110,000	0.13%	1 yr from issue date of Prospectus
51	Mrs. Abdus Sattar	Shareholder	-	800,000	800,000	0.92%	1 yr from issue date of Prospectus
52	Mrs. Ahad Mohammad Bhai	Shareholder	-	425,000	425,000	0.49%	1 yr from issue date of Prospectus
53	Mr. Md. Alauddin	Shareholder	-	50,000	50,000	0.06%	1 yr from issue date of Prospectus
54	Mr. Ganesh Chandra Pramanik	Shareholder	-	50,000	50,000	0.06%	1 yr from issue date of Prospectus

Issuer:

Issue Manager:


55	IFIC Securities Limited	Shareholder	-	2,000,000	2,000,000	2.29%		1 yr from issue date of Prospectus
56	Mr. Md. Khabir Uddin	Shareholder	-	500,000	500,000	0.57%		1 yr from issue date of Prospectus
57	Mrs. Shamim Ara Begum	Shareholder	-	100,000	100,000	0.11%		1 yr from issue date of Prospectus
58	Mr. M.A Hayee	Officer	-	86,000	86,000	0.10%		1 yr from issue date of Prospectus
59	Mr. Mahabub Hasan	Shareholder	-	14,000	14,000	0.02%		1 yr from issue date of Prospectus
60	Mrs. Farzana Moazzam	Shareholder	-	100,000	100,000	0.11%		1 yr from issue date of Prospectus
61	Dr. Monowar Hossain	Shareholder	-	200,000	200,000	0.23%		1 yr from issue date of Prospectus
62	Mr. Ehsan-E-Moazzam	Shareholder	-	200,000	200,000	0.23%		1 yr from issue date of Prospectus
63	Mr. Khursid Alam Mamun	Shareholder	-	50,000	50,000	0.06%		1 yr from issue date of Prospectus
64	Equity Growth Ltd	Shareholder	-	2,798,000	2,798,000	3.21%		1 yr from issue date of Prospectus
65	Absolute Return Ltd	Shareholder	245,000		1,245,000	1.43%		3 yrs from issue date of Prospectus
				1,000,000				1 yr from issue date of Prospectus
66	Mr. S. Golam Moala	Shareholder	1,225,000	-	1,225,000	1.41%		3 yrs from issue date of Prospectus
67	Agrovita Limited	Shareholder	-	1,000,000	1,000,000	1.15%		1 yr from issue date of Prospectus
68	Mrs. Anjuman Ara Siddiqui	Shareholder	600,000	-	600,000	0.69%		3 yrs from issue date of Prospectus
69	Mr. Mohammad Ahsan	Shareholder	260,300	-	260,300	0.30%		3 yrs from issue date of Prospectus
	Total:		30,000,000	57,165,000	87,165,000	100%		



SECTION 23: Subscription and Refund

f) Refund of Subscription Money

As per SEC Notification Dated February 9, 2010, the issuer shall refund application money to the unsuccessful applicant of the public offer by any of the following manner based on the option given by the applicant in the application form:

- Through banking channel for onward deposit of the refund money into the applicant's bank account as provided in the respective application form for subscription;
- or
- Through issuance of refund warrant in the name and address of the applicant as provided in the respective application form for subscription;

“Provided that, in case of deposit into the applicant's bank account, the applicant will bear the applicable service charge, if any, of the applicant's banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.

g) Subscription by and Refund to Non-Resident Bangladeshi (NRB)

- i) A Non-Resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking “Account Payee only”.
- ii) The value of securities applied for by such person may be paid in Taka or US dollar or UK pound sterling or EURO at the rate of exchange mentioned in the securities application form.
- iii) Refund against oversubscription shall be made in the currency in which the value of securities was paid for by the applicant through Account Payee bank cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form. If the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue and other banks as mentioned, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms

SECTION 24: Debt Securities

The Company did not issue any debt securities and has no plan to issue debt securities within six months.



SECTION 25: Availability of Securities

Sl. No.	Particulars	Number of Shares	Amount in BDT
A	20% of IPO of Ordinary Shares are reserved for affected small investors (ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী)	6,000,000	60,000,000
B	10% of IPO of Ordinary Shares are reserved for Mutual Funds	3,000,000	30,000,000
C	10% of IPO of Ordinary Shares are reserved for Non-Resident Bangladeshis (NRB)	3,000,000	30,000,000
D	Remaining 60% of IPO of Ordinary Shares are reserved for General Public	18,000,000	180,000,000
Total		30,000,000	300,000,000

1. All securities as stated in clause A, B, C and D shall be offered for subscription and subsequent allotment by the issuer, subject to any restriction, which may be imposed, from time to time, by the Securities and Exchange Commission.
2. In case of over-subscription under any of the categories mentioned in the clause A, B, C and D, the Issue Manager shall conduct an open lottery of all the applications received under each category separately in accordance with the letter of consent issued by the Securities and Exchange Commission.
3. In case of under-subscription under any of the 20% and 10% category as mentioned in clause A, B and C, the unsubscribed portion shall be added to the general public category, and, if after such addition there is oversubscription in the general public category the issuer and the issue manager shall jointly conduct an open lottery of all the applicants added together.
4. In case of under-subscription of the public offering, the unsubscribed portion of shares shall be taken up by the underwriter(s).
5. The lottery as stated in clause 2 and 3 should be conducted in the presence of the representatives of Issuer, Stock Exchange(s) and the applicants, if there be any.

Issuer:



Issue Manager:



SECTION 26: Issue Manager & Underwriter

a) Issue Manager

BRAC EPL Investments Limited is acting as the Manager to the Issue for the IPO of Generation Next Fashions Limited.

b) Underwriters

GNFL will issue 30,000,000 Ordinary Shares of BDT 10/- each to the Public at par for Initial Public Offer (IPO). As per the Securities and Exchange Commission's guideline, at least 50% of the total issue i.e. 15,000,000 Ordinary Shares will be underwritten by the Underwriters. The issuer has appointed the following underwriters for this purpose:

Sl No.	Name of Underwriters	No. of shares	Underwritten amount (million Tk.)
1.	BANCO Finance And Investment Limited	4,025,000	40,250,000
2.	PLFS Investments Limited	1,750,000	17,500,000
3.	Royal Green Capital Market Limited	1,050,000	10,500,000
4.	BMSL Investment Limited	1,050,000	10,500,000
5.	BRAC EPL Investments Limited	7,125,000	71,250,000
	Total	15,000,000	150,000,000

- i. If the shares offered to the public have been subscribed and paid for in cash in full by the closing date of subscription, the Company shall within 10 (ten) days of the closure of subscription call upon the Underwriter, in writing, with a copy of the said writing to the Securities and Exchange Commission, to subscribe the shares not subscribed by the closing date and to pay for in cash in full, inclusive of the premium amount, for such unsubscribed shares within 15 (fifteen) days after being called upon to do so. The amount shall be credited to the share subscription account of the Company within the said period.
- ii. If payment is made by Cheque/Bank Draft by the Underwriter, it will be deemed that the Underwriter has not fulfilled his obligation towards his underwriting commitment under this Agreement, until such time as the Cheque/Bank Draft has been en-cashed and the Company's share subscription account credited.
- iii. Within 7 (seven) days after expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the Underwriters, to the Commission.
- iv. The Company shall pay to the Underwriter as underwriting commission at the rate of 0.5% of the amount agreed to be underwritten by it.
- v. In case of failure by the Company to call upon the underwrites for the aforementioned purpose within the stipulated time, the Company and its directors shall individually and collectively be held responsible for the consequence and/or penalties as determined by the Securities and Exchange Commission under the law.



- vi. **Right of Underwriters on Company's Shares:** Underwriters have not acquired any right to have their representatives in the Board of Directors of the Company.

SECTION 27: Application for Subscription

1. Application for shares may be made for a minimum lot of 500 units of shares to the value of BDT 5,000 (Taka Five thousand only) and should be made on the company's Printed Application Forms. Application Forms and Prospectus may be obtained from the Registered Office of the Company, members of Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, or from the Bankers to the issue. In case, adequate Forms are not available, applicants may use photocopied/ cyclostyled/ handwritten/typed copies of the Forms. Applications must not be for less than 500 units of share. Any application not meeting this criterion will not be considered for allotment purpose.
2. Joint application form for more than two (2) persons will not be accepted. In the case of joint application, each party must sign the application form.
3. Application must be in full name of individuals, or limited companies, or trusts or societies, and not in the name of minors or persons of unsound mind. Applications from of insurance, financial and market intermediary companies must be accompanied by Memorandum and Articles of Association of that company.
4. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all the application will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
5. **The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.**
6. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% (fifteen) of their subscription money too.**
7. An IPO applicant shall ensure his/her BO account remains operational till the process of IPO (including securities allotment or refund of IPO application) is completed. If any BO account mentioned in the IPO application is found closed, the allotted security may be forfeited by SEC.
8. Bangladeshi Nationals (including non-resident Bangladeshi Nationals working abroad) and foreign nationals shall be entitled to apply for the share.
9. Payment for subscription by investors other than Non-Resident Bangladeshi may be made to the said branches/offices of the banks mentioned in the application forms in Cash/Cheque/Pay Order/Bank Draft. The Cheque/ Pay Order/ Bank Draft shall be made payable to the bank to which it is sent, be marked "**Generation Next Fashions Limited**", shall bear the crossing "**A/C Payee Only**" and must be drawn on a bank in the same town of the bank to which application form is deposited.

Issuer:**Issue Manager:**

10. All completed application forms together with remittances for the full amount, payable on application, shall be lodged by investors other than Non-Resident Bangladeshis with any of the branches of the Bankers to the Issue.
11. A Non-Resident Bangladeshi (NRB) shall apply against the Public Offer either directly by enclosing a foreign demand draft, drawn on a bank payable at Dhaka, or through a nominee (including a Bank or a Company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of securities applied for. The value of securities applied for may be paid in Taka, US Dollars, Great Britain Pounds or Euro Dollars at the spot buying (TT Clean) rate of exchange prevailing the date of opening of subscription. Refund against over subscription of shares shall be made in the currency, in which the value of shares, applied for, was paid by the applicant. Shares application form against the quota for NRB shall be sent by the applicant directly along with a bank draft or cheque to the company at its registered office. Copies of application form and prospectus shall be available with the Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain, Malaysia, and South Korea and on the website of the SEC, Issuer Company, Issue Manager, DSE and CSE.
12. The IPO subscription money collected from investors (other than non-resident Bangladeshis) by the Bankers to the Issue will be remitted to the **“Generation Next Fashions Limited” SND A/C No. 1501201918541001 of BRAC Bank Limited, Gulshan Branch, Bangladesh.**
13. The subscription money collected from Non-Resident Bangladeshis in US Dollars, UK Pound Sterling or Euro shall be deposited to the following three FC accounts opened by the Company for IPO purpose:

Sl No.	Name of the FC Accounts	Currency	Account No.	Bank
1.	Generation Next Fashions Limited	US Dollar	1501201918541002	BRAC Bank Limited
2.	Generation Next Fashions Limited	Pound	1501201918541003	BRAC Bank Limited
3.	Generation Next Fashions Limited	Euro	1501201918541004	BRAC Bank Limited

14. In the case of over-subscription of securities to the NRB applicants, refund shall be made by Generation Next Fashions Limited out of the “FC Accounts for IPO NRB Subscription”. The company shall close these aforesaid FC Accounts after refund of over-subscription, if any.

APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICATION FORM ARE LIABLE TO BE REJECTED.

Trading and settlement

Trading and settlement regulation of the stock exchanges shall apply in respect of trading and settlement of the shares of the Company

The issue shall be placed in Category “N” with DSE and CSE



SECTION 28: Bankers to the Issue

Investment Corporation of Bangladesh

Head Office, Dhaka
Local Office, Dhaka

Khulna Br. Khulna
Rajshahi Br. Rajshahi

Chittagong Br., Chittagong
Barisal Br., Barisal

Sylhet Br., Sylhet
Bogra Br., Bogra

Dhaka Bank Limited

Bhulta Br. Narayanganj
Goran Business Center, Dhaka
Savar Bazar Br. Dhaka

CDA Avenue Br. Chittagong
Khilgaon Br. Dhaka
Uposahar Br. Uposahar

Cox's Bazar Br. Cox's Bazar
KDA Avenue Br. Khulna

Comilla Br. Comilla
Mirpur Br. Dhaka

Standard Chartered Bank

Motijheel (OPC) Br., Dhaka
Khulna Br., Khulna

Mirpur (OPC) Br., Dhaka
Bogra Br., Bogra

Nasirabad Br., Chittagong
Sylhet Br. Sylhet

Agrabad Br., Chittagong

National Bank Limited

Bangshal Road Br., Dhaka
Mirpur Br., Dhaka
Imamganj Br., Dhaka
Lake Circus Br., Dhaka
Mohakhali Br., Dhaka
New Eskaton Br., Dhaka
Uttara Br., Dhaka
Agrabad Br., Chittagong

Babubazar Br., Dhaka
Elephant Road Br., Dhaka
Islampur Br., Dhaka
Malibagh Br., Dhaka
Mohammadpur Br., Dhaka
North Brook Hall Br., Dhaka
Z H Skder M.C. Br., Dhaka
Sunamganj Branch,
Sunamganj

Banani Br., Dhaka
Foreign Ex. Br., Dhaka
Jatrabari Br., Dhaka
Chawk Bazar Br., Chittagong
Motijheel Branch, Dhaka
Pragati Sarani Br., Dhaka
Netaigonj Br., Dhaka

Dhanmondi Br., Dhaka
Gulshan Br., Dhaka
Kawran Bazar Br., Dhaka
Rokeya Sarani Br.,
Naranyganj Br. Narayanganj
Savar Bazar Br., Dhaka
Khatungonj Br., Chittagong

IFIC Bank

Federation Br. Dhaka
Dhanmondi Br. Dhaka
Pragoti Sarani Br. Dhaka
North Book Hall Road. Dhaka
Elephant Road Br. Dhaka
Islampur Br. Dhaka
Shantinagar Br. Dhaka
Kawran Bazar Br. Dhaka
Nayapaltan Br. Dhaka
Stock Exchange, Dhaka
Moakhali Br. Dhaka

Pallabi Br. Dhaka
Lalmatia Br. Dhaka
Banani Br. Dhaka
Uttara Br. Dhaka
Malibagh Br. Dhaka
Comilla Br. Comilla
Barisal Br. Barisal
Feni Br. Feni
Faridpur Br. Faridpur
Bogra Br. Bogra
Pabna Br. Pabna

Agrabad Br. Chittagong
CDA Avenue Br. Chittagong
Madam Bibir Hat Br. Chittagong
Sk. Mujib Road Br. Chittagong
Cox's Bazar Br. Cox's Bazar
Narayanganj Br. Narayanganj
Brahmanbaria Br. Brahmanbaria
Choumuhani Br. Noakhali
Mymensingh Br. Mymensingh
Rajshahi Br. Rajshahi
Rangpur Br. Rangpur

Dinazpur Br. Dinazpur
Khulna Br. Khulna
Boro Bazar Br. Khulna
Jessore Br. Jessore
Kushtia Br. Kushtia
Narsingdi Br. Narsingdi
Sylhet Br. Sylhet
Moulvi Bazar Br. Sylhet
Uposhohor Br. Sylhet
Tultikar Br. Sylhet

One Bank Limited

Principal Br. Dhaka
Motijheel Br. Dhaka
Kawran Bazar Br. Dhaka
Gulshan Br. Dhaka
Mirpur Br. Dhaka
Uttara Br. Dhaka
Dhanmondi Br. Dhaka
Ganakbari (EPZ) Br. Dhaka
Elephant Road Br. Dhaka

Kakrail Br. Dhaka
Jatrabari Br. Dhaka
Nawabgonj Br. Dhaka
Bangshal Br. Dhaka
Banani Br. Dhaka
Imamganj Br. Dhaka
Joypara Br. Dhaka
Banasree Br. Dhaka
Feni Br. Feni

Khatunganj Br. Chittagong
CDA Avenue Br. Chittagong
Nanupur Bazar Br. Chittagong
Jubilee Road Br. Chittagong
Cox's Bazar Br. Cox's Bazar
Chowmuhuni Br. Noakhali
Chandragonj Br. Lakshmipur
Agrabad Br. Chittagong
Dagon Bhuiyan Br. Feni

Sylhet Br. Sylhet
Sherpur Br. Moulvi Bazar
Islampur Br. Sylhet
Jessore Br. Jessore
Bogra Br. Bogra
Sirajgonj Br. Sirajgonj
Laksham Br. Comilla
Ramganj Br. Laxmipur
Narayanganj Br.

Issuer:**Issue Manager:**

Progoti Sharani Br. Dhaka

Raipur Br. Laxmipur

Maijdee Court Br. Noakhali

BRAC Bank Limited

Asad Gate Br. Dhaka

Banani Br. Dhaka

Bashundhara Br. Dhaka

Donia Br. Dhaka

Eskaton Br. Dhaka

Graphics Building Br. Dhaka

Gulshan Br. Dhaka

Manda Br. Dhaka

Mirpur Br. Dhaka

Nawabpur Br. Dhaka

Rampura Br. Dhaka

Shyamoli Br. Dhaka

Uttara Br. Dhaka

Narayanganj Br. Narayanganj

Agrabad Br. Chittagong

CDA Avenue Br. Chittagong

Halisohor Br. Chittagong

Kazirdeuri Br. Chittagong

Momin Road Br. Chittagong

Bogra Br. Bogra

Rajshahi Br. Rajshahi

Jessore Br. Jessore

Khulna Br. Khulna

Barisal Br. Barisal

Zindabazar Br. Sylhet

Potia Branch, Potia

Bank Asia Limited

Principal Office, Motijheel C.A., Dhaka

Corporate Branch, Dhaka

Gulshan Branch, Dhaka

Uttara Branch, Dhaka

North South Rd. Branch, Dhaka

Bashundhara Branch, Dhaka

Moghbar Branch, Dhaka

Rajshahi Branch, Rajshahi

Progoti Sarani Branch, Dhaka

Dilkusha Branch, Dhaka

Scotia Branch, Dhaka

Banani Branch, Dhaka

Mitford Branch, Dhaka

Dhanmondi Branch, Dhaka

Sylhet Main Branch, Sylhet

Jessore Branch, Jessore

Agrabad Branch, Chittagong

Sk. Mujib Road Branch, Chittagong

Station Road Branch, Chittagong

Khatunganj Branch, Chittagong

Bahadderhat Branch, Chittagong

CDA Avenue Branch, Chittagong

Anderkilla Branch, Chittagong

Kamal Bazar Branch, Chittagong

Shantinagar Branch, Dhaka

Mohakhali Branch, Dhaka

Mirpur Branch, Dhaka

Sylhet Uposahar Branch, Sylhet

Bogra Branch, Bogra

Khulna Branch, Khulna

The City Bank Limited

B B Avenue Br., Dhaka

Dhaka Chamber Br., Dhaka

Dhanmondi Br., Dhaka

Shaymoli Br. Dhaka

Imamgonj Br., Dhaka

Johnson Road Br., Dhaka

Kawran Bazar Br., Dhaka

New Market Br., Dhaka

VIP Road Br., Dhaka

Pragati Sarani Br., Dhaka

Tanbazar Br., Narayanganj

Zinzira Br., Dhaka

Tongi Br., Dhaka

Agrabad Br., Chittagong

Jubilee Road Br., Chittagong

Khatunganj Br., Chittagong

Andarkilla Br., Chittagong

Cox's Bazar Br., Chittagong

Narsingdi Br., Narsingdi

Zinda Bazar Br., Sylhet

Bandar Bazar Br., Sylhet

Amborkhana Br., Sylhet

Moulvi Bazar Br., Sylhet

Rajshahi Br., Rajshahi

Bogra Br., Bogra

Rangpur Br., Rangpur

Sirajgonj Br., Sirajgonj

Khulna Br., Khulna

Jessore Br., Jessore

Barisal Br., Barisal

Chawkbazar Br., Chittagong

Pahartoli Br., Chittagong

Comilla Br., Comilla

Islampur Br., Dhaka

Nawabgonj Br., Dhaka

Nawabpur Br., Dhaka

Eastern Bank Limited

Principal Branch, Dilkusha, Dhaka

Motijheel Branch, Dhaka

Mirpur Branch, Dhaka

Bashundhara Branch, Dhaka

Narayanganj Branch

Jessore Branch

Choumuhoni Branch

Agrabad Branch, Chittagong

Bogra Branch, Bogra

Khulna Branch, Khulna

Rajshahi Branch, Rajshahi

Savar Branch, Savar, Dhaka

Moulvi Bazar Branch, Sylhet

Khatunganj Branch, Chittagong

Shyamoli Branch, Dhaka

Issuer:



Issue Manager:



SECTION 29: Material Contracts & Others

Material Contract

1. Underwriting Agreements between the Company and the Underwriters.
2. Issue Management Agreement between the Company and BRAC EPL Investments Limited.
3. Contract between the company and the Central Depository Bangladesh Limited (CDBL).

The copies of the aforementioned contracts and documents and a copy of Memorandum of Association and Articles of Association of the Company and the Consent Letter from SEC may be inspected, on any working day, during office hours, at the Registered Office of the Company and the Issue manager.

Manager to the Issue

BRAC EPL Investments Limited, WW Tower (Level 9), 68 Motijheel C/A, Dhaka 1000, is acting as the Issue Manager. The Issue Management fee for the Issue Manager shall be BDT 2,000,000.00 for the total amount raised through issuance of primary capital by the Issuer through public issue.

Commission to the Bankers to the issue

Commission at the rate of 0.1% of the amount collected will be paid to the Bankers to the Issue for the services to be rendered by them.

Issuer:



Issue Manager:



SECTION 30: Corporate Directory

Registered and Corporate Office

Generation Next Fashions Limited

Building # 348, Road # 5
DOHS, Baridhara, Dhaka-1206
Tel: +88(02) 8413189, 8414302, 8419210
Fax: +88(02) 8416491

Auditor

ATA KHAN & CO.

Chartered Accountants
67 Motijheel C/A
Dhaka 1000

Legal Advisor

M. Sakhawat Hossain

Barrister at Law
Advocate, Supreme Court of Bangladesh
Tel: (8802) 9568536
Fax: (8802) 7162486

Manager to the Issue

BRAC EPL Investments Limited

WW Tower, Level 9
68, Motijheel C/A, Dhaka 1000
Tel: +88(02) 9514731-40
Fax: +88(02) 7116418

Company's Compliance Officer

M.A. Hayee

General Manager (Admin, HR &
Compliance) & Company Secretary
Generation Next Fashions Limited



SECTION 31: Financial Statements as at and for the period ended 31st December 2011

AUDITORS' REPORT **OF** **GENERATION NEXT FASHIONS LIMITED**

We have audited the accompanying Statement of Financial Position of **GENERATION NEXT FASHIONS LIMITED** as of December 31, 2011 and the related Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity together with related notes for the period then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

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

Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BASs), give a true and fair view of the state of the Company's affairs as of December 31, 2011 and of the results of its operations and its cash flow for the period then ended and comply with the applicable sections of the Companies Act, 1994, the Securities & Exchange Rules, 1987 and other applicable laws and regulations.

We also report that:

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

Place: Dhaka

Dated: March 20, 2012

ATA KHAN & CO.
Chartered Accountants.

Issuer:



Issue Manager:



GENERATION NEXT FASHIONS LIMITED

Statement of Financial Position

As at December 31, 2011

Particulars	Notes	Amount in Taka	
		31.12.2011	31.12.2010
A. NON-CURRENT ASSETS		2,267,152,562	1,717,956,510
Property, Plant & Equipment	15	1,432,890,110	1,289,999,471
Capital Works-in-Progress	16	579,537,452	427,957,039
Investments	17	254,725,000	-
		3,281,942,233	1,973,443,879
B. CURRENT ASSETS		1,014,789,671	896,098,045
Inventories	18	520,641,340	362,034,597
Accounts Receivable	19	398,571,089	367,141,772
Loans, Advances, Deposits & Pre-Payments	20	81,423,358	89,938,221
Cash & Cash Equivalents	21	14,153,884	76,983,455
C. CURRENT LIABILITIES & PROVISIONS		953,478,661	798,540,477
Accounts & Other Payables	22	21,843,850	10,487,094
Accrued Expenses	23	77,786,796	41,403,343
Bank Overdraft	24	31,207,424	30,913,010
Short Term Bank Credits	25	566,176,664	428,399,941
Deferred L/C Liabilities	26	137,891,927	143,095,210
Current Maturity of Long Term Loans	27	118,572,000	144,241,879
D. NET CURRENT ASSETS (B-C)		61,311,010	97,557,568
E. NET ASSETS (A+D)		2,328,463,572	1,815,514,077
F. SHAREHOLDERS' EQUITY		1,973,443,879	1,019,381,814
Share Capital	28	871,650,000	350,000,000
Share Premium		250,000,000	-
Revaluation Surplus	29	506,889,888	506,889,888
Retained Earnings		344,903,991	162,491,926
G. SHARE MONEY DEPOSIT	30	-	212,950,000
H. LONG TERM LOAN	31	355,019,693	583,182,263
I. LIABILITIES & SHAREHOLDERS' EQUITY (F+G+H)		2,328,463,572	1,815,514,077
Net Assets Value Per Share (NAVPS)		22.64	11.69

Sd/-

Sd/-

Sd/-

Issuer:



Issue Manager:



Chairman

Managing Director

Director

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

Dated, Dhaka;
March 20, 2012

Sd/-
ATA KHAN & CO.
Chartered Accountants

GENERATION NEXT FASHIONS LIMITED
Statement of Comprehensive Income
For the year ended December 31, 2011

Particulars	Notes	Amount in Taka	
		31.12.2011	31.12.2010
Sales Revenue	32	1,393,627,887	1,289,543,519
Less: Cost of Goods Sold	33	1,082,489,912	1,022,524,074
Gross Profit		311,137,975	267,019,445
Less: Administrative & Selling Expenses	34	95,186,547	97,315,722
Operating Profit		215,951,428	169,703,723
Add: Other Income	35	156,542,529	112,505,521
		372,493,957	282,209,244
Less: Financial Expenses	36	153,988,754	169,149,917
Net Profit Before Tax		218,505,203	113,059,327
Provision for Income Tax	37	36,093,138	19,269,786
Net Profit After Tax		182,412,065	93,789,541
Earnings Per Share (EPS) (Weighted Average)	38	2.23	1.15
Fully Diluted EPS	39	2.09	1.08
EPS From Recurring Income (Weighted Average)	40	1.80	1.15
EPS From Recurring Income (Fully Diluted)	41	1.69	1.08
EPS From Non-Recurring Income (Weighted Average)	42	0.43	-
EPS From Non-Recurring Income (Fully Diluted)	43	0.40	-

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

Issuer:



Sd/-
Chairman

Sd/-
Managing Director

Issue Manager:



Sd/-
Director

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

Dated, Dhaka;
March 20, 2012

Sd/-
ATA KHAN & CO.

Chartered Accountants

GENERATION NEXT FASHIONS LIMITED Statement of Changes in Equity For the year ended December 31, 2011						(Amount in Taka)
Particulars	Share Capital	Share Premium	Proposed Bonus Share	Retained Earnings	Revaluation Surplus	Total
For 2010						
Balance at January 01, 2010	47,200,000	-	52,800,000	68,702,385	506,889,888	675,592,273
Net Profit for the year	-	-	-	93,789,541	-	93,789,541
Issue of Share	302,800,000	-	(52,800,000)	-	-	250,000,000
Balance at December 31, 2010	350,000,000	-	-	162,491,926	506,889,888	1,019,381,814
For 2011						
Balance at January 01, 2011	350,000,000	-	-	162,491,926	506,889,888	1,019,381,814
Net Profit for the year	-	-	-	182,412,065	-	182,412,065
Issue of Share	521,650,000	-	-	-	-	521,650,000
Share Premium	-	250,000,000	-	-	-	250,000,000
Balance at December 31, 2011	871,650,000	250,000,000	-	344,903,991	506,889,888	1,973,443,879

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

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Director

Dated, Dhaka; March 20, 2012

Sd/-
ATA KHAN & CO.
Chartered Accountants

Issuer:



Issue Manager:



GENERATION NEXT FASHIONS LIMITED

Statement of Cash Flow

For the year ended December 31, 2011

Particulars	Amount in Taka	
	31.12.2011	31.12.2010
A. CASH FLOWS FROM OPERATING ACTIVITIES:	87,398,905	(92,264,637)
Cash Received from Customers	1,518,741,099	1,308,048,878
Cash Payment for Materials and Expenses	(1,431,342,194)	(1,400,313,515)
B. CASH FLOWS FROM INVESTING ACTIVITIES:	(593,167,163)	(348,248,005)
Acquisition of Fixed Assets	(186,861,750)	(134,857,198)
Expenditures for Capital Work-in-Progress	(151,580,412)	(213,390,807)
Investments	(254,725,000)	-
C. CASH FLOWS FROM FINANCING ACTIVITIES:	442,938,688	508,315,532
Bank Overdraft Received/(Repaid)	294,414	(362,896)
Issue of Share Capital at par/Premium	771,650,000	250,000,000
Short Term Bank Credit Received	137,776,723	208,651,606
Long Term Loan (Repaid)/Received	(253,832,449)	37,076,823
Share Money Deposit (Adjusted)/ Received	(212,950,000)	12,950,000
D. Net Increase/(Decrease) in cash & cash equivalents (A+B+C)	(62,829,570)	67,802,890
E. Cash & Cash equivalents at the beginning of the period	76,983,455	9,180,565
F. Cash & Cash equivalents at the end of the period (D+E)	14,153,885	76,983,455
Operating Cash Flow Per Share	1.00	(1.06)

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Director

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

Dated, Dhaka;
March 20, 2012

Sd/-
ATA KHAN & CO.
Chartered Accountants



GENERATION NEXT FASHIONS LIMITED
Accounting Policies and Explanatory Notes
For the year ended December 31, 2011

1. Corporate Business

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

2. Corporate Financial Statements and Reporting

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

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

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

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

3. Fundamental Accounting Concepts/ Assumption

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

4. Going Concern

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

5. Corporate Accounting Standards Practiced

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

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Cash Flow Statement



- IAS 10 Events after the Balance Sheet Date
- IAS 12 Income Taxes
- IAS 16 Property, Plant And Equipment
- IAS 18 Revenue
- IAS 19 Employee Benefits
- IAS 23 Borrowing Costs
- IAS 24 Related Party Disclosures
- IAS 33 Earnings Per Share
- IAS 34 Interim Financial Reporting
- IAS 36 Impairment of Assets
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets

6. Reporting Period

The period of the financial statements covers from 1st January 2011 to 31st December 2011.

7. Provisions

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

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

8. Segmental Reporting

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

9. Events after the Reporting Period.

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

10. Net profit Before Tax

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

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

11. Functional and Presentational (Reporting) Currency

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

Figures in brackets indicate deductions.

12. Comparative Information and Rearrangement Thereof



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

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

13. Historical Cost Profit and Losses

There was no revaluation of Fixed Assets during the period under review. However, S.F. Ahmed & Co, Chartered Accountants revalued the fixed assets of the Company as of 31 December 2008 following "depreciated current cost method", resulting in a revaluation surplus at Tk. 506,889,888. This required additional depreciation on revaluation surplus amounting to Tk. 11,588,306 chargeable to revenue.

14. Principal Accounting Policies

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

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

14.1 Recognition of Tangible Fixed Assets

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

There is no intangible asset and the fixed assets do not include any assets held under lease,

On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the income statement which is determined with reference to the net book value of assets and the net sales proceeds.

14.2 Depreciation of Tangible Fixed Assets

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

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

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

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

**14.3 Impairment of assets**

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

14.4 Revenue Recognition

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

14.5 Accrued Expenses and Other Payables

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

14.6 Inventories

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

14.7 Cash and Cash Equivalents

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

14.8 Cash Flow Statement

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

14.9 Borrowing Costs

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

14.10 Earnings Per Share

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

Basic Earnings

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

Weighted Average Number of Ordinary Shares Outstanding during the period.

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

Issuer:



Issue Manager:



15. Property, Plant & Equipment: Tk.1,432,890,110.												
Particulars	Cost or Valuation			Rate of Dep. (%)	Depreciation			Written down value as on 31.12.2011	Revaluation Surplus	Depreciation on Revaluation		
	Balance as on 01.01.11	Addition or valuation during the year	Balance as on 31.12.11		Balance as on 01.01.11	Charged during the year	Balance as on 31.12.11			Balance as on 01.01.11	Charged during the year	Balance as on 31.12.11
Land & Land Development	86,245,266	-	86,245,266	0%	-	-	-	86,245,266	136,740,234	-	-	222,985,500
Building	255,735,063	102,538,520	358,273,583	2%	9,310,718	5,953,872	15,264,590	343,008,993	230,639,221	9,133,313	4,430,118	13,563,431
Plant & Machinery	538,146,385	83,105,050	621,251,435	5%	94,858,835	24,242,004	119,100,838	502,150,597	139,510,433	13,602,268	6,295,408	19,897,676
Vehicles	19,620,415	-	19,620,415	10%	4,479,483	1,514,093	5,993,576	13,626,839	-	-	-	13,626,839
Other Assets	20,484,454	1,218,180	21,702,634	10%	5,737,384	1,535,616	7,273,000	14,429,634	-	-	-	14,429,634
Total	920,231,583	186,861,750	1,107,093,333	-	114,386,420	33,245,585	147,632,005	959,461,328	506,889,888	22,735,580	10,725,526	1,432,890,110
Total as on 31.12.2010	785,374,385	134,857,198	920,231,583	-	84,540,886	29,845,534	114,386,420	805,845,163	506,889,888	11,586,306	11,147,274	1,289,999,471

Particulars	Amount in Taka	
	31.12.2011	31.12.2010
Depreciation charge during the year	33,245,585	29,845,534.13
Depreciation charge on Revaluation of Assets	10,725,526	11,147,274.29
Total	43,971,111	40,992,808

Head of Accounts	
Factory Overhead	41,772,556
Administrative Expenses	2,198,556
	43,971,111

Issuer:**Issue Manager:****16. Capital Works-in-Progress**

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

Amount in Taka	
31.12.2011	31.12.2010
548,194,243	398,916,031
643,916	643,916
2,527,497	2,127,497
632,545	632,545
13,017,301	12,086,301
12,978,112	12,051,912
628,119	628,119
915,719	870,719
579,537,452	427,957,039

17. Investment

A.J Corporation Limited

254,725,000	-
254,725,000	-

This carries an interest of 15% per annum effective from 01 January 2011. The shares against the investment shall be issued to the Company within January 01, 2013 or else the money along with interest shall be refunded.

18. Inventories

Raw Materials (Note-18.01)	
Work-in-Process	(410,114 Kgs; 2010: 371,278 Kgs)
Finished Goods	(174,050 Dozens; 2010: 117,604 Dozens)
Materials in Transit	
Total	

189,261,748	123,210,750
141,962,500	138,943,798
162,845,300	99,880,049
26,571,792	-
520,641,340	362,034,597

18.1 Raw Materials

Yarn	(582,360 Kgs; 2010: 337,044 Kgs)
Chemicals	(261,697 Kgs; 2010: 247,022 Kgs)
Accessories	

131,031,156	81,986,128
15,701,862	13,586,192
42,528,730	27,638,430
189,261,748	123,210,750

19. Accounts Receivables

Pacific Logistics
ASDA Stores Limited
TESCO Stores Limited
Carrefour Inport SAS
Euha Apparels Limited

-	13,652,040
38,597,563	26,521,300
32,386,148	26,354,250
20,254,670	34,829,249
-	28,640,400

Issuer:**Issue Manager:**

Miles Fashions GMBH
 Primark Stores Limited
 Gymboree Manufacturing Inc
 Impetus Vandillen Asiatex
 GMBH
 Other Receivables (Note: 19.01)
 Cash Subsidy from the Government.

Total

48,086,594	77,788
126,901,160	168,243,621
43,357,467	-
16,172,850	-
44,877,948	27,320,822
27,936,689	41,502,302
398,571,089	367,141,772

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

Dues upto 6 months

Dues above 6 months

Total

314,644,139	319,188,810
83,926,950	47,952,962
398,571,089	367,141,772

19.01 Other Receivables

TU Clothing
 Pelican Limited
 Basspro
 Alok Industries Limited
 Matalan Retail Limited
 Hanebrands Europe GMBH
 Elegent Team Development Limited
 GEBR. Huber GMBH
 The Prevue Limited
 Cadeau
 Protecgen Limited
 Fashions FX Limited

Total

Amount in Taka	
31.12.2011	31.12.2010
6,798,535	6,678,784
-	2,472,824
1,906,166	1,906,167
8,903,317	-
-	287,600
1,467,562	-
4,261,680	-
9,385,782	-
-	9,327,100
-	6,648,347
9,435,106	-
2,719,800	-
44,877,948	27,320,822

20 Loans, Advances, Deposit and Prepayments

Loans and Advances (Note: 20.1)

Deposits

Total

80,797,654	89,312,517
625,704	625,704
81,423,358	89,938,221

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

20.1 Loans and Advances

Advance against Salary
 Advance Income Tax
 Advance against Purchase / Expenses **Note: 20.01(a)**
 House Rent Advance
 Advance for Construction & Others **Note: 20.01(b)**

Total

1,950,000	1,765,000
16,805,156	9,777,423
15,496,440	13,553,935
680,000	680,000
45,866,058	63,536,159
80,797,654	89,312,517

Dues upto 6 months

Dues above 6 months

Total

50,045,613	62,742,199
30,752,041	26,570,318
80,797,654	89,312,517

20.01(a) Advance against Purchase / Expenses

Issuer:

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

Issue Manager:

4,944,420	4,258,200
1,150,000	1,050,000
2,721,100	2,221,100
2,556,520	2,108,400
960,400	850,000
2,564,000	2,264,000
600,000	802,235
15,496,440	13,553,935

20.01(b) Advance for Construction & Others

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

Amount in Taka	
31.12.2011	31.12.2010
5,845,250	7,953,000
4,642,300	6,952,459
5,546,000	5,894,000
3,564,360	3,885,600
3,228,600	4,765,100
2,564,200	4,564,200
2,463,100	3,785,200
1,836,500	2,985,600
2,654,748	-
-	2,865,000
10,000,000	10,000,000
-	2,277,000
-	2,088,000
3,521,000	5,521,000
45,866,058	63,536,159

21 Cash & Cash Equivalents

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

3,168,739	245,122
10,985,145	76,738,333
14,153,884	76,983,455

21.1 Cash in Hand

Balance in Central Cash
 Balance in Petty Cash (Factory)
Total

1,965,030	132,562
1,203,709	112,560
3,168,739	245,122

21.2 Cash at Banks

<u>Bank Name</u>	<u>A/c Number</u>	<u>Branch Name</u>
EXIM Bank Ltd	711100009514/711100038467	Gulshan Br.
EXIM Bank Ltd	0211100004728/4288	Ahsulia Br.
National Bank Ltd	004333022068	Mohakhali Br.
National Bank Ltd	00036000534	Gulshan Br.
Prime Bank Ltd	11811020021830	Gulshan Br.
Prime Bank Ltd	11831020024366	Gulshan Br.

86,923	5,661,132
6,606	6,606
-	19,623,415
29,608	-
-	50,039,894
631,336	-

Issuer:**Issue Manager:**

Southeast Bank Ltd	101110011987	Gulshan Br.	23,497	18,846
Southeast Bank Ltd	1015600000040	Gulshan Br.	550,103	129,148
Southeast Bank Ltd	10155000000256	Gulshan Br.	1,163,338	214,577
Southeast Bank Ltd	10152000000041	Gulshan Br.	1,605,551	1,034,715
Southeast Bank Ltd	1013100001554	Gulshan Br.	6,721,273	-
Standard Bank Ltd	933010404	Gulshan Br.	3,400	-
IFIC Bank Ltd.	1002390905001	Gulshan Br.	153,510	-
Janata Bank Ltd	1020903	Corporate Br.	10,000	10,000
Total			10,985,145	76,738,333

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

22 Accounts & Other Payables

Happy Enterprise
Nokta
Shimanta Paribahan
Evove
KM Servicing
Trade Media
Nahian Enterprise
Salaries and Wages Payable
Other Payables

Total

Amount in Taka	
31.12.2011	31.12.2010
-	1,085,500
-	384,300
1,432,111	1,251,660
-	1,350,640
1,000,000	2,083,510
585,538	1,115,524
328,000	-
15,124,560	850,360
3,373,641	2,365,600
21,843,850	10,487,094

These are unsecured, payable within one year.

23 Accrued Expenses

Audit fee
Gas Bill
Provision for tax (Note: 23.01)

Total

500,000	300,000
4,031,557	3,941,242
73,255,239	37,162,101
77,786,796	41,403,343

These are unsecured, falling due within one year.

23.01 Provision for tax

<u>Accounting Year</u>	<u>Assessment Year</u>	<u>Amount</u>	<u>Status</u>
2011	2012-2013	36,093,137	Return not yet due
2010	2011-2012	19,269,787	Return filed
2009	2010-2011	8,491,050	Assessment Completed
2008	2009-2010	4,818,731	Assessment Completed
2007	2008-2009	4,424,603	Assessment Completed
2006	2007-2008	157,931	Assessment Completed
Total		73,255,239	

24 Bank Overdraft

<u>Bank Name</u>	<u>Br Name</u>		
Southeast Bank Ltd. CC A/c 0173300000167	Gulshan Br.	31,207,424	30,913,010
Total		31,207,424	30,913,010

Issuer:**Issue Manager:**

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

25 Short Term Bank Credits :

Southeast Bank Ltd.:		
Time Loan	205,865,128	34,381,365
Packing Credit	60,801,071	60,135,178
Bill Purchase	89,388,746	95,812,267
Other Loans	210,121,719	238,071,131
Total	566,176,664	428,399,941

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 Lien on Master/Export L/C.

026 Deferred L/C Liabilities

NRG Knit Composite Mills Ltd
Pakiza Cotton Mills Ltd
Talha Spinning Mills Ltd.
Al-Haj Karim Textiles Ltd.
Zubair Spinning Mills Ltd.
Tamijuddin Textiles Mills Ltd.
Hyosung-Vietnam
Square Yarn Ltd.
Syed Spinning Mills Limited
Other Deferred L/C Liabilities

Amount in Taka		
	31.12.2011	31.12.2010
	15,294,000	14,377,580
	29,511,000	17,552,500
	-	25,194,000
	35,167,000	27,200,000
	-	25,500,000
	12,957,000	16,432,200
	-	3,410,880
	4,035,000	9,590,856
	25,188,000	-
	15,739,927	3,837,194
Total	137,891,927	143,095,210

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

27 Long Term Bank Loans (Current Portion)

Current portion of Long Term Bank Loans tk.118,572,000 has been shown under the head Current Liabilities which is payable within December-2012.

28 Share Capital**28.1 Authorized Capital**

200,000,000 Ordinary shares of Tk.10/- each

2,000,000,000 2,000,000,000

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

81,885,000 Ordinary Shares of Tk. 10/- each

5,280,000 Bonus Shares of Tk.10/- each

81,885,000	297,200,000
52,800,000	52,800,000
871,650,000	350,000,000

The Shareholding position of the Company are as under :

Name of Shareholders	No. of Shares	Percentages (%)	Amount (Tk.)
Mr. Tauhidul Islam Chaudhury	17,158,930	19.69	171,589,300
Mrs. Saida Muna Tasneem	2,057,500	2.36	20,575,000
Shaheen Akhter Chaudhury	108,470	0.12	1,084,700
Mr. Wahid Salam	1,708,000	1.96	17,080,000
Mr. Rajiv Sethi	3,903,600	4.48	39,036,000
Mr. Javed Opgenhaffen	7,332,500	8.41	73,325,000
Mr. Alavee Chaudhury	2,056,000	2.36	20,560,000
Mehmood Equities Ltd.	2,350,000	2.70	23,500,000
Assign Holding Ltd.	150,000	0.17	1,500,000
Mrs. Mehtab Hussain khan	100,000	0.11	1,000,000

Issuer:**Issue Manager:**

Mrs. Irin Pervin	100,000	0.11	1,000,000
Mr. Syed Golam Wadud	125,000	0.14	1,250,000
Mrs. Tanipa Wadud	25,000	0.03	250,000
Mr. Waheedur Gorky Rahman	100,000	0.11	1,000,000
Meghna Life Insurance Co. Ltd.	50,000	0.06	500,000
Karnaphuli Insurance Co. Ltd.	50,000	0.06	500,000
Mr. Md. Akhter	4,250,000	4.88	42,500,000
Mrs Farzana Ahmed	50,000	0.06	500,000
Olympic Industries Limited	100,000	0.11	1,000,000
Captain M. Moazzam Hossain	1,150,000	1.32	11,500,000
Mr. Yousuf Ismail	1,200,000	1.38	12,000,000
Mr. Matiur Rahman	1,400,000	1.61	14,000,000
Mr. Tariq Ismail	100,000	0.11	1,000,000
BRAC Bank Limited	1,000,000	1.15	10,000,000
Mr. Syed Tawqir Hussain	110,000	0.13	1,100,000
Cosmopolitan Traders (Pvt.) Ltd.	700,000	0.80	7,000,000
Mr. Saifur Rahman	100,000	0.11	1,000,000
Transcom Limited Staff Provident Fund	200,000	0.23	2,000,000
Marina Tea Company Limited	100,000	0.11	1,000,000
Monipur Tea Company Limited	100,000	0.11	1,000,000
Mr. Maiz Majibur Rahman	200,000	0.23	2,000,000
Mr. Rajeeb Bhattacharjee	100,000	0.11	1,000,000
BRAC EPL Stock Brokerage Ltd.	1,000,000	1.15	10,000,000
Mrs. Lafifa Yousuf	250,000	0.29	2,500,000
Beximco Holdings Limited	13,000,000	14.91	130,000,000
New England Equity Ltd.	13,000,000	14.91	130,000,000
Mr. Major Md. Rabiul Alam	100,000	0.11	1,000,000
Mr. Richard D. Rozario	473,880	0.54	4,738,800
Mr. Md. Wahid Miah	1,026,120	1.18	10,261,200
Mrs. Bilkis Fatima Jesmin	1,000,000	1.15	10,000,000
Mr. R. Y Shamser	500,000	0.57	5,000,000
Mr. Abdur Rahman	500,000	0.57	5,000,000
Mercantile Securities Limited	100,000	0.11	1,000,000
Mercantile Securities Investor's Portfolio A/C	2,020,000	2.32	20,200,000
Mrs. Poly Rani Shaha	300,000	0.34	3,000,000
Mr. Omar Mohammad Bhai	75,000	0.09	750,000
Mr. Raja Mohammad Bhai	100,000	0.11	1,000,000
Mrs. Sakina Miraly	200,000	0.23	2,000,000
Mrs. Nurjehan Hudda	200,000	0.23	2,000,000
Mr. Mohammad Bhai	300,000	0.34	3,000,000
Mr. Pankaj Roy	100,000	0.11	1,000,000
Mr. Tanveer Ali	110,000	0.13	1,100,000
Mr. Abdus Sattar	800,000	0.92	8,000,000
Mr. Ahad Mohammad Bhai	425,000	0.49	4,250,000

Issuer:**Issue Manager:**

Mr. Md. Alauddin	50,000	0.06	500,000
Mr. Ganesh Chandra Pramanik	50,000	0.06	500,000
IFIC Securities Limited	2,000,000	2.29	20,000,000
Mr. Md. Khabir Uddin	500,000	0.57	5,000,000
Mrs. Shamim Ara Begum	100,000	0.11	1,000,000
Mr. M.A Hayee	86,000	0.10	860,000
Mr. Mahabub Hasan	14,000	0.02	140,000
Mrs. Farzana Moazzam	100,000	0.11	1,000,000
Dr. Monowar Hossain	200,000	0.23	2,000,000
Mr. Ehsan-E-Moazzam	200,000	0.23	2,000,000
Mr. Khursid Alam Mamun	50,000	0.06	500,000
Total	87,165,000	100.00	871,650,000

29 Revaluation Surplus

Land & Land Development
Building
Plant & Machinery

Total

Amount in Taka	
31.12.2011	31.12.2010
136,740,234	136,740,234
230,639,221	230,639,221
139,510,433	139,510,433
506,889,888	506,889,888

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.

30 Share Money Deposit

These have been adjusted against issue of capital approved by SEC vide SEC letter no.SEC/CI/CPLC-274/2010/561 dated December 08, 2010.

31 Long Term Loans

Particulars	Bank Name		
Term Loan	Southeast Bank	351,217,093	576,967,516
Car Loan	UCBL	771,600	1,274,600
Car Loan	BRAC Bank	-	376,637
Car Loan	HSBC	-	243,998
Car Loan	Prime Bank	-	40,512
Car Loan	Prime Bank	1,717,000	2,341,000
Car Loan	BRAC Bank	1,314,000	1,938,000
Total		355,019,693	583,182,263

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.

Issuer:**Issue Manager:****Interest on Bank Loan:**

Bank interest on the above loan has been charged in the Income Statement as Financial Expenses.

Bank Overdraft	16.00% p.a. with Quarterly rests subject to revision from time to time.
Long Term Loan	13.00% p.a. with Quarterly rests subject to revision from time to time.
Time Loan , Packing Credit & Bill Purchase	Time Loan: 16.00% 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 :16.00% p.a. with Quarterly rests subject to revision from time to time

32 Sales Revenue

Export Sales Revenue is recognized for 1,489,518 Dozens at USD 18,581,705.16 @ Tk.75.00 equivalent to Tk.1,393,627,887 (2010: 1,518,177 Dozens USD 18,554,583@ Tk.69.50 equivalent to Tk.1,289,543,519) when delivery challan is issued.

33 Cost of Goods Sold

Opening Stock of Raw Materials

Add: Purchases **(Note : 33.01)**

Less: Closing Stock of Raw Materials **(Note : 18.01)**

Add: Direct Labour

Add: Factory Overhead **(Note : 33.02)**

Add: Opening Work-In-Process **(Note: 18.00)**

Less: Closing Work-In-Process **(Note: 18.00)**

Add: Opening Stock of Finished Goods **(Note: 18.00)**

Less: Closing Stock of Finished Goods **(Note: 18.00)**

Material Consumed**Prime Cost****Cost of Manufacturing****Cost of Goods Manufactured****Cost of Goods Sold**

Amount in Taka	
31.12.2011	31.12.2010
123,210,750	89,045,000
979,719,165	907,605,889
189,261,748	123,210,750
913,668,167	873,440,139
140,492,500	126,222,126
1,054,160,667	999,662,265
94,313,198	86,423,646
1,148,473,865	1,086,085,911
138,943,798	108,228,420
141,962,500	138,943,798
1,145,455,163	1,055,370,533
99,880,049	67,033,590
162,845,300	99,880,049
1,082,489,912	1,022,524,074

33.01 Purchases of Raw Materials

Yarn (2,715,782 Kgs; 2010: 2,158,433 Kgs)

Chemicals (1,893,590 Kgs; 2010: 1,864,123 Kgs)

Accessories

Total

611,050,910	525,038,783
113,615,620	102,526,785
255,052,635	280,040,321
979,719,165	907,605,889

33.02 Factory Overhead

Rent

Security Service

240,000	200,000
3,605,152	5,843,971

Issuer:**Issue Manager:**

Depreciation	41,772,556	38,943,168
Utility Charges	26,935,547	21,028,136
Transport	9,045,523	8,876,421
Repair and Maintenance	2,765,843	2,597,359
Fuel & Lubricant	3,791,632	3,799,116
Carriage Inward	940,530	580,955
Overtime and Similar Allowance	1,212,792	1,184,368
Labour Bill	175,210	247,382
Other Expenses	3,828,413	3,122,770
Total	94,313,198	86,423,646

34 Administrative & Selling Expenses

	Amount in Taka	
	31.12.2011	30.12.2010
Staff Salaries	43,256,842	47,566,497
Directors' Remuneration	6,000,000	4,800,000
Bonus	2,343,079	1,561,250
Air Freight Charge	940,864	962,500
Buying House Expenses	7,434,268	4,279,088
Utility Charge	778,726	728,211
Entertainment	142,000	560,354
C & F Charges	5,298,702	5,014,147
Courier & Postage	666,537	551,760
Telephone and Other	732,464	639,203
Office Rent	1,320,000	3,029,710
Service Charges	200,030	727,534
Car Rent and Other Expenses	3,258,592	1,525,778
Depreciation	2,198,556	2,049,640
Preliminary Expenses Written off	-	141,590
Insurance Premium	1,200,600	2,120,566
Audit Fee	1,000,000	700,000
Professional and Consultancy fee	1,100,000	3,249,395
Traveling & Conveyance	1,734,049	1,974,479
Stationery	457,754	629,818
Fuel & Lubricant	1,519,129	1,627,067
Carriage Outward	3,025,652	1,350,014
Advertisement	320,400	593,750
License & Renewals	241,250	166,498
Commercial Expenses	1,544,463	2,893,008
Business Development Expenses	1,789,856	1,672,920
Legal Fees	555,489	102,200
Inspection charge	92,121	2,265,071
Exchange Loss/Gain	3,925,254	1,275,631
Donation	26,000	-
Other Expenses	2,083,871	2,558,043

Issuer:**Issue Manager:**

95,186,547 97,315,722

35 Other Income

Sub-Contract Revenue
Income from Cash Incentive
Other Revenues
Interest on Investment and Bank

59,268,000	54,938,600
25,630,900	27,865,406
36,511,600	29,701,515
35,132,029	-

Total

156,542,529 112,505,521

36 Financial Expenses

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

27,575,858	27,714,169
35,386,164	6,492,317
7,714,564	10,993,428
65,769,672	96,185,684
2,001,485	4,786,962
15,541,011	22,977,357

Total

153,988,754 169,149,917

37 Provision for Income Tax

Particulars	Amount	Rate	Tax Amount
Export	1,393,627,887	0.40%	5,574,512
Sub-Contract Revenue	59,268,000	4%	2,370,720
Income from Cash Incentive	25,630,900	5%	1,281,545
Other Revenues	36,511,600	37.50%	13,691,850
Interest on Investment and bank	35,132,029	37.50%	13,174,511
			36,093,138

31.12.2011

30.12.2010

38 Earnings Per Share (Weighted Average)

Earning Per Share (EPS)

	Basic Earning	
	No. of Share	
	182,412,065	
	81,655,890	***
=	2.23	=1.15

39 Fully Diluted EPS

Earning Per Share (EPS)

	Basic Earning	
	No. of Share	
	182,412,065	
	87,165,000	
=	2.09	=1.08

40 EPS From Recurring Income (Weighted Average)

Earning Per Share (EPS)

	Earning from recurring income	
	No. of Share	
	147,280,036	
	81,655,890	
=	1.80	=1.15

41 EPS From Recurring Income (Fully Diluted)

Earning Per Share (EPS)

	Earning from recurring income	
	No. of Share	
	147,280,036	

Issuer:**Issue Manager:**

87,165,000

= 1.69

=1.08

42 EPS From Non-Recurring Income (Weighted Average)

Earning Per Share (EPS)

Earning from non-recurring
income

No. of Share

35,132,029

81,655,890

= 0.43

43 EPS From Non-Recurring Income (Fully Diluted)

Earning Per Share (EPS)

Earning from non-recurring
income

No. of Share

35,132,029

87,165,000

= 0.40

*****Calculation of weighted average number of shares**

Particulars	Allot. Shares	Days	Days	Shares
Opening Jan. 01, 2011 to December 31, 2011	35,000,000	365	365	35,000,000
Allotment Jan. 06, 2011 to December 31, 2011	42,165,000	360	365	41,587,397
Allotment Jun 30, 2011 to December 31, 2011	10,000,000	185	365	5,068,493
Total	87,165,000			81,655,890

44 Capital Expenditure Commitment

There was no capital expenditure contracted but not incurred or provided for as on 31.12.2011

There was no material Capital expenditure authorised by the Board but not contracted for as on 31.12.2011

45 Contingent Liabilities

There was no sum for which the Company is contingently liable as on 31.12.2011

46 Claims not Acknowledged

There was no claim against the Company not acknowledged as debt as on 31.12.2011

47 Credit Facilities Availed

Credit facilities available were to the Company from banks as on 31.12.2011 and Trade Credit available in the ordinary course of business. No other credit facilities were available to the Company as on 31.12.2011

48 Commission, Brokerage or Discount Against Sales

No other commission, brokerage or discount was incurred or paid by the Company against sales during the period.

49 Events after the Reporting Period.

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

50 Employees

Number of employees whose salary was below Tk. 4,000 is 1187 as on 31.12.2011

Number of employees whose salary was above Tk. 4,000 is 1569 as on 31.12.2011

**51 Related Parties Transactions**

During the year the Company carried out a number of transactions with related party as investment. The name of these related party, nature of these transactions and their total value have been set out in accordance with the provisions of BAS 24: Related Party Disclosure, are as below:

Name of the party	Relationship	Nature of Transaction	Transaction Value
A. J. Corporation Limited	Common Directorship	Investment	254,725,000

52 Capacity Utilization

Particulars	Capacity	Actual Production
Garments	2,625,000 Dozens	1,910,064 Dozens
Fabrics	5,000 MT	3500 MT
Dyeing	5000 MT	3500 MT

Reason: Actual production as per market demand

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Director

ADDITIONAL DISCLOSURES BY AUDITOR

- As per the BOI Work Permit (Memo No. BOI/FTP-3007/2006/1954 dt. 29/5/2011), Mr. Ashutosh Mathur will get monthly remuneration of USD 1075 in total per month. State amount of actual payment in 2011 and whether it is within limit;

Auditors' Clarification: Mr. Ashutosh Mathur has received payment amounting to \$12,900 in the year 2011, which equals \$1,075 per month, and hence it is indeed within limit.

- Detail Break up of Directors' remuneration;

Auditors' Clarification: In year 2011, all directors of the company have received a monthly remuneration of Tk. 1,00,000 per month. Details as follows:

Name of Directors	Amount in Taka (Monthly)	Amount in Taka (Yearly)
Mr. Tauhidul Islam Chaudhury	100,000	1,200,000
Mr. Javed Opgenhaffen	100,000	1,200,000
Ms. Shaheen Akhter Chaudhury	100,000	1,200,000
Mr. Wahid Salam	100,000	1,200,000
Mr. Rajiv Sethi	100,000	1,200,000
Total	500,000	6,000,000

- All Directors are getting remuneration of BDT 100,000/- each per month. State under which article they are getting such remuneration while you have stated that they are not getting any remuneration under articles of 114, 115, 116 and 117 of the Articles of Association of your company.

Auditors' Clarification: All directors have received remuneration in 2011 as employees of the company as they run the day-to-day management of the company. All directors get remuneration pursuant to Article 148(3) of the Articles of Association of our company.

- In the prospectus it is stated that the directors are getting remunerations as its officers. Please state the designation of each of the directors in the company;



Auditors' Clarification: Mr. Tauhidul I Chaudhury acts as Chairman of the company looks after its entire policies and strategic operations, Mr. Javed Oppenhaffen as Managing Director looks after the overall management of the operations of the company; Mr. Rajiv Sethi as Director looks after its Marketing & Merchandising, Mr. Wahid Salam during his tenure as director looked after its Administration, and Ms. Shaheen Akther Chaudhury during her tenure as Director looked after its Banking & Finance.

5. Explain why income tax return for 2006, 2007, 2008 and 2009 were submitted at a time on 06/09/2010;

Auditors' Clarification: The management of the company has updated all its regulatory affairs on its conversion from private company into public company in 2010. The company management has undertaken that it will submit its income-tax returns within due date in future. The company's tax liabilities till 2009 have already been settled with DCT.

6. Provide break-up of professional and consultancy fees in details;

Auditors' Clarifications: Break-up is as follows:

Particulars	Amount in Taka
Accounting Service fees to A. Wahab & Co	200,000
Technical Consultancy fees for Machinery installation to Mr. Nazim Uddin	100,000
Consultancy fees to Mr. Golam Faruk	800,000
Total	1,100,000

7. Explain why provision for deferred tax is not made;

Auditors' Clarification: Deferred tax does not apply to the Company as the company paid income tax at 0.40% of sales (not profit).

8. Disclose information as per the requirements of para 4 and 8 of schedule XI, Part II of the Companies Act, 1994;

Auditors' Clarification: Information as per the requirements of para 4 and 8 of schedule XI, Part II of the Companies Act, 1994 are as follows:

Total Remuneration of Directors including Managing Director and Managers as per para 4 of schedule XI, Part II of the Companies Act, 1994:

Particulars	Amount in Taka (Yr. 2011)	Amount in Taka (Yr. 2010)
Remuneration to Directors	6,000,000	4,800,000
Remuneration to Managers	10,120,500	7,476,500
Total	16,120,500	12,276,500

Break up of Material Consumed as per para 8 of schedule XI, Part II of the Companies Act, 1994:

Particulars	Amount in Taka (Yr. 2011)	Amount in Taka (Yr. 2010)
Imported	137,050,225	148,484,824
Local	776,617,942	724,955,315
Total	913,668,167	873,440,139

9. Disclose separately the value of land and land developments;

Auditors' Clarifications: Disclosure is as follows:



Particulars	Amount in Taka
Land cost	19,839,000
Land development cost	66,406,266
Revaluation Surplus	136,740,234
Total	222,985,500

10. Explain why accounts receivables in note 19 are unsecured when it seems that all account receivables are covered by export L/Cs;

Auditors' Clarification: Accounts receivables in note 19 are deemed to be unsecured because these are not secured by any collateral securities.

11. Specify the bills the company purchased from Southeast Bank as shown in note 25;

Auditors' Clarification: Below are the details of the bills purchased through Southeast Bank; these were purchased against “dispatch” export documents and hence are 100% secured.

Account No.	Amount
7840082310	978,866
7840082311	1,956,880
78600019681	4,376,000
78600019682	2,075,000
78600019687	3,218,000
78600019690	4,623,000
78600019692	6,021,000
78600019695	11,097,000
78600019696	10,355,000
78600019697	7,246,000
78600019698	7,286,000
78600019701	2,886,000
78600019705	20,996,000
78600019715	881,000
78600019716	418,000
78600019717	745,000
78600019718	319,000
78600019719	1,252,000
78600019720	2,119,000
78600019721	540,000
Total	89,388,746

12. Whether bills purchase and other loans as shown in note 25 are lien on master/export L/Cs or lien against bills receivables;

Auditors' Clarification: All bills purchased and other loans shown in note 25 have lien on master L/Cs or against bills receivables.

13. Explain why deferred L/C liabilities in note 26 are unsecured;

Auditors' Clarification: Deferred L/C liabilities are deemed to be unsecured as such liabilities not secured by any collateral securities.

14. Provide detailed disclosure about other deferred L/C liabilities as shown in note 26 of the audited accounts;

Issuer:



Issue Manager:



Auditors' Clarification: Details are as follows:

Particulars	Amount in Taka
Apex Yarn Dyeing Limited	1,240,000
A.R.S Enterprise	2,609,000
Banga Plastic	609,000
Chemitex	2,714,000
Delowar Printing and Packaging	2,012,927
Britania Lebel	849,000
KB Traders	2,783,000
Metro Spinning Mills Limited	1,036,000
Fariha Accessories	962,000
M & U Packaging Ltd.	925,000
Total	15,739,927

15. Disclose details about other income in note 35 of the audited accounts for the year ended December 31, 2011:

Auditors' Clarification: Details are as follows:

Particulars	Amount in Taka	Remarks
Sub-Contract Revenue	59,268,000	SAMS Fashions, Priniti International, MAK Fashions, Khan & Sons, Fashion FX etc.
Income from Cash Incentive	25,630,900	N/A
Other Revenues	36,511,600	Sale proceeds of wastage
Interest on Investment and Bank	35,132,029	N/A
Total	15,654,2529	

16. Provide disclosure in detail about exchange loss/gain under note 34 of the audited accounts;

Auditors' Clarification: Exchange loss/gain arose from difference between foreign exchange receivables/payables and actual foreign exchange receipts/payment. Break-down is as follows:

Particulars	Amount in Taka
Exchange loss/(gain) from Receivable	(45,525,177)
Exchange loss/(gain) from Payable	49,450,431
Total	3,925,254

17. Whether provision of section 155 of the Companies Act, 1994 is complied with by the company regarding issuance of shares;

Auditors' Clarification: Further issue of capital was made by the Company, complying with section 155 of the Companies Act, 1994.

18. Compliance of condition 04 of our consent letter no. SEC/CI/CPLC-274/2010-282 dated 18/4/2011.

Auditor's Clarification: The Company has complied with condition 04 of SEC Consent Letter SEC/CI/CPLC-274/2010-282 dated 18/4/2011.

Place: Dhaka

Dated: June 12, 2012

Sd/-

ATA KHAN & CO

Chartered Accountants

6. Provide break-up of professional and consultancy fees in details;



Auditors' Clarifications: Break-up is as follows:

Particulars	Amount in Taka
Accounting Service fees to A. Wahab & Co	200,000
Technical Consultancy fees for Machinery installation to Mr. Nazim Uddin	100,000
Consultancy fees to Mr. Golam Faruk	800,000
Total	1,100,000

The company has clarified that the consultancy fees of Tk 8,00,000 mentioned above were paid for consultations on RJSC matters, conversion of the company from private limited company into public limited company, submission of annual returns and increase of authorized capital.

8. Disclose information as per the requirements of para 4 and 8 of schedule XI, Part II of the Companies Act, 1994

As per Para 4 of schedule XI, Part II of the Companies Act, 1994:

Requirement (a) Managerial remuneration paid or payable during the financial year to the director, including managing director, a managing agent or manager. If any;

Auditors' Clarification: Details are as follows:

Particulars	Amount in Taka (Yr. 2011)	Amount in Taka (Yr. 2010)
Remuneration to Directors	6,000,000	4,800,000
Remuneration to Managers	10,120,500	7,476,500
Total	16,120,500	12,276,500

Requirement (b) Expenses reimbursed to managing agent;

Auditors' Clarification: N/A

Requirement (c) Commission or other remuneration payable separately to managing agent or his associate;

Auditors' Clarification: N/A

Requirement (d) Commission received or receivable by managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concern with the company;

Auditors' Clarification: N/A

Requirement (e) The money value of contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year;

Auditors' Clarification: N/A

Requirement (f) Any other perquisites or benefits in cash or kind stating, approximate money value where practicable;

Auditors' Clarification: Nil

Requirement (g) Other allowances and commission including guarantee commission (details to be given);

Auditors' Clarification: Nil

Requirement (h) Pensions etc—



- (i) Pensions,
- (ii) Gratuities
- (iii) Payment from provident fund, in excess of own subscription and interest thereon;
- (iv) Compensation for loss of office
- (v) Consideration in connection with retirement from office;

Auditors' Clarification: Nil

As per para 8 of schedule XI, Part II of the Companies Act, 1994:

Requirement (a) Value of imports calculation of C.I.F (full costs) basis by the company during financial year in respect of: -

- (i) Raw materials
- (ii) Components and spare parts;
- (iii) Capital goods

Auditors' Clarification: (i) Break up of Raw Materials:

Particulars	Amount in Taka (Yr. 2011)	Amount in Taka (Yr. 2010)
Yarn	611,050,910	525,038,783
Chemical	113,615,620	102,526,785
Accessories	255,052,635	280,040,321
Total	979,719,165	907,605,889

(ii) Nil

(iii) Break up of Capital goods:

Particulars	Year 2011		Year 2010	
	Currencies	Amount in Taka	Currencies	Amount in Taka
Juki Brand New Sewing Machine	USD 570,000	410,400,000	Nil	Nil
Brushweding Roller, Touch screen and Pile Belt	Euro 26,106	2,819,448	Nil	Nil
DMS 11 HT Jambo Fully Automatic Dyeing Machine	Euro 152,250	14,759,115	Nil	Nil
Total		427,978,563		

Requirement (b) Expenditure in foreign currency during the financial year on account of royalty, know-how, professional consultancy fees, interest and other matters;

Auditors' Clarification: Nil

Requirement (c) Value of all imported raw materials, spares parts and components consumed during the financial year and value of all indigenous raw materials, spare parts and components similarly consumed and percentage of each to the total consumption:

Auditors' Clarification: Break up of Material Consumed:

Particulars	Year 2011		Year 2010	
	Amount in Taka	Percentage	Amount in Taka	Percentage
Imported	137,050,225	15	148,484,824	17

Issuer:



Issue Manager:



Local	776,617,942	85	724,955,315	83
Total	913,668,167	100	873,440,139	100

Requirement (d) The amount remitted during the year in foreign currencies on account of dividends with a specific mention of the number of non-resident shareholders, the number of shares held by them on which the dividends were due and the year to which the dividends related: -

Auditors' Clarification: N/A

Requirement (e) Earning in foreign exchange classified under the following heads namely: -

- (i) Exports for goods calculated on F.O.B basis;
- (ii) Royalty, know-how, professional and consultancy fess;
- (iii) Interest and dividend;
- (iv) Other income, indicating the nature thereof

Auditors' Clarification: There is no other earning in foreign exchange except export:

Particulars	Amount in Taka (Yr. 2011)	Amount in Taka (Yr. 2010)
Export Revenue	\$18,581,705 Equal Tk.1,393,627,887	\$18,554,583 equal Tk.1,289,543,519

15. Disclose details about other income in note 35 of the audited accounts for the year ended December 31, 2011

Auditors' Clarification: Details are as follows:

Particulars	Amount in Taka	Remarks
Sub-Contract Revenue	59,268,000	SAMS Fashions, Priniti International, MAK Fashions, Khan & Sons, Fashion FX.
Income from Cash Incentive	25,630,900	Cash subsidy was claimed at 5% on (i) 80% of the realized value of FOB; or (ii) Fabric value, whichever is the lower.
Other Revenues	36,511,600	Sale proceeds of wastage
Interest on Investment	33,225,000	Interest on Investment A. J. Corporation Ltd
Interest on Bank Deposits	1,907,029	
Total	15,654,2529	

Sd/-

Place: Dhaka

Dated: June 17, 2012

Moqbul Ahmed FCA
Partner, ATA KHAN & CO
Chartered Accountants

Auditor Certificate regarding number of knitting machines and name of products produced by Generation Next Fashions Limited.

We certify, based on information and explanations provided by the Company that Generation Next Fashions Limited has 17 LKM Machines and 4 Track Knitting Machines, totaling 21 knitting machines for different types of fabrics and manufactures various types of ready-made garments such as T- Polo Shirt, T-Shirt, Men Polo Shirt Short Sleeve, Ladies Polo Shirt Short Sleeve, Basic T-Shirt and Printed T-Shirt, Women's or Girls Trouser, Ladies Pant, Ladies Jacket, Men's 2PK Woven Short Trial, Basic T-Shirt and Static T-Shirt, Ladies Night Wear Set, Military Jogger, Women Flannel Pyjama, Basic Drive+Fusion Tee, Ladies Tank Top etc.

Sd/-

Issuer:

Place: Dhaka

Dated: February 22, 2012

Issue Manager:

ATA KHAN & CO

Chartered Accountants

**Auditors certificate regarding investment refund from A. J. Corporation Limited to
Generation Next Fashions Limited**

After due verification, we certify that A. J. Corporation Limited have refund the investment made by Generation Next Fashions Limited in A. J. Corporation Limited at Tk.221,500,000/-(twenty two crore fifteen lac) alongwith interest amount Tk.41,531,250/- (four crore fifteen lac thirty one thousand two hundred fifty) interest rate 15% p.a for 15 (fifteen) months, totaling Tk. 263,031,250/- (twenty six crore thirty lac thirty one thousand two hundred fifty) only.

Sd/-

Place: Dhaka

Dated: May 28, 2012

ATA KHAN & CO

Chartered Accountants

Report as per section 135 (1) of the Companies Act, 1994

We report as per Section 135 (1) and Part II of Schedule III of the Companies Act, 1994 that **Generation Next Fashions Limited** has prepared the following Comparative Balance Sheet (Statement of Assets and Liabilities) as at 31 December 2007, 2008, 2009, 2010 and 2011 and Comparative Income Statement (Statement of Profit and Losses) for the year ended 31 December 2007, 2008, 2009, 2010 and 2011 has been audited by us. Our responsibility is limited to review the corresponding audited financial statements.

We confirm that the following information have been correctly extracted from those audited financial statements:

- 1 Generation Next Fashions Limited was incorporated vide Reg No."C-53966(661)/2004 on 19, August 2004
- 2 The comparative financial statements are as follows:

**Comparative Income Statement
Statement of Profit and losses as per Para 24(2) a of part II of Schedule III
for the year ended December 2007, 2008, 2009, 2010 & 2011**

Particulars	Amount in Taka				
	31-Dec-11	31-Dec-10	31-Dec-09	31-Dec-08	31-Dec-07
A Sales Revenue	1,393,627,887	1,289,543,519	1,014,538,165	601,118,585	343,193,871
B Cost of Goods Sold	1,082,489,912	1,021,092,324	807,425,529	443,409,375	279,642,969
C Gross Profit (A-B)	311,137,975	268,451,195	207,112,636	157,709,210	63,550,902
D Administrative Expenses	95,186,547	98,747,472	79,651,392	49,791,947	51,398,322
E Operating Profit (C-D)	215,951,428	169,703,723	127,461,244	107,917,263	12,152,580
F Financial Expenses	153,988,754	169,149,917	164,891,128	123,378,056	53,788,597
G Other Income	156,542,529	112,505,521	115,397,056	71,356,802	69,849,761

Issuer:**Issue Manager:**

H	Net Profit /(Loss) before tax	218,505,203	113,059,327	77,967,172	55,896,009	28,213,744
I	Provision for Income tax	36,093,138	19,269,786	8,491,050	4,818,732	4,424,603
J	Net Profit (Loss) after Tax	182,412,065	93,789,541	69,476,122	51,077,277	23,789,141
K	Fully Diluted Earning per Share (EPS)	2.09	2.68	14.72	10.82	5.04

Comparative Balance Sheet

Statement of Assets & Liabilities as per 24 (2) (b) of Para II of Schedule III to the Companies Act, 1994
As at 31st December 2007, 2008, 2009, 2010 & 2011

Particulars	Amount in Taka				
	31.12.2011	31.12.2010	31.12.2009	31.12.2008	31.12.2007
A. NON-CURRENT ASSETS	2,267,152,562	1,717,956,510	1,484,787,328	1,313,598,258	663,365,084
Property, Plant & Equipment	1,432,890,110	1,289,999,471	1,196,135,081	1,134,603,222	534,288,300
Capital Works-in-Progress	579,537,452	427,957,039	288,510,657	178,853,446	128,935,194
Investments	254,725,000	-	-	-	-
Preliminary Expenses	-	-	141,590	141,590	141,590
B. CURRENT ASSETS	1,014,789,671	896,098,045	580,122,981	461,236,228	206,859,103
Inventories	520,641,340	362,034,597	281,807,010	225,590,251	86,398,829
Accounts Receivable	398,571,089	367,141,772	273,141,610	214,145,294	91,412,590
Loans, Advances, Deposits & Pre-Payments	81,423,358	89,938,221	15,993,796	4,980,629	2,434,976
Cash & Cash Equivalents	14,153,884	76,983,455	9,180,565	16,520,054	26,612,708
C. CURRENT LIABILITIES & PROVISIONS	953,478,661	798,540,477	448,341,818	299,476,917	193,738,350
Accounts & Other Payables	21,843,850	10,487,094	6,360,858	14,748,321	3,878,426
Accrued Expenses	77,786,796	41,403,343	25,442,758	10,489,675	4,782,534
Bank Overdraft	31,207,424	30,913,010	31,275,906	31,199,495	30,901,074
Short Term Bank Credits	566,176,664	428,399,941	219,748,335	69,618,714	117,852,935
Deferred L/C Liabilities	137,891,927	143,095,210	165,513,961	173,420,712	36,323,381
Current Maturity of Long Term Loans	118,572,000	144,241,879	-	-	-
D. NET CURRENT ASSETS (B-C)	61,311,010	97,557,568	131,781,163	161,759,311	13,120,753

Issuer:**Issue Manager:**

E. NET ASSETS (A+D)	2,328,463,572	1,815,514,077	1,616,568,491	1,475,357,569	676,485,837
F. SHAREHOLDERS' EQUITY	1,973,443,879	1,019,381,814	675,592,273	617,704,457	59,737,292
Share Capital	871,650,000	350,000,000	47,200,000	47,200,000	47,200,000
Share Premium	250,000,000	-	-	-	-
Proposed Bonus Share	-	-	52,800,000	-	-
Revaluation Surplus	506,889,888	506,889,888	495,301,582*	506,889,888	-
Retained Earnings	344,903,991	162,491,926	80,290,691	63,614,569	12,537,292
G. SHARE MONEY DEPOSIT	-	212,950,000	200,000,000	-	-
H. LONG TERM LOAN	355,019,693	583,182,263	740,976,218	857,653,112	616,748,545
Long Term Bank Loan	355,019,693	583,182,263	690,347,319	607,024,213	471,354,793
Other Loans	-	-	50,628,899	250,628,899	145,393,752
I. LIABILITIES & SHAREHOLDERS' EQUITY (F+G+H)	2,328,463,572	1,815,514,077	1,616,568,491	1,475,357,569	676,485,837
Net Assets Value Per Share of Tk.10 each (NAVPS)	22.64	29.13	143.13	130.87	12.66

* The company excluded additional depreciation amount charged on the revaluation surplus from the revaluation surplus amount in the balance sheet in 2009. The rectification has been made in the Accounts for the year ended 31 December 2010 as "Prior's Year Adjustment".

Comparative Statement of Cash Flow
For the year ended 2007, 2008, 2009, 2010 and 2011

Particulars	Amount in Taka				
	31.12.2011	31.12.2010	31.12.2009	31.12.2008	31.12.2007
A. CASH FLOWS FROM OPERATING ACTIVITIES:	87,398,905	(92,264,637)	(28,470,707)	(32,576,373)	(32,358,097)
Cash Received from Customers	1,518,741,099	1,308,048,878	1,070,938,904	549,742,683	367,217,596
Cash Payment for Materials and Expenses	(1,431,342,194)	(1,400,313,515)	(1,099,409,611)	(582,319,056)	(399,575,693)
B. CASH FLOWS FROM INVESTING ACTIVITIES:	(593,167,163)	(348,248,005)	(212,397,921)	(170,485,048)	(328,855,297)
Acquisition of Fixed Assets	(186,861,750)	(134,857,198)	(102,740,710)	(120,566,795)	(333,344,828)
Expenditures for Capital Work-in-Progress	(151,580,412)	(213,390,807)	(109,657,211)	(49,918,253)	4,489,531
Investments	(254,725,000)	-	-	-	-
Expenditure against Preliminary Expenses	-	-	-	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES:	442,938,688	508,315,532	233,529,139	192,968,767	370,251,789
Bank Overdraft Received/(Repaid)	294,414	(362,896)	76,412	298,421	20,367,958
Issue of Share Capital at par Premium	771,650,000	250,000,000	-	-	-
Short Term Bank Credit Received/(Repaid)	137,776,723	208,651,606	150,129,621	(48,234,221)	82,454,863
Long Term Loan (Repaid)/Received	(253,832,449)	37,076,823	83,323,106	135,669,420	226,373,803
Share Money Deposit (Adjusted)/Received	(212,950,000)	12,950,000	200,000,000	-	-

Issuer:**Issue Manager:**

Other Loans (Repaid)/Received	-	-	(200,000,000)	105,235,147	41,055,165
D. Net Increase/(Decrease) in cash & cash equivalents (A+B+C)	(62,829,570)	67,802,890	(7,339,489)	(10,092,654)	9,038,395
E. Cash & Cash equivalents at the beginning of the period	76,983,455	9,180,565	16,520,054	26,612,708	17,574,313
F. Cash & Cash equivalents at the end of the period (D+E)	14,153,885	76,983,455	9,180,565	16,520,054	26,612,708
Operating Cash Flow Per Share	1.00	(2.64)	(6.03)	(6.90)	(6.86)

- 3 No dividend, except stock dividend at approx 112% (528 bonus shares for 472 shares held) for the year ended 31 December 2009, was declared to date.
- 4 The Company has no subsidiaries.
- 5 No proceeds part of the proceeds of the issue of shares were applied by the Company in purchase of any Business.

Dated, Dhaka;
March 20, 2012

Sd/-
ATA KHAN & CO.
Chartered Accountants

Generation Next Fashions Ltd.**Auditors' Certificate regarding the calculation of EPS & other ratio(s)**

" Selected Ratio as specified in Rule 8B (20) (c) - Annexure-B of the Securities and Exchange Commission (Public Issues) Rules, 2006 "

Particulars	Formula	For the year ended				
		31.12.2011	31.12.2010	31.12.2009	31.12.2008	31.12.2007
Liquidity ratios :						
Current ratio (Times)	Current assets / Current liabilities	1.06	1.12	1.29	1.54	1.07
Quick (Acid Test) ratio (Times)	(Current assets-Inventories)/Current liabilities	0.52	0.67	0.66	0.78	0.62
Times interest earned ratio (Times)	EBIT/Interest Expense	2.73	1.80	1.58	1.53	1.62
Debt to equity ratio (Times)	Total debt/Total equity	0.66	1.56	2.05	1.87	13.56
Operating ratios :						
Accounts receivable turnover ratio or average collection period (days)	Net credit sales/Average net receivable or Accounts Receivables/Revenue per day	104	104	98	130	97
Inventory turnover ratio	Cost of sales/Average inventory	2.45	3.17	3.18	2.84	3.24
Total asset turnover ratio	Turnover/Average total assets Total Revenue/Total Assets	0.42	0.49	0.49	0.34	0.39

Issuer:**Issue Manager:**

Profitability ratios :						
Gross profit margin	Gross profit/Turnover	0.22	0.21	0.20	0.26	0.18
Operating profit margin	Operating profit/Turnover	0.15	0.13	0.13	0.18	0.03
Net Profit Margin (NPATM)	Net profit after tax/Turnover	0.13	0.07	0.07	0.08	0.07
Return on Assets (ROA)	Net profit after tax/Total assets	0.05	0.04	0.03	0.03	0.03
Return on Equity (ROE)	Net profit after tax/Total equity	0.09	0.09	0.08	0.08	0.40
Earnings Per Share (Taka)	Net profit after tax attributable to ordinary shareholders/ordinary shares outstanding	2.09	2.68	14.72	10.82	5.04
Earnings Per Share - diluted (Taka)	Net profit after tax attributable to ordinary shareholders/latest no. of ordinary shares outstanding	2.09	1.07	0.80	0.59	0.27
Face value per share	Share amount/number of shares	10.00	10.00	10.00	10.00	10.00

Dated, Dhaka;
March 20, 2012

Sd/-
ATA KHAN & CO.
Chartered Accountants



Ratio Calculation

Particulars	Formula	For the year ended									
		31.12.2011		31.12.2010		31.12.2009		31.12.2008		31.12.2007	
		Calculation	Ratio	Calculation	Ratio	Calculation	Ratio	Calculation	Ratio	Calculation	Ratio
Liquidity ratios :											
Current ratio (Times)	Current assets / Current liabilities	1,014,789,071 953,478,661	1.06	896,098,045 798,540,477	1.12	580,122,981 448,341,818	1.29	461,236,227 299,476,916	1.54	206,859,104 193,738,350	1.07
Quick (Acid Test) ratio (Times)	(Current assets- Inventories)/Current liabilities	494,147,731 953,478,661	0.52	534,063,448 798,540,477	0.67	298,315,971 448,341,818	0.66	235,645,976 299,476,916	0.78	120,460,275 193,738,350	0.62
Times interest earned ratio (Times)	EBIT/Interest Expense	344,918,099 126,412,896	2.73	254,495,074 141,435,748	1.80	213,004,849 135,037,677	1.58	160,366,485 104,470,476	1.53	73,225,224 45,011,480	1.62
Debt to equity ratio (Times)	Total debt/Total equity	1,308,498,354 1,973,443,879	0.66	1,594,672,740 1,019,381,814	1.56	1,389,318,035 675,592,273	2.05	1,157,130,028 617,704,457	1.87	810,486,895 59,737,292	13.56
Operating ratios :											
Accounts receivable turnover ratio or average collection period (days)	Net credit sales/Average net receivable or Accounts Receivables/Revenue per day	398,571,089*365 1,393,627,887	104	367,141,772*365 1,289,543,519	104	273,141,610*365 1,014,538,165	98	214,145,294*365 601,118,585	130	863,988,29*365 343,193,871	97
Inventory turnover ratio	Cost of sales/Average inventory	1,082,489,912 441,337,969	2.45	1,021,092,324 320,141,691	3.17	807,425,529 253,698,636	3.18	443,409,375 155,994,540	2.84	279,642,969 86,398,829	3.24
Total asset turnover ratio	Turnover/Average total assets Total Revenue/Total Assets	1,393,627,887 3,281,942,233	0.42	1,289,543,519 2,614,054,555	0.49	1,014,538,165 2,064,910,309	0.49	601,118,585 1,774,834,485	0.34	343,193,871 870,224,187	0.39
Profitability ratios :											
Gross profit margin	Gross profit/Turnover	311,137,975 1,393,627,887	0.22	267,019,445 1,289,543,519	0.21	207,112,636 1,014,538,165	0.20	157,709,210 601,118,585	0.26	63,550,902 343,193,871	0.18
Operating profit margin	Operating profit/Turnover	215,951,428 1,393,627,887	0.15	169,703,723 1,289,543,519	0.13	127,461,244 1,014,538,165	0.13	107,917,263 601,118,585	0.18	12,152,580 343,193,871	0.03
Net Profit Margin (NPATM)	Net profit after tax/Turnover	182,412,065 1,393,627,887	0.13	93,789,541 1,289,543,519	0.07	69,476,122 1,014,538,165	0.07	51,077,277 601,118,585	0.08	23,789,141 343,193,871	0.07
Return on Assets (ROA)	Net profit after tax/Total assets	182,412,065 3,281,942,233	0.05	93,789,541 2,614,054,555	0.04	69,476,122 2,064,910,309	0.03	51,077,277 1,774,834,485	0.03	23,789,141 870,224,187	0.03
Return on Equity (ROE)	Net profit after tax/Total equity	182,412,065 1,973,443,879	0.09	93,789,541 1,019,381,814	0.09	69,476,122 875,592,273	0.08	51,077,277 617,704,457	0.08	23,789,141 59,737,292	0.40
Earnings Per Share (Taka)	Net profit after tax attributable to ordinary shareholders/ordinary	182,412,065 87,165,000	2.09	93,789,541 35,000,000	2.68	69,476,122 4,720,000	14.72	51,077,277 4,720,000	10.82	23,789,141 4,720,000	5.04
Earnings Per Share - diluted (Taka)	Net profit after tax attributable to ordinary shareholders/latest no. of ordinary shares outstanding	182,412,065 87,165,000	2.09	93,789,541 87,165,000	1.07	69,476,122 87,165,000	0.80	51,077,277 87,165,000	0.59	23,789,141 87,165,000	0.27
Face value per share	Share amount/number of shares		10.00		10.00		10.00		10.00		10.00



DISCLOSURES BY MANAGEMENT

- 1. Sales growth of GNFL for the year 2011, 2010, 2009, 2008 and 2007 was 8.07%, 27.1%, 68.78%, 75% and 443%. Explanation from the company regarding the inconsistency in the sales growth:**

It may be analyzed that the sales growth of the company has reduced year on year over the course of the past 5 years. The reason for this is simple; the company only went into commercial operation in mid-2006, thus the revenue was only earned for a portion of the year in 2006 in comparison to revenue earned for the entire year the following year; the sales growth for the earliest 3 years was much higher than the next two years; as the company started in 2006 with no previous revenue, its rapid employment of workers and procurement of orders meant that sales grew astronomically in the first 3 years; this is quite common for a new manufacturing entity. As capacity utilization neared optimum starting from 2010, the possibility for sales growth gradually reduced. It may also be mentioned that yarn prices in 2010 were significantly higher than 2011, which meant higher unit prices for end products thus increased sales per unit in 2010 against 2011; this may also explain reason for slower sales growth in 2011.

- 2. Reasons for increasing net profit in 2011 by 94% over 2010 while sales revenue is increased by only 8.07%:**

The net profit in 2011 has increased due to enhanced export sales revenue, decrease in administrative and selling expenses, reduced financial expenses and increase in other income that included other revenue (sale proceeds of wastage) and interest income from investment into A. J. Corporation Limited. It may also be mentioned, that cost of goods sold as a % of sales has reduced in 2011 in comparison to 2010 partly due to lower yarn prices, which has also contributed to increased profitability in 2011.

Particulars	Dec 31, 2011	Dec 31, 2010	Difference	% Change
Sales Revenue	1,393,627,887	1,289,543,519	104,084,368	8.07%
Less: Cost of Goods Sold	1,082,489,912	1,021,092,324	61,397,588	6.01%
Gross Profit	311,137,975	268,451,195	42,686,780	15.90%
Less: Administrative & Selling Expenses	95,186,547	98,747,472	(3,560,925)	-3.61%
Operating Profit	215,951,428	169,703,723	46,247,705	27.25%
Add: Other Income	156,542,529	112,505,521	44,037,008	39.14%
Less: Financial Expenses	153,988,754	169,149,917	(15,161,163)	-8.96%
Net Profit Before Tax	218,505,203	113,059,327	105,445,876	93.26%
Provision for Income Tax	36,093,138	19,269,786	16,823,352	87.30%
Net Profit After Tax	182,412,065	93,789,541	88,622,524	94.49%

- 3. Explanation of Management regarding cash flow statement for the year ended 2011 showing cash flows from operating activities as Tk. 8,73,98,905/-, which were negative during previous 5 years.**

Cash flow statement for the year ended 2011 itself explains reasons for positive cash flow from operating activities. Cash flows from operating activities is positive because of increased sales revenue and collections and other income compared to the previous 5 (five) years.



4. Creation of workers profit participation funds (WPPF) from 2012;

The company, vide its Board Meeting dated June 14, 2012, unanimously decided to create workers profit participation fund from 2012.

**Information included as per SEC's notification no.
SEC/CMRRCD/2008/115/admin/30 dated October 05, 2011**

1. Earnings per Share (EPS) on fully diluted basis (The total existing no. of shares):

Particulars	Amount in Taka
Net profit after Tax	182,412,065
No. of shares before IPO	87,165,000
Earnings per Share (EPS) on fully diluted basis	2.09

2. Net profit excluding Extra-ordinary income or non-recurring income coming from other than core operations:

Particulars	Amount in Taka
Net profit after Tax	182,412,065
Non-recurring income	35,132,029
Net profit after tax except Non-recurring income	147,280,036

3. Earnings per shares excluding extra-ordinary income or non-recurring income coming from other than core operations:

Particulars	Amount in Taka
Net profit after Tax	182,412,065
Non-recurring income	35,132,029
Net profit after tax except Non-recurring income	147,280,036
No. of shares before IPO	87,165,000
Earnings per Share (EPS) on fully diluted basis	1.69

4. Net Asset Value per Share

a) The company revalued its assets in 2008.

b) Net Asset Value with and without Revaluation Reserve based on fully diluted basis:

	Particulars	Amount in BDT (31.12.2011)
	Non-current Assets	2,267,152,562
	Current Assets	1,014,789,671
A.	Total Assets	3,281,942,233
	Non-current Liabilities	355,019,693
	Current Liabilities	953,478,661
B.	Total Liabilities	1,308,498,354
C.	Net Asset Value	1,973,443,879
D.	Revaluation Surplus	506,889,888
E.	No. of Share	87,165,000
	NAV considering revaluation surplus (C/E)	22.64
	NAV without considering revaluation surplus ((C-D)/E)	16.83

Issuer:



“শেয়ারবাজারে বিনিয়োগ ঝুঁকিসূঁর্ণ। জেনে ও বুঝে
বিনিয়োগ করুন।”

Issue Manager:



SECTION 32: Application Form

“Interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue manager”

Generation Next Fashions Limited

Application Form

APPLICATION FOR SHARES BY INVESTORS OTHER THAN NON-RESIDENT BANGLADESHI(S)

Warning: *Please read the instructions at the back of this form. Incorrectly filled applications may be rejected*

The Managing Director

Generation Next Fashions Limited

Building # 348, Road # 5

DOHS Baridhara, Dhaka-1206

Banker's Sl no:

Dear Sir,

I/we apply for and request you to allot me/us thenumber of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's approved Prospectus and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Members of the Company and deposit the said shares to my/our BO (Beneficiary Owner) Account and/or a Crossed (Account Payee only) Cheque in respect of any application money refundable by post/courier at my/our risk to the first applicant's address stated below:-

1. No. of Ordinary Sharesof Tk.10/- each at par.
2. Amount of Tk. (in figure),, Taka (in words)only deposited vide Cash/Cheque/Draft/Pay Order No.....dated onBank..... Branch.
3. Beneficiary Owner (B/O) Account Number

(If you do not mention your valid BO (Beneficiary Owner) account number, your application will be treated as invalid)

4. I/we agree to fully abide by the instructions given herein.

5. Particulars of Applicant(s):

a) Sole/First Applicant

Name: Mr./Mrs./Ms.		
Father's/Husband's name:		
Mother's name:		
Postal address:		
Occupation:	Nationality:	Telephone No. (If any):
For refund warrant (Application will not be treated as valid if any one uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank) Please write the correct and full name of bank and branch		
For refund purpose: Applicant's Bank A/C No:		
Name of the Bank:		Branch:

The applicant shall provide the same bank account number in the application form as it is in the BO account of the applicant.

b) Second Applicant

Name: Mr./Mrs./Ms.		
Father's/Husband's name:		
Mother's name:		
Postal address:		
Occupation:	Nationality:	Telephone No. (If any):

6. I/We hereby declare that I/We have read the Prospectus of **Generation Next Fashions Limited** and have willingly subscribed for no. of shares of Tk.10/- each at par.

7. Specimen Signature(s):

	Name (in Block Letters)	Signature:
Sole / First Applicant		
Second Applicant		

BANK'S ACKNOWLEDGEMENT

Certified that this Bank has received Tk. (in figure) (in words) only from Mr./Mrs./Ms.being the application money for nos. of ordinary shares of Generation Next Fashions Limited

Bankers Sl. No.

Seal & Date

Authorized Signature
(Name & Designation)



INSTRUCTIONS

1. As per provision of the Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the Application Form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated as invalid.
2. All information must be typed or written in full (in block letters) in English or in Bengali and must not be abbreviated.
3. Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.
4. Application must not be for less than **500** ordinary shares and must be for a multiple of **500** ordinary shares. Any application not meeting these criterions will not be considered for allotment purpose.
5. Remittance for the full amount of the shares must accompany each application and must be forwarded to any of the Bankers' to the Issue. Remittance should be in the form of cash/cheque/bank draft/pay order payable to one of the Bankers' to the Issue favoring "**GENERATION NEXT FASHIONS LIMITED** " and crossed "**A/C Payee only**" and must be drawn on a bank in the same town as the bank to which the application form has been sent.
6. In the case of a joint application form, the Allotment letter will be dispatched to the person whose name appears first on this application form and where amount is refundable in whole or in part the same will be refunded by Account Payee cheque by post/courier service to the person named first on this application form in the manner prescribed in the Prospectus.
7. Joint application form for more than two persons will not be accepted. In case of joint application, each party must sign the application form.
8. Applications must be in the full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies and private companies must be accompanied by Memorandum of Association and Articles of Associations and Certificate of Incorporation.
9. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
10. No receipt will be issued for the payment made with application, but the bankers will issue a provisional acknowledgement to the issue for application lodged with them.
11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) showing bank account number and name of bank and branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12. Allotment shall be made solely in accordance with the instructions of the Securities and Exchange Commission.
13. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the application liable to rejection and subject to forfeiture of application money and / or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited Application money or share (unit) will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by the law.
14. Applications which do not meet the above requirements, or applications, which are incomplete, shall not be considered for allotment purpose.
15. The Bankers' to the Issue shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription of the IPO.
16. **No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus have been published. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% (fifteen) of their subscription money too.**

Issuer:**Issue Manager:****BANKERS TO THE ISSUE****Investment Corporation of Bangladesh**

Head Office, Dhaka	Khulna Br. Khulna	Chittagong Br., Chittagong	Sylhet Br., Sylhet
Local Office, Dhaka	Rajshahi Br. Rajshahi	Barisal Br., Barisal	Bogra Br., Bogra

Dhaka Bank Limited

Bhulta Br. Narayanganj	CDA Avenue Br. Chittagong	Cox's Bazar Br. Cox's Bazar	Comilla Br. Comilla
Goran Business Center, Dhaka	Khilgaon Br. Dhaka	KDA Avenue Br. Khulna	Mirpur Br. Dhaka
Savar Bazar Br. Dhaka	Uposhahar Br. Uposhahar		

Standard Chartered Bank

Motijheel (OPC) Br., Dhaka	Mirpur (OPC) Br., Dhaka	Nasirabad Br., Chittagong	Agrabad Br., Chittagong
Khulna Br., Khulna	Bogra Br., Bogra	Sylhet Br. Sylhet	

National Bank Limited

Bangshal Road Br., Dhaka	Babubazar Br., Dhaka	Banani Br., Dhaka	Dhanmondi Br., Dhaka
Mirpur Br., Dhaka	Elephant Road Br., Dhaka	Foreign Ex. Br., Dhaka	Gulshan Br., Dhaka
Imamganj Br., Dhaka	Islampur Br., Dhaka	Jatrabari Br., Dhaka	Kawran Bazar Br., Dhaka
Lake Circus Br., Dhaka	Malibagh Br., Dhaka	Chawk Bazar Br., Chittagong	Rokeya Sarani Br.,
Mohakhali Br., Dhaka	Mohammadpur Br., Dhaka	Motijheel Branch, Dhaka	Naranyganj Br. Narayanganj
New Eskaton Br., Dhaka	North Brook Hall Br., Dhaka	Pragati Sarani Br., Dhaka	Savar Bazar Br., Dhaka
Uttara Br., Dhaka	Z H Skder M.C. Br., Dhaka	Netaigonj Br., Dhaka	Khatunganj Br., Chittagong
Agrabad Br., Chittagong			

IFIC Bank

Federation Br. Dhaka	Pallabi Br. Dhaka	Agrabad Br. Chittagong	Dinazpur Br. Dinazpur
Dhanmondi Br. Dhaka	Lalmatia Br. Dhaka	CDA Avenue Br. Chittagong	Khulna Br. Khulna
Pragoti Sarani Br. Dhaka	Banani Br. Dhaka	Madam Bibir Hat Br. Chittagong	Boro Bazar Br. Khulna
North Book Hall Road. Dhaka	Uttara Br. Dhaka	Sk. Mujib Road Br. Chittagong	Jessore Br. Jessore
Elephant Road Br. Dhaka	Malibagh Br. Dhaka	Cox's Bazar Br. Cox's Bazar	Kushtia Br. Kushtia
Islampur Br. Dhaka	Comilla Br. Comilla	Narayanganj Br. Narayanganj	Narsingdi Br. Narsingdi
Shantinagar Br. Dhaka	Barisal Br. Barisal	Brahmanbaria Br. Brahmanbaria	Sylhet Br. Sylhet
Kawran Bazar Br. Dhaka	Feni Br. Feni	Choumuhani Br. Noakhali	Moulvi Bazar Br. Sylhet
Nayapaltan Br. Dhaka	Faridpur Br. Faridpur	Mymensingh Br. Mymensingh	Uposhohor Br. Sylhet
Stock Exchange, Dhaka	Bogra Br. Bogra	Rajshahi Br. Rajshahi	Tultikar Br. Sylhet
Moakhali Br. Dhaka	Pabna Br. Pabna	Rangpur Br. Rangpur	

One Bank Limited

Principal Br. Dhaka	Kakrail Br. Dhaka	Khatunganj Br. Chittagong	Sylhet Br. Sylhet
Motijheel Br. Dhaka	Jatrabari Br. Dhaka	CDA Avenue Br. Chittagong	Sherpur Br. Moulvi Bazar
Kawran Bazar Br. Dhaka	Nawabgonj Br. Dhaka	Nanupur Bazar Br. Chittagong	Islampur Br. Sylhet
Gulshan Br. Dhaka	Bangshal Br. Dhaka	Jubilee Road Br. Chittagong	Jessore Br. Jessore
Mirpur Br. Dhaka	Banani Br. Dhaka	Cox's Bazar Br. Cox's Bazar	Bogra Br. Bogra
Uttara Br. Dhaka	Imamganj Br. Dhaka	Chowmuhuni Br. Noakhali	Sirajgonj Br. Sirajgonj
Dhanmondi Br. Dhaka	Joypara Br. Dhaka	Chandragonj Br. Lakshmipur	Laksham Br. Comilla
Ganakbari (EPZ) Br. Dhaka	Banasree Br. Dhaka	Agrabad Br. Chittagong	Ramganj Br. Laxmipur
Elephant Road Br. Dhaka	Feni Br. Feni	Dagon Bhuiyan Br. Feni	Narayanganj Br.
Progoti Sharani Br. Dhaka	Raipur Br. Laxmipur	Maijdee Court Br. Noakhali	

BRAC Bank Limited

Asad Gate Br. Dhaka	Manda Br. Dhaka	Agrabad Br. Chittagong	Jessore Br. Jessore
Banani Br. Dhaka	Mirpur Br. Dhaka	CDA Avenue Br. Chittagong	Khulna Br. Khulna
Bashundhara Br. Dhaka	Nawabpur Br. Dhaka	Halisohor Br. Chittagong	Barisal Br. Barisal
Donia Br. Dhaka	Rampura Br. Dhaka	Kazirdeuri Br. Chittagong	Zindabazar Br. Sylhet
Eskaton Br. Dhaka	Shyamoli Br. Dhaka	Momin Road Br. Chittagong	Potia Branch, Potia
Graphics Building Br. Dhaka	Uttara Br. Dhaka	Bogra Br. Bogra	
Gulshan Br. Dhaka	Narayanganj Br. Narayanganj	Rajshahi Br. Rajshahi	

Issuer:**Issue Manager:****Bank Asia Limited**

Principal Office , Motijheel C.A., Dhaka	Progoti Sarani Branch, Dhaka	Agrabad Branch, Chittagong	Shantinagar Branch, Dhaka
Corporate Branch, Dhaka	MCB Dilkusha Branch, Dhaka	MCB Sk. Mujib Road Branch, Chittagong	Mohakhali Branch, Dhaka
Gulshan Branch, Dhaka	Scotia Branch, Dhaka	Station Road Branch, Chittagong	Mirpur Branch, Dhaka
Uttara Branch, Dhaka	MCB Banani Branch, Dhaka	Khatunganj Branch, Chittagong	Sylhet Uposhahar Branch, Sylhet
North South Rd. Branch, Dhaka	Mitford Branch, Dhaka	Bahadderhat Branch, Chittagong	Bogra Branch, Bogra
Bashundhara Branch, Dhaka	Dhanmondi Branch, Dhaka	CDA Avenue Branch, Chittagong	Khulna Branch, Khulna
Moghbazar Branch, Dhaka	Sylhet Main Branch, Sylhet	Anderkilla Branch, Chittagong	
Rajshahi Branch, Rajshahi	Jessore Branch, Jessore	Kamal Bazar Branch, Chittagong	

The City Bank Limited

B B Avenue Br., Dhaka	Pragati Sarani Br., Dhaka	Narsingdi Br., Narsingdi	Khulna Br., Khulna
Dhaka Chamber Br., Dhaka	Tanbazar Br., Narayanganj	Zinda Bazar Br., Sylhet	Jessore Br., Jessore
Dhanmondi Br., Dhaka	Zinzira Br., Dhaka	Bandar Bazar Br., Sylhet	Barisal Br., Barisal
Shaymoli Br. Dhaka	Tongi Br., Dhaka	Amborkhana Br., Sylhet	Chawkbazar Br., Chittagong
Imamgonj Br., Dhaka	Agrabad Br., Chittagong	Moulvi Bazar Br., Sylhet	Pahartoli Br., Chittagong
Johnson Road Br., Dhaka	Jubilee Road Br., Chittagong	Rajshahi Br., Rajshahi	Comilla Br., Comilla
Kawran Bazar Br., Dhaka	Khatunganj Br., Chittagong	Bogra Br., Bogra	Islampur Br., Dhaka
New Market Br., Dhaka	Andarkilla Br., Chittagong	Rangpur Br., Rangpur	Nawabgonj Br., Dhaka
VIP Road Br., Dhaka	Cox's Bazar Br., Chittagong	Sirajgonj Br., Sirajgonj	Nawabpur Br., Dhaka

Eastern Bank Limited

Principal Branch, Dilkusha, Dhaka	Narayanganj Branch	Bogra Branch, Bogra	Moulvi Bazar Branch, Sylhet
Motijheel Branch, Dhaka	Jessore Branch	Khulna Branch, Khulna	Khatunganj Branch, Chittagong
Mirpur Branch, Dhaka	Choumuhoni Branch	Rajshahi Branch, Rajshahi	Shyamoli Branch, Dhaka
Bashundhara Branch, Dhaka	Agrabad Branch, Chittagong	Savar Branch, Savar, Dhaka	

Issuer:



“শেয়ারবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে
বিনিয়োগ করুন।”

Issue Manager:



“Interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue manager”

Generation Next Fashions Limited

Application Form

APPLICATION FOR SHARES BY NON-RESIDENT BANGLADESHI(S) (TO BE SENT DIRECTLY TO THE COMPANY'S CORPORATE OFFICE)

Warning: Please read the instructions at the back of this form: Incorrectly filled applications may be rejected.

The Managing Director

Generation Next Fashions Limited

Building # 348, Road # 5

DOHS Baridhara, Dhaka-1206

Dear Sir,

I/we apply for and request you to allot me/us the following number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's approved Prospectus and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Members of the Company and credit the said shares to my/our BO (Beneficiary Owner) Account and / or a Crossed (Account Payee only) Cheque in respect of any application money refundable by post/courier at my/our risk to the first applicant's address stated below:

- No. of Ordinary Shares of Tk. 10/- each at par.
- Amount of Tk. (in figure)..... (in words)
only convertible into US Dollar 1=Tk., UK Pound Sterling 1 =Tk..... and EURO 1=Tk.....
- Payment by Cheque/ Draft No.date.....for
US Dollar or UK Pound Sterling or EURO or Tk..... drawn
on.....Bank.....Branch.
- Depository (BO) Account Number

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(If you do not mention your valid BO (Beneficiary Owners) account, your application will be treated as invalid)

5. I/ We agree to fully abide by the instructions given herein.

6. Particulars of Applicant(s)

a. Sole/First Applicant

Name: Mr./Mrs./Ms.	
Father's/Husband's name:	
Mother's name:	
Postal address:	
Occupation:	Nationality:
Passport No:	Valid Up to:
Date of birth:	Telephone No. (If any):
For refund warrant (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank) Please write the correct and full name of bank and branch:	
For refund purpose: Applicant's Bank A/C No:	
Name of the Bank:	Branch:

The applicant shall provide the same bank account number in the application form as it is in the BO account of the applicant.

b. Second Applicant

Name: Mr./Mrs./Ms.	
Father's/Husband's name:	
Mother's name:	
Postal address:	
Occupation:	Nationality:
Passport No:	Valid Up to:
Date of birth:	Telephone No. (If any):

c. Nominee

Issuer:**Issue Manager:**

Name:
Mailing Address:

7. I/ We hereby declare that I/we have read the Prospectus of **Generation Next Fashions Limited** and have willingly subscribed for No. of Ordinary Shares of Tk.10/- each at par on this form.

8. Specimen Signature(s)

	Name (in Block Letters)	Signature
1 st Applicant		
2 nd Applicant		
Nominee's Name		

INSTRUCTIONS

- As per provision of the Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the Application Form. If you do not mention your valid BO (Beneficiary Owner) account, your application will be treated as invalid.
- All information must be written or typed in block letters in English and must not be abbreviated.
- An application must not be for less than **500** Ordinary Shares and must be for a multiple of **500** ordinary shares. Any application not meeting this criterion will not be considered for allotment purpose.
- An application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of shares favoring "**Generation Next Fashions Limited**" and crossed "**Account Payee only**".
- An application shall be sent by the applicant directly to the Company by September 20, 2012 so as to reach the Company by September 29, 2012. Applications sent after September 20, 2012 or received by the Company after September 29, 2012 will not be considered for allotment purpose.
- Refund against over-subscription shall be made in the currency in which the value of shares was paid for by the applicant at the same rate as stated on the application form through Account Payee cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form.
- In case of over-subscription, allotment shall be made by lottery solely in accordance with the instructions by SEC.
- Money receipt on clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company.
- Joint Application by two persons will be acceptable. In such a case, allotment of refund shall be made to the first applicant. Note that a non-resident Bangladeshi (NRB) applicant cannot submit more than two applications, one in his/her own name and another jointly with another person by one cheque/DD/PO by USD/GBP/Euro/BDT (supported by a foreign currency encashment certificate). More than two applications by one cheque/DD/PO by USD/GBP/Euro/BDT (supported by a foreign currency encashment certificate) will not be allowed.
- Application must be made by an individual, a corporation or company, a trust or a society and not by a firm, minor or persons of unsound mind.
- Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the Application liable to rejection and subject to forfeiture of application money and / or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by the law.
- The intending NRB applicants shall deposit share money by US Dollar/UK Pound Sterling/EURO draft drawn on any Bank and payable in Dhaka, Bangladesh, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only". So that the issuer's collecting bank can clear the proceeds and deposit the same into issuer bank's account in time.

Issuer:**Issue Manager:**

13. The spot buying rate (TT Clean) in US Dollar, UK Pound Sterling and EURO of Sonali Bank at the day of subscription opening will be applicable for the Non Resident Bangladeshi (NRB) applicants.
14. **The applicant shall furnish photocopies of relevant pages of valid passports in support of his being a NRB, dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him to travel to Bangladesh.**
15. In case of joint NRB application joint applicant shall also submit supporting papers /documents in support of their being a NRB as mentioned in para-14 (above).
16. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
17. **No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus have been published.**
18. In case of non-allotment of the ordinary shares, if the applicants' bank accounts as mentioned in their application forms are maintained with any of the bankers to the issue, the amount refunded to those applicants will be directly credited into their respective bank accounts as mentioned in their application forms. Otherwise, refunds will be made only through "Account Payee" cheque(s) with bank account number and name of the bank branch as mentioned in the application form, payable at Dhaka or Chittagong, Khulna, Barisal, Rajshahi or Sylhet, as the case may be.
19. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% (fifteen) of their subscription money too.**

THE NRB APPLICATION ALONG WITH THE FOREIGN CURRENCY DRAFT, AS ABOVE, IS TO BE SUBMITTED TO THE COMPANY'S HEAD OFFICE DIRECTLY WITHIN THE STIPULATED TIME MENTIONED IN PARA 5.

Issuer:



Issue Manager:



“শেয়ারবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেলে ও বুঝে
বিনিয়োগ করুন।”

“Interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue manager”

Generation Next Fashions Limited

Application Form

APPLICATION FOR SHARES BY AFFECTED SMALL INVESTORS (স্বতন্ত্র ক্ষুদ্র বিনিয়োগকারী)

Warning: *Please read the instructions at the back of this form. Incorrectly filled applications may be rejected*

The Managing Director

Generation Next Fashions Limited

Building # 348, Road # 5

DOHS Baridhara, Dhaka-1206

Banker's Sl no:

Dear Sir,

I/we apply for and request you to allot me/us thenumber of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's approved Prospectus and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Members of the Company and deposit the said shares to my/our BO (Beneficiary Owner) Account and/or a Crossed (Account Payee only) Cheque in respect of any application money refundable by post/courier at my/our risk to the first applicant's address stated below:-

8. No. of Ordinary Sharesof Tk.10/- each at par.

9. Amount of Tk. (in figure),, Taka (in words)only deposited vide Cash/Cheque/Draft/Pay Order No.....dated onBank..... Branch.

10. Beneficiary Owner (B/O) Account Number

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(If you do not mention your valid BO (Beneficiary Owner) account number, your application will be treated as invalid)

11. I/we agree to fully abide by the instructions given herein.

12. Particulars of Applicant(s):

c) Sole/First Applicant

Name: Mr./Mrs./Ms.		
Father's/Husband's name:		
Mother's name:		
Postal address:		
Occupation:	Nationality:	Telephone No. (If any):
For refund warrant (Application will not be treated as valid if any one uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank) Please write the correct and full name of bank and branch		
For refund purpose: Applicant's Bank A/C No:		
Name of the Bank:	Branch:	

The applicant shall provide the same bank account number in the application form as it is in the BO account of the applicant.

d) Second Applicant

Name: Mr./Mrs./Ms.		
Father's/Husband's name:		
Mother's name:		
Postal address:		
Occupation:	Nationality:	Telephone No. (If any):

13. I/We hereby declare that I/We have read the Prospectus of **Generation Next Fashions Limited** and have willingly subscribed for no. of shares of **Tk.10/-** each at par.

14. Specimen Signature(s):

	Name (in Block Letters)	Signature:
Sole / First Applicant		
Second Applicant		

BANK'S ACKNOWLEDGEMENT

Certified that this Bank has received Tk. (in figure) (in words) only from Mr./Mrs./Ms.being the application money for nos. of ordinary shares of Generation Next Fashions Limited

Bankers Sl. No.

Seal & Date

Authorized Signature
(Name & Designation)

Prospectus
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INSTRUCTIONS

1. As per provision of the Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the Application Form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated as invalid.
2. All information must be typed or written in full (in block letters) in English or in Bengali and must not be abbreviated.
3. Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.
4. Application must not be for less than **500** ordinary shares and must be for a multiple of **500** ordinary shares. Any application not meeting these criterions will not be considered for allotment purpose.
5. Remittance for the full amount of the shares must accompany each application and must be forwarded to any of the Bankers' to the Issue. Remittance should be in the form of cash/cheque/bank draft/pay order payable to one of the Bankers' to the Issue favoring "**GENERATION NEXT FASHIONS LIMITED** " and crossed "**A/C Payee only**" and must be drawn on a bank in the same town as the bank to which the application form has been sent.
6. In the case of a joint application form, the Allotment letter will be dispatched to the person whose name appears first on this application form and where amount is refundable in whole or in part the same will be refunded by by Account Payee cheque by post/courier service to the person named first on this application form in the manner prescribed in the Prospectus.
7. Joint application form for more than two persons will not be accepted. In case of joint application, each party must sign the application form.
8. Applications must be in the full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies and private companies must be accompanied by Memorandum of Association and Articles of Associations and Certificate of Incorporation.
9. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
10. No receipt will be issued for the payment made with application, but the bankers will issue a provisional acknowledgement to the issue for application lodged with them.
11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) showing bank account number and name of bank and branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12. Allotment shall be made solely in accordance with the instructions of the Securities and Exchange Commission.
13. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the application liable to rejection and subject to forfeiture of application money and / or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited Application money or share (unit) will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by the law.
14. Applications which do not meet the above requirements, or applications, which are incomplete, shall not be considered for allotment purpose.
15. The Bankers' to the Issue shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription of the IPO.
16. **No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus have been published.**

Issuer:



Issue Manager:



17. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% (fifteen) of their subscription money too.