RIGHTS SHARE OFFER DOCUMENT

Date: February 04, 2014

Rights Offer of **112,478,400** Ordinary Shares of Tk.**10/-** each (at par) totaling Tk.**1,124,784,000/-** offered on the basis of 2(R)**:** 3 (i.e. two rights share for three existing share) on the record date.

SUBSCRIPTION

Opens on: **March 18, 2014**
Closes on: **April 09, 2014**
(Within banking hours)

RECORD DATE

(For Entitlement of Rights)
February 25, 2014

MANAGER TO THE ISSUE

ICB Capital Management Limited
BDBL Bhaban (Level-16),8, Rajuk Avenue, Dhaka-1000.Phone: 9585691-2,
E-mail: ceocmcl@accesstel.net,Fax: 880-2-9555707,
Website: www.icbcml.com.bd

BANKERS TO THE ISSUE

Investment Corporation of Bangladesh
BRAC Bank Limited
Mutual Trust Bank Limited

FULLY UNDERWRITTEN BY

ICB Capital Management Limited 8, Rajuk Avenue (Level: 16), Dhaka-1000 Phone: 9585691-2, Fax: 880-2-9555707 E-mail: ceocmcl@accesstel.net, Website: www.icbcml.com.bd	**Banco Finance and Investment Limited** Baitul View Tower (11th Floor), 56/1, Purana Paltan, Dhaka-1000 Tel: 02-7125703, 7125910, Fax: 02-7125634 Email: banco.bd@gmail.com, Website: www.bfil.org
Janata Capital and Investment Limited 48,Motijheel C/A (3rd Floor), Dhaka-1000 Tel: 02-7114374-5, Fax: 02-7110496 Email: info@jcil.com.bd	**AFC Capital Limited** Tanaka Tower (2nd Floor), 42/1/Gha, Segun Bagicha, Dhaka-1000,Tel: 02-7120795, 7121348, Fax: 02-7121348, 9550040, Email: capital.afc@gmail.com, website: afccapital.org
Prime Finance Capital Management Limited 63, Dilkusha C/A (3rd Floor), Dhaka-1000, Phone: 9563883. Fax: 9563692. E-mail: info@primefincap.com,website:www.primefincap.com	**PLFS Investment Limited** Paramonut Heights (13th Floor) 65/2/1, Box Culvert Road, Purana Paltan, Dhaka-1000
Alpha Capital Management Limited National Scout Bhaban (5th floor) 70/1, Inner Circular Road, Dhaka-1000	

As per provision of the Depository Act, 1999 and regulation made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Generation Next Fashions Limited
Building # 348, Road # 05
DOHS Baridhara, Dhaka-1206
Telephone: +880-2-8412625, 8411623, 8419210, Fax: +880-2-8416491
E-mail : info@gnf-bd.com, Website : www.gnf-bd.com
Factory: Dhonaid, Earpur, Savar, Dhaka

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Definition and Elaboration of the abbreviated words and
Technical terms used in the Rights Share Offer Document (ROD)

ICML	:	ICB Capital Management Limited
Allotment	:	Allotment of Share
Commission	:	Bangladesh Securities and Exchange Commission
Companies Act	:	Companies Act, 1994 (Act. No. XVIII of 1994)
DSE	:	Dhaka Stock Exchange Limited
CSE	:	Chittagong Stock Exchange Limited
Issue	:	Rights Issue
Issue Manager	:	ICB Capital Management Limited
Issuer Company	:	Generation Next Fashions Limited
NAV	:	Net Assets Value
Offering Price	:	Price of the Securities of Generation Next Fashions Limited
Registered Office	:	Head Office of the Company
RI	:	Rights Issue
Rights Issue Rule	:	Bangladesh Securities and Exchange Commission (Rights Issue) Rules, 2006
RJSC	:	Registrar of Joint Stock Companies & Firms
BSEC	:	Bangladesh Securities and Exchange Commission
Securities	:	Shares of Generation Next Fashions Limited
Securities Market	:	The Share Market of Bangladesh
Sponsor	:	The Sponsor Shareholders of Generation Next Fashions Ltd.
Stockholder	:	Shareholder
Subscription	:	Application Money

Generation Next Fashions Limited
Head Office : Building # 348, Road # 5
DOHS Baridhara, Dhaka-1206

RIGHTS ISSUE OF SHARES

October 13, 2013

Dear Shareholder(s)

We are pleased to inform you that the shareholders of the Company in the 2nd Extra Ordinary General Meeting (EGM) held on dated 29.09.2013 approved Rights Shares issue proposal of 112,478,400 (including 20% Stock dividend for the year 2012) Ordinary Shares of Tk. 10/- each totaling Tk. 1,124,784,000/- offered on the basis of 2(R):3 (i.e. two rights share for three existing share held). The purpose of issuance of Rights Share is to raise further paid up capital for balancing, modernization, rehabilitation & expansion (BMRE) of the factory building on land located at Dhonaid, Earpur, Savar, Dhaka along with pay off loan of the company. For that reason, the management of the Company has decided to increase paid-up-capital to the extent of Tk. 2,811,960,000/- from Tk. 1,687,176,000/-

Having satisfactory operation, the Company has earned Net Profit (after Tax) of Tk. 169,010,106/- for the period ended on 30.06.2013. The success could have been possible with the support of our customers and efficient direction of the Board of Directors as well as patronization and active participation of our valued shareholders.

To maintain the growth and to increase the capital base of your Company, we hope you would come forward with full support and assistance to make the offer a success.

A self-explanatory Rights Share Offer Document prepared according to the Bangladesh Securities and Exchange Commission (Rights Issue) Rules, 2006 is enclosed herewith for your kind information and evaluation.

On behalf of the Board of Directors

Sd/-
(Javed Opgenhaffen)
Managing Director

THE RIGHTS SHARE OFFER

Highlights of the Company

Generation Next Fashions Limited (GNFL) was incorporated in Bangladesh under the Companies Act 1994 on August 19, 2004 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 1687.176 million and authorized capital is BDT 4,000.00 million.

Corporate Information:

Date of Incorporation	:	August 19, 2004
Commencement of operation	:	July 30, 2006
Listed in Dhaka Stock Exchange	:	November 15, 2012
Listed in Chittagong Stock Exchange	:	November 20, 2012
Trading Date at DSE and CSE	:	December 05, 2012
Authorized Capital	:	4000.00 million
Paid-up Capital	:	1687.176 million
Shareholders' equity	:	2,724,479,497
Total Assets	:	4,181,036,463
Number of Employees	:	2787
Number of shareholders (as on 30-06- 2013)	:	18,553
Shares Credited with CDBL	:	December 02, 2012

Existing Product & Services rendered by the Company:

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 The company has the following major production departments:

1. 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 CADCAM systems in place to boost its sewing capabilities.

Production Capacity

As per Audited Accounts for the year ended June 30, 2013

Particulars	Capacity	Actual Production	Capacity Utilization
Garments	655,000 Dozens	570,685 Dozens	87..00%
Fabrics	2,500 MT*	1875 MT	75.00%
Dyeing	2,500 MT	1875 MT	75.00%

MT stands for Metric Ton

The Rights Issue

The meeting of the Board of Directors of the Company held on August 26, 2013 decided to raise paid-up capital by Tk. 1,124,784,000.00 through issuance of Rights share of 112,478,400 Ordinary Shares of Tk.10.00 each at par share at a ratio of 2(R):3 (two rights share for three existing share) on the basis of existing paid-up capital of Tk. 1,687,176,000.00 Subject to the approval of BSEC.

Issue Price

2nd Extra Ordinary General Meeting (EGM) of the Company was held on September 29, 2013 for this purpose. In the EGM the honorable shareholders approved Rights Offer of 112,478,400 Ordinary Shares at an offer price of Tk.10.00 each on the basis of 2(two) rights share for every 3 (three) existing share held on the record date.

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.

DATE OF OPENING AND CLOSING OF SUBSCRIPTION LISTS

Subscription opens for the rights shares offer on March 18, 2014 and subscription closes for the rights shares offer on April 09, 2014.

PURPOSE OF THE RIGHTS ISSUE

The Company has decided to issue right shares in order to pay off debt and expand the production capacity.

1. **Utilization of Rights Issue Fund:**

Purpose	Amount in Taka
A). BMRE of the Existing Project	**640,000,000**
Repayment of Loans:	
Term Loan	250,813,042
Over Draft	47,080,863
Time Loan	161,890,095
B). Sub-total	459,784,000
C). Rights Issue expenses	25,000,000
Grand Total (A+B+C)	**1124,784,000**

a. **Detail Cost of BMRE work**

Estimated of Project Cost		
Sl.	**Particulars**	**Taka**
1	Building & Other Civil Construction	300,000,000
2	Imported Machineries	300,000,000
3	Cost of Machinery Installation	5,000,000
4	Office Equipment & Other Assets	10,000,000
5	Vehicles	25,000,000
Total Fixed Cost of the Project (BMRE)		**640,000,000**

b. Details of Construction of Factory Building

The Company has planned to extend factory building measuring approximately 146,100 sft. The approximate cost required for construction of the building is estimated details of which is shown below

Estimated cost at the building:

Sl.	Particulars	Amount In Tk.
1	Building & Other Civil Construction (35000 sft X 3+28500 sft+ 4200 sft X 3)=146,100 sft @ Tk.2,053.00 (approx)	300,000,000
Total Cost		**300,000,000**

a. Details of Imported Machineries

The Company has planned to import machineries for expansion of business capacity. The approximate cost required is estimated Tk. 30.00 crore details of which is shown below:

Estimated cost at Imported Machineries:

Sl.	Particulars	Amount In Tk.
1	Dyeing Machines (Brand New) 7 nos.	100,000,000
2	Circular Knitting Machines (Brand New) 11 nos.	105,000,000
3	Flat Knit Machine (Brand New) 14 nos.	8,200,000
4	Gas Generator 1020 KW	28,100,000
5	Boiler	10,000,000
6	Central Air Conditioner	5,700,000
7	Lift 3 nos.	10,000,000
8	Sewing Machine	28,000,000
9	Contingencies	5,000,000
Total		300,000,000

Means of Finance:

Particulars	Amount in TK.
Rights Issue Proceed	1,124,784,000
Total	1,124,784,000

Utilization of IPO Fund:

Generation Next Fashions Limited went for Public Issue in the year 2012 by issuing 30,000,000 Ordinary Shares of Tk. 10 each at par totaling Tk. 300,000,000/- with the objective of partial repayment of loan of the company. The entire fund had utilized in the following manner, which had already been reflected in the audited accounts of 2012.

Particulars Utilization Date: December 05, 2012

IPO Utilization:

Particulars	**Amount in Tk.**
Repayment of Loan	**300,000,000**

Means of Finance:

Particulars	**Amount in Tk.**
Initial Public Offering (IPO)(general share)	300,000,000
Total	**300,000,000**

Sd/-
(Mark Niranjan Chowdhury)
Chief Financial Officer

Sd/-
(Javed Opgenhaffen)
Managing Director

GM held by the Company & dividend performance:

Sl. No.	**Date of AGM**	**Year**	**Rate of Dividend**
1	September 01, 2005	2004	N/A
2	September 30, 2006	2005	N/A
3	September 30, 2007	2006	N/A
4	September 30, 2008	2007	N/A
5	June 30, 2009	2008	N/A
6	May 16, 2010	2009	112% Stock Dividend
7	August 14, 2011	2010	N/A
8	December 31, 2012	2011	20% Stock Dividend
9	April 22, 2013	2012	20% Stock Dividend

Sd/-
Javed Opgenhaffen
Managing Director

Sd/-
Shamsur Rahman Khan
Company Secretary

Production Capacity: As per audited financial statements

Particulars	Production Capacity	Production	% Of Utilization	Year
Garments	655,000 Dozens	570,685 Dozens	87%	2013
Fabrics	2,500 MT*	1875 MT	75%	
Dyeing	2,500 MT	1875 MT	75%	
Garments	1,310,000 Dzs	942,870 Dzs	72%	2012
Fabrics	5,000 MT	3,500 MT	70%	
Dyeing	5,000 MT	3,500 MT	70%	
Garments	2,625,000 Dzs	1,910,064 Dzs	73%	2011
Fabrics	5,000 MT	3,500 MT	70%	
Dyeing	5,000 MT	3,500 MT	70%	

JUSTIFICATION OF THE ISSUE PRICE OF PROPOSED RIGHTS OFFER

The rights issue price of Tk. 10.00 each is justified as per the guidelines of the Bangladesh Securities & Exchange Commission as detailed below:

Method-1(a) Price based on Net Asset Value per share (with revaluation)

Particulars	Amount
Share Capital	1,687,176,000
Share Premium	250,000,000
Revaluation Surplus	463,106,627
Retained Earnings	324,196,970
Total Shareholders' Equity	**2,724,479,597**
Number of shares	168,717,600
Net Asset Value per share as on June 30, 2013 Audited Report	**16.15**

Method-1(b) Price based on Net Asset Value per share (without revaluation)

Particulars	Amount
Share Capital	1,687,176,000
Share Premium	250,000,000
Retained Earnings	324,196,970
Total Shareholders' Equity	**2,261,372,970**
Number of shares	168,717,600
Net Asset Value per share as on June 30, 2013 Audited Report	**13.40**

Methods-2: Price based on weighted average of net profit after tax;

Financial Year	No. of Share	Net Profit after Tax	Weight	Weighted Average Profit
2008	4,720,000	51,077,277	1.73%	883,637
2009	4,720,000	69,476,122	1.73%	1,201,937
2010	35,000,000	93,789,541	12.86%	12,061,335
2011	87,165,000	182,412,068	32.02%	58,408,344
2012	140,598,000	282,130,815	51.66%	145,748,779
Total	**272,203,000**	**678,885,823**	**100.00%**	**218,304,032**
Number of shares based on 30.06.2013				**168,717,600**
Weighted average EPS based on audited accounts 30.06.2013				1.29
DSE over all P/E				14.59
Earning Based Value per share				**18.82**

Particulars	August 2013	September 2013	October 2013	Average
Overall Market P/E	15.18	14.36	14.23	14.59
Sectoral Market P/E (Textile)	15.85	16.08	16.39	16.10
Lesser of 14.59 and 16.10				

Methods-3: Market price per Share of the Company for last 6 (six) months:
Date Face Value Market Price (in BDT)

Date	Face Value	Market Value
Market Price at January 31, 2013	Tk. 10	Tk.34.80
Market Price at February 28, 2013	Tk. 10	Tk.33.50
Market Price at March 31, 2013	Tk. 10	Tk.21.90
Market Price at April 30, 2013	Tk. 10	Tk.21.10
Market Price at May 30, 2013	Tk. 10	Tk.23.80
Market Price at June 30, 2013	Tk. 10	Tk.20.80

Source: DSE Monthly Review

From above analysis, it appears that the offer price of Tk.10/- could be considered reasonable.

LENGTH OF TIME DURING WHICH THE ISSUER HAS CARRIED ON BUSINESS [Rule-8(j)]

Generation Next Fashion Limited is a public limited Company carries its commercial operation for the last 8 (eight) years.

IMPLEMENTATION SCHEDULE [Rule-8(k)]

The management of **Generation Next Fashions Limited** expects that the Company will be able to expand its production capacity by diversification of its product through construction of additional factory buildings**,** procurement and installation of capital machinery & addition & upgrading of utility connection within the following stipulated time:

WORK SCHEDULE OF THE BMRE OF THE PROJECT

Designated project work	**Amount in Taka**	**Projected date of completion**
Building & Civil construction	300,000,000	Within 1 (one) year of receipt of Right Issue fund.
Imported Machinery	300,000,000	Within 1 (one) year of receipt of Right Issue fund.
Machinery Installation	5,000,000	Within 1 (one) year of receipt of Right Issue fund.
Office Equipment & Other Assets	10,000,000	Within 1 (one) year of receipt of Right Issue fund.
Vehicles	25,000,000	Within 1 (one) year of receipt of Right Issue fund.
Repayment of Loan	459,784,000	Within 1 (one) month of receipt Right Issue fund.
Rights Issue expenses	25,000,000	Within 4 (four) months of receipt Right Issue fund.
Total	**1,124,784,000**	

QUANTITY OF SHARES HELD BY EACH DIRECTOR ON THE DATE OF SUBMISSION THE RIGHTS SHARE OFFER DOCUMENT [(ROD) (Rule-8(I)]

(as on 31-10-2013)

Sl. No.	Name	Position	Number of Share held	Percentage (%)
1	Mr. Tauhidul Islam Chaudhury	Chairman	8,660,949	5.13%
2	Mr. Javed Opgenhaffen	Managing Director	9,310,091	5.52%
3	Mr. Mohd. Akhter	Director	11,812,290	7.00%
4	Mr. Rajiv Sethi	Director	3,374,352	2.00%
5	Mr. Mark Niranjan Chowdhury Nominated by New England Equity Limited	Director	18,720,000	11.10%
6	Mr. Ratan Sengupta	Independent Director	-	-
7	Mr. Atiar Rahman	Independent Director	-	-

BENEFICIAL OWNERS HOLDING SHARES 5% OR ABOVE [Rule-8(I)]

(as on 31-10-2013)

Name	Position	Number of shares held	Percentage (%)
Mr. Tauhidul Islam Chaudhury	Chairman	8,660,949	5.13%
Mr. Javed Opgenhaffen	Managing Director	9,310,091	5.52%
Mr. Mohd. Akhter	Director	11,812,290	7.00%
Mr. Mark Niranjan Chowdhury Nominated by New England Equity Limited	Director	18,720,000	11.10%
Beximco Holding Limited	Shareholder	13,000,000	7.71%

DETAILS OF DIRECTORS, MANAGING DIRECTOR & COMPANY SECRETARY [Rule-8(m)]

SL. No.	Name of Directors	Age	Education Qualification	Address	Occupation
1.	Mr. Tauhidul Islam Chaudhury	50	B. Com	H # 27/E, R # 10, Banani, Dhaka	Business
2.	Mr. Javed Opgenhaffen	27	B. Sc (London)	H # 27/E, R # 10, Banani, Dhaka	Business
3.	Mr. Mohd. Akhter	49	B. Sc	House # 01, Road # 140, Flat # C 2, Gulshan-1, Dhaka-1212	Business
4.	Mr. Rajiv Sethi	44	B. Com	House # 281, Sector 14 Gurgaon, Haryana.	Business
5.	Mr. Mark Niranjan Chowdhury Nomited by New England Equity Limited	42	M. Com	BSEC Bhaban, Level 4, 102, Kazi Nazrul Islam Avenue, Kawran Bazar, Dhaka.	Service
	Mr. Ratan Sengupta	53	M.Com	464/2, West Rampura, Dhaka	Service
	Mr. Atiar Rahman	52	M.Com	House # B/15, Road # 01, Banassri, Rampura, Dhaka	Service

DETAILS OF COMPANY SECRETARY [Rule-8(m)]

Name	Age	Educational Qualification	Address	Occupation
Mr. Shamsur Rahman Khan	68	B. Com	House # 98/90, Road # 02, Block # A, Basundara R/A, Dhaka	Service

PUBLIC LISTED COMPANIES UNDER COMMON MANAGEMENT [Rule-8(n)]

There is no Public Listed Company under common management of the Company.

CLASSIFIED INFORMATION & UNDERWRITERS [Rule-8 (o)]

Auditor	Ata Khan & Co. Chartered Accounts 67 Motijheel C.A (1^{st} Floor), Dhaka-1000.
Banker	Southeast Bank Limited, Gulshan Branch, Dhaka Exim Bank Limited, Gulshan Branch, Dhaka Prime Bank Limited, Gulshan Branch, Dhaka National Bank Limited, Gulshan Branch, Dhaka IFIC Bank Limited, Gulshan Branch, Dhaka BRAC Bank Limited, Gulshan Branch, Dhaka Jamuna Bank Limited, Dilkusha Branch, Dhaka Standard Bank Limited, Gulshan Branch, Dhaka
Legal Advisors	M. Sakhawat Hossain Barrister at Law Advocate, Supreme Court of Bangladesh Tel: (8802) 9568536 Fax: (8802) 7162486
Issue Manager	ICB Capital Management Limited
Underwriter	ICB Capital Management Limited, Banco Finance and Investment Limited, Janata Capital and Investment Limited, AFC Capital Limited, Prime Finance Capital Management Limited, PLFS Investment Limited, Alpha Capital Management Limited.
Banker to the Issue	Investment Corporation of Bangladesh, BRAC Bank Limited, Mutual Trust Bank Limited.

Name of the Underwriters

Name & Address of Underwriters	Number of Shares	Underwritten Amount (in Taka)
ICB Capital Management Limited 8, Rajuk Avenue (Level: 16), Dhaka-1000	17,478,400	174,784,000
Banco Finance and Investment Limited Baitul ViewTower (11th Floor), 56/1, Purana Paltan, Dhaka-1000	30,000,000	300,000,000
Janata Capital and Investment Limited 48,Motijheel C/A (3rd Floor), Dhaka-1000	15,000,000	150,000,000
AFC Capital Limited Tanaka Tower (2nd Floor), 42/1/Gha, Segun Bagicha, Dhaka-1000	15,000,000	150,000,000
Prime Finance Capital Management Limited 63, Dilkusha C/A (3rd Floor), Dhaka-1000,	10,000,000	100,000,000
PLFS Investment Limited Paramonut Heights (13th Floor) 65/2/1, Box Culvert Road, Purana Paltan, Dhaka-1000	15,000,000	150,000,000
Alpha Capital Management Limited National Scout Bhaban (5th floor) 70/1, Inner Circular Road, Dhaka-1000	10,000,000	100,000,000
Total	**112,478,400**	**1,124,784,000**

Underwriters' information and obligation

If and to the extent that the shares offered to the existing shareholders by the Rights Share Offer Document authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within **10 (ten)** days of the closure of subscription call upon the underwriters (**for full unsubscribed amount**) in writing with a copy of said writing to the Bangladesh Securities and Exchange Commission, to subscribe for shares not subscribed by the closing date and to pay for in cash in full, for such unsubscribed shares within **15 (fifteen)** days after being called upon to do so. 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 commitment under this Agreement, until such time as the Cheque/Bank Draft has been enchased and the Company's account has been credited. In any case, within **7 (seven)** days after the expiry of the aforesaid **15 (fifteen) days,** the Company shall send proof of subscription and payment by the underwriters, to the Commission.

DIRECTORS' TAKE-UP IN THE RIGHTS OFFER [Rule-8(q)]

Directors are expected to exercise in full of their portion of Rights Share Offer:

Sl. No.	Name	Position	Number of shares held	Nos. of shares to be taken	Nos. of shares to be renounced
1	Mr. Tauhidul Islam Chaudhury	Chairman	8,660,949	5,773,966	Nil
2	Mr. Javed Opgenhaffen	Managing Director	9,310,091	6,206,727	Nil
3	Mr. Mohd. Akhter	Director	11,812,290	7,874,860	Nil
4	Mr. Rajiv Sethi	Director	3,374,352	2,249,568	Nil
5	New England Equity Limited	Director	18,720,000	12,480,000	Nil
6	Mr. Ratan Sengupta	Independent Director	-	-	-
7	Mr. Atiar Rahman	Independent Director	-	-	-

AUDIT COMMITTEE

Name	Position
Mr. Ratan Sengupta	Chairman
Mr. Mohd. Akhter	Member
Mr. Javed Opgenhaffen	Member

PURCHASE AND PROCUREMENT COMMITTEE

Name	Position
Mr. Mohd. Akhter	Chairman
Mr. Mark Niranjan Chowdhury	Member
Mr. Rajiv Sethi	Member

OPERATION & MAINTENANCE COMMITTEE

Name	Position
Mr. Javed Opgenhaffen	Chairman
Mr. Rajiv Sethi	Member
Mr. Mark Niranjan Chowdhury	Member

COMPOSITION OF SHAREHOLDING POSITION OF THE COMPANY

Particulars	No. of Shares Held	Total Amount of Shares	% of Total Shares
Sponsors & Directors	51,986,152	519,861,520	30.81
General Public	76,501,743	765,017,430	45.34
Institutions	40,229,705	402,297,050	23.85
Government	-	-	-
Total	168,717,600	1,687,176,000	**100%**

Sd/-
Javed Opgenhaffen
Managing Director

Sd/-
Mark Niranjan Chowdhury
Chief Finance Officer

BANKERS TO THE ISSUE

INVESTMENT CORPORATION OF BANGLADESH (ICB)

01 NSC Tower, Purana Paltan, Dhaka-1000.
02 Local Office Branch, Naya Palton, Dhaka.
03 Chittagong Branch, Chittagong.
04 Rajshahi Branch, Rajshahi.
05 Khulna Branch, Khulna.
06 Barisal Branch, Barisal.
07 Sylhet Branch, Sylhet.
08 Bogra Branch, Bogra.

MUTUAL TRUST BANK LIMITED

01 Babubazar Branch
02 Banani Branch
03 Dhanmondi Branch
04 Dholaikhal Branch
05 Dikusha Branch
06 Elephant Road Branch
07 Fulbaria Branch
08 Gulshan Branch
09 Mohammadpur Branch
10 MTB Corporate Center Branch
11 Pallabi Branch
12 Panthapath Branch
13 Principal Branch
14 Pragati Sarani Branch
15 Savar Br.
16 Shanir Akhra Branch
17 Tongi Branch
18 Uttara Model Town Br.
19 Aman Bazar Branch, Chittagong
20 Bashundhara Branch, Dhaka
21 Chandra Branch, Dhaka
22 Chokoria Branch, Chittagong
23 Cox's Bazar Branch, Cox's Bazar
24 Dinajpur Branch, Dinajpur
25 Ishwardi Branch, Ishwardi
26 Kakrail Branch, Dhaka
27 Kapasia Branch, Gazipur
28 Mymensingh Branch Mymensingh
29 Nazirhat Branch, Chittagong
30 Oxygen Mor Branch, Chittagong
31 Sarulia Bazar Branch, Dhaka
32 Shahparan Gate Branch, Sylhet
33 Syedpur Branch, Sunamganj
34 Narayangonj Branch
35 Sonargaon Branch
36 Agrabad Branch
37 Alankar Mour Branch
38 CDA Avenue Branch
39 Jubilee Road Br
40 Khatungonj Branch
41 Feni Branch
42 Rajshahi Branch
43 Rangpur Branch
44 Bogra Branch
45 Pabna Branch
46 Kushtia Branch
47 Sylhet Branch
48 Moulvi Bazar Branch
49 Gournadi Branch
50 Jessore Branch
51 Habigonj Branch
52 Baridhara Branch, Dhaka
53 Brahmanbaria Branch, brahmanbaria
54 Chawk Moghaltuli Branch, Dhaka
55 Comilla Branch, Comilla
56 Dagonbhuiyan Branch, Feni
57 Gobindaganj Branch, Gobindaganj
58 Joypurhat Branch, Joypurhat
59 Kamrangir Char Branch, Dhaka
60 Khilpara Branch, Chatkhil, Noakhali
61 Noagaon Branch Noagaon
62 Norail Branch Shariyatpur
63 Raipur Branch Laxmipur
64 Shah Mokhdum Avenue Branch, Dhaka
65 Sreenagar Branch, Dhaka
66 Thakurgaon Branch, Thakurgaon

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BRAC BANK LIMITED

1 Asad gate Br.
2 Bashundhara Br.
3 Donia Br.
4 Eskaton Br.
5 Graphics Building Br.
6 Manda Br.
7 Mirpur Br.
8 Barisal Br.
9 Narayanganj Br.
10 Nawabpur Br.
11 Rampura Br.
12 Shyamoli Br.
13 Uttara Br.
14 Agrabad Br.
15 CDA Avenue Br.
16 Zindabazar Br.
17 Halishahar Br.
18 Kazirdeuri Br.
19 Momin Road Br.
20 Bogra Br.
21 Rajshahi Br.
22 Jessore Br.
23 Khulna Br.

BASIS OF THE OFFER

The Company records its share register of members on February 25, 2014 for determining the shareholders who are eligible to receive this offer of shares on rights basis. The ordinary shares are now being offered on a rights basis to the shareholders holding shares on the book closure in the ratio of 2R:3 i.e. two right share for three existing share held.

ENTITLEMENT

As a shareholder of the Company on the record date on February 25, 2014 the shareholders are entitled to this Rights Offer. Only the holder(s) of a minimum of one fully paid ordinary share is entitled to receive the Rights Offer.

ACCEPTANCE OF THE OFFER

A shareholder may accept and apply for the shares hereby offered, wholly or in part by filling in Application - Form A and submitting the same along with the application money to the Bankers to the Issue on or before the Closing Date of the Offer.

RENUNCIATION

A shareholder may renounce all or part of the shares he/she is entitled to in favor of any other person(s) other than an infant or person of unsound mind. He/she can renounce his/her rights/entitlement of shares by signing Renunciation Form-B. Renounce (s) shall fill in Form-C appropriately.

GENERAL

All applications should be made on the printed form provided by the Company in this Rights Share Offer Documents only and should be completed in all respects. Applications, which are not completed in all respects or are made otherwise than as herein provided or are not accompanied by the proper application amount of deposit, are liable to be rejected and the application money received in respect thereof shall be refunded.

All communications in connection with the application for the Rights Share should be addressed to the Company quoting the registered folio number/BO ID number in the form.

CONDITION OF SUBSCRIPTION

2 (two) Rights share of Tk. 10/- each share is offered against 3 (three) existing share held by existing Shareholder(s) whose name(s) appeared in the Company's Share Register at the record date as on February 25, 2014.

PAYMENT OF SHARE PRICE

Payments for the full value of Shares applied for shall be made with designated branches of Bankers to the issue by Cash/Pay Order/Demand Draft payable to **Generation Next Fashions Limited** and crossed. The Pay Order/Demand Draft for payment of share price must be drawn on a bank in the same town to which the application form has been submitted.

SUBSCRIPTION
Opens on: March 18, 2014
Closes on: April 09, 2014
(Within banking hours, both days inclusive)

Any change or extension regarding subscription period will be notified through national dailies.

LOCK-IN ON RIGHTS SHARE

The rights share of Directors and other shareholders holding 5% or more shares shall be subject to lock-in for a period of 3 (three) years from the date of closure of the rights share subscription. In the event of renunciation of rights share by aforesaid persons, the renounced shares shall also be subject to lock-in for the same period shall be operative.

SL. No.	Name of Shareholders	Status	Rights share portion	Percentage of Shareholders	Date of Subscription Close	Expiry date of Lock-in
1	Mr. Tauhidul Islam Chaudhury	Chairman	5,773,966	5.13%	-	3 yrs from the closing date of Subscription
2	Mr. Javed Opgenhaffen	Managing Director & Director	6,206,727	5.52%	-	3 yrs from the closing date of Subscription
3	Mr. Mohd. Akhter	Director	7,874,860	7.00%	-	3 yrs from the closing date of Subscription
4	Mr. Rajiv Sethi	Director	2,249,568	2.00%	-	3 yrs from the closing date of Subscription
5	Mark Niranjan Chowdhury Nominated by New England Equity Limited	Director	12,480,000	11.10%	-	3 yrs from the closing date of Subscription
6	Mr. Ratan Sengupta	Independent Director	-	-	-	-
7	Mr. Atiar Rahman	Independent Director	-	-	-	-
8	Beximco Holdings Limited	Shareholder	8,666,666	7.71%	-	3 yrs from the closing date of Subscription
	Total:		43,251,787			

OTHERS

The application not properly filled in shall be treated as cancelled and deposited money will be refunded. For any reason, no profit/compensation will be paid on the refunded amount.

The offer will be deemed to have been declined if completed Application Form-A with necessary payments have not been received by April 09, 2014 (Within banking hours) or by such later date as may be notified through national dailies to that effect.

MATERIAL CONTRACTS:

Material Contracts of the vendors'

There is no Vendors' Agreement of the Company with any others.

Acquisition of property and plant

Generation Next Fashions Limited acquired no property or made any agreement with any party for acquisition of property after the balance sheet date 30.06.2013.

BANKERS TO THE ISSUE

Investment Corporation of Bangladesh (ICB), Mutual Trust Bank Limited and BRAC Bank Limited are the Bankers to the Issue who will collect the subscription money of the Rights Offer. The Rights Issue subscription money collected from the shareholders by the Bankers to the Issue will be remitted to the Company's Account No. **1501201918541006** with **BRAC Bank Limited.**

UNDERWRITERS

The full amount of Rights Offer of **Generation Next Fashions Limited** as shown in the classified information part of ROD has been underwritten by 07 (seven) underwriters on firm commitment basis. Each underwriter will be paid underwriting commission @ 0.50 % of the underwritten amount. Simultaneously, with the calling upon an underwriter to subscribe or procure subscriber and pay for any number of shares, the company will pay no additional commission to that underwriter on the nominal value of shares required to be subscribed by them.

MANAGER TO THE ISSUE

ICB Capital Management Limited is appointed as Manager to the Issue of the Right Issue of the Company. Accordingly, an agreement has been made between the Issue Manager and the Company. The Company will pay Tk.20.00 (twenty) lac to the Issue Manager as issue management fee.

FORM A

[rule 5 and rule 8(t)]

Declaration (due diligence certificate) about responsibility of the Issue Manager in respect of the rights share offer document of Generation Next Fashions Limited

This rights share offer document has been reviewed by us and we confirm after due examination that the rights share offer document constitutes full and fair disclosures about the rights issue and the issuer, and complies with the requirements of the Bangladesh Securities and Exchange Commission (Rights Issue) Rules, 2006; and that the issue price is justified under the provisions of the Bangladesh Securities and Exchange Commission (Rights Issue) Rules, 2006.

For

ICB Capital Management Limited

Sd/-

(Md. Moshiur Rahman)

Chief Executive Officer

Place: Dhaka

Date: October 3, 2013

FORM-B

[rule 6 and rule 8(t)]

Declaration (due diligence certificate) about responsibility of the Underwriter(s) in respect of the rights share offer document of Generation Next Fashions Limited.

This rights share offer document has been reviewed by us; and we confirm after due examination that the issue price is justified under the provisions of the Bangladesh Securities and Exchange Commission (Rights Issue) Rules, 2006, and also that we shall subscribe for the under-subscribed rights shares within fifteen days of calling thereof by the issuer. The issuer shall call upon us for such subscription within ten days of closure of the subscription lists for the rights issue.

For Underwriters:

Sd/- Chief Executive Officer ICB Capital Management Limited	Sd/- Chief Executive Officer Janata Capital and Investment Limited	Sd/- Chief Executive Officer Banco Finance and investment Limited
Sd/- Chief Executive Officer AFC Capital Limited	Sd/- Chief Executive Officer Prime Finance Capital Management Limited	Sd/- Chief Executive Officer PLFS Investment Limited
	Sd/- Chief Executive Officer Alpha Capital Management Limited	

FORM-C

[rule 8(h), 8(i) and 8 (t)]
Auditors' report to the shareholders

We have audited the accompanying financial statements for the period from January 01, 2013 to June 30, 2013 of **Generation Next Fashions Limited** in accordance with the International Standards of Auditing, as applicable in Bangladesh, and we state that we have obtained all the information and explanations which we have required, and after due verification thereof, we report that, in our opinion:

(a) These financial statements have been drawn up in accordance with the requirements of the Bangladesh Securities and Exchange Rules, 1987, as amended, the Companies Act, 1994 and other relevant laws where applicable, and the International Accounting Standards, as applicable in Bangladesh.

(b) These financial statements which are in agreement with the books of account of the issuer company give a true and fair view of the state of its affairs as at June 30, 2013 and of the result of its operations and cash flows for the period/year then ended.

(c) Proper Books of Account have been kept by the issuer company as required by the relevant laws.

(d) The expenditure incurred was for the purposes of the issuer company's business.

We also certify that the above issuer company has declared the following dividend for each of the following five years immediately preceding the issue of rights share offer document under the Bangladesh Securities and Exchange Commission (Rights Issue) Rules, 2006, and that the company has duly paid off the following amounts of the declared dividend mentioned against respective year-

Financial Year	Date of AGM	Rate		Total Amount (Tk.)	Total Paid (Tk)
		Stock	Cash		
2008	30.06. 2009	-	-	-	-
2009	16.05.2010	112%	-	Stock	Full
2010	14.08.2011	-	-	-	-
2011	31.12.2012	20%	-	Stock	Full
2012	22.04.2013	20%	-	Stock	Full

Sd/-
ATA KHAN & CO.
Chartered Accountants

Place: Dhaka,
Date: August 21, 2013

FORM-D

[see rule 8(t)]

Due diligence certificate by the directors about their personal responsibility in respect of the Rights Share Offer document of Generation Next Fashions Limited.

This rights share offer document has been prepared, seen, reviewed and approved by us, and we collectively and individually accept full responsibility for the accuracy of the information given in the rights share offer document, relevant documents and financial statements submitted to the Commission and others concerned under the Bangladesh Securities and Exchange Commission (Rights Issue) Rules, 2006.

We confirm, after making all reasonable enquiries, that all conditions concerning this rights issue and rights share offer document have been met. We further confirm that we have not concealed any information or statement which might have any bearing on the information already made.

In case of any default or failure on our part, civil, criminal or administrative action may be taken against us.

Sd/-
(Tauhidul Islam Chaudhury)
Chairman

Sd/-
(Javed Opgenhaffen)
Managing Director

Sd/-
(Mohd. Akhter)
Director

Sd/-
(Rajiv Sethi)
Director

Sd/-
(Mark Niranjan Chowdhury)
Nominee Director of New England Equity Limited.

Sd/-
(Ratan Sengupta)
Independent Director

Sd/-
(Atiar Rahman)
Independent Director

Place: Dhaka
Dated: October 09, 2013

ATA KHAN & CO.
Chartered Accountants

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

AUDITORS' REPORT
OF
GENERATION NEXT FASHIONS LIMITED

We have audited the accompanying Statement of Financial Position of **GENERATION NEXT FASHIONS LIMITED** as of June 30, 2013 and the related Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity together with related notes for the half-year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

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

Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BASs)/ Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the state of the Company's affairs as of June 30, 2013 and of the results of its operations and its cash flows for the half-year then ended and comply with the applicable sections of the Companies Act, 1994; the Securities and Exchange Rules, 1987; and other applicable laws and regulations.

We also report that:

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

Place: Dhaka
Dated: August 21, 2013

Sd/-
ATA KHAN & CO.
Chartered Accountants.

GENERATION NEXT FASHIONS LIMITED
Statement of Financial Position
As at June 30, 2013

	Particulars	Notes	Amount in Taka 30.06.2013	31.12.2012
A.	**NON-CURRENT ASSETS**		**2,774,132,638**	**2,697,669,438**
	Property, Plant & Equipment	16	1,804,197,004	1,746,304,786
	Capital Works-in-Progress	17	969,935,634	951,364,652
B.	**CURRENT ASSETS**		**1,406,903,825**	**1,293,849,778**
	Inventories	18	569,976,166	554,719,980
	Accounts Receivable	19	529,686,200	504,355,503
	Loans, Advances, Deposits & Pre-Payments	20	198,551,178	191,550,025
	Cash & Cash Equivalents	21	108,690,281	43,224,270
C.	**CURRENT LIABILITIES & PROVISIONS**		**1,267,577,285**	**1,215,099,553**
	Accounts & Other Payables	22	16,145,018	18,843,850
	Accrued Expenses	23	140,312,689	120,360,599
	Bank Overdraft	24	47,060,693	46,438,284
	Short Term Bank Credits	25	917,435,171	866,864,309
	Deferred L/C Liabilities	26	61,346,458	70,068,920
	Share Money Refundable	27	2,989,134	32,523,591
	Current Maturity of Long Term Loans	28	82,288,122	60,000,000
D.	**NET CURRENT ASSETS (B-C)**		**139,326,540**	**78,750,225**
E.	**NET ASSETS (A+D)**		**2,913,459,178**	**2,776,419,663**
F.	**SHAREHOLDERS' EQUITY**		**2,724,479,597**	**2,555,469,491**
	Share Capital	29	1,687,176,000	1,405,980,000
	Share Premium		250,000,000	250,000,000
	Revaluation Surplus	30	463,106,627	506,889,888
	Retained Earnings	31	324,196,970	392,599,603
G.	**LONG TERM LOAN**	32	**188,979,581**	**220,950,172**
H.	**LIABILITIES & SHAREHOLDERS' EQUITY (F+G)**		**2,913,459,178**	**2,776,419,663**
	Net Assets Value Per Share with Revaluation (NAVPS)		**16.15**	**15.15**
	Net Assets Value Per Share without Revaluation (NAVPS)		**13.40**	**12.14**

The annexed notes from an integral part of these financial statements

Sd/-	Sd/-	Sd/-
Managing Director	**Director**	**Company Secretary**

Signed in terms of our separate report of even date annexed

Sd/-

ATA KHAN & CO.

Chartered Accountants

Dhaka, Dated: August 21, 2013

GENERATION NEXT FASHIONS LIMITED
Statement of Comprehensive Income
For the half-year ended June 30, 2013

Particulars	Notes	Amount in Taka 01.01.2013 to 30.06.2013	01.01.2012 to 30.06.2012	01.04.2013 to 30.06.2013	01.04.2012 to 30.06.2012
Sales Revenue	**33**	**1,100,528,032**	**851,847,070**	634,854,152	450,671,477
Less: Cost of Goods Sold	**34**	775,688,184	634,433,292	456,801,578	315,342,193
Gross Profit		**324,839,848**	**217,413,778**	**178,052,574**	**135,329,284**
Less: Administrative & Selling Expenses	**35**	57,205,206	46,348,396	33,779,452	26,541,699
Operating Profit		**267,634,642**	**171,065,382**	**144,273,122**	**108,787,586**
Add: Other Income	**36**	16,712,972	25,182,273	4,267,093	10,458,617
		284,347,614	**196,247,655**	**148,540,215**	**119,246,203**
Less: Financial Expenses	**37**	96,422,045	74,183,163	51,656,451	48,577,761
Net Profit Before Tax and WPWFs		**187,925,569**	**122,064,492**	**96,883,764**	**70,668,442**
Less: Contribution to Workers' Participation/Welfare Funds		8,948,837	-	4,613,513	-
Net Profit Before Tax		**178,976,732**	**122,064,492**	**92,270,251**	**70,668,442**
Less : Provision for Income Tax	**38**	9,966,626	8,286,568	5,619,453	3,252,016
Net Profit After Tax		**169,010,106**	**113,777,924**	**86,650,798**	**67,416,426**
Earning Per Share (EPS)	**39**	**1.00**	**0.67**	**0.51**	**0.40**
EPS From Recurring Income	**40**	**0.99**	**0.62**	**0.50**	**0.40**
EPS From Non-Recurring Income	**41**	**0.01**	**0.05**	**0.01**	**-**

The annexed notes from an integral part of these financial statements

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

Signed in terms of our separate report of even date annexed

Sd/-
ATA KHAN & CO.
Chartered Accountants

Dhaka, Dated: August 21, 2013

GENERATION NEXT FASHIONS LIMITED
Statement of Changes in Equity
For the half-year ended June 30, 2013

(Amount in Taka)

Particulars	Share Capital	Share Premium	Retained Earnings	Revaluation Surplus	Total
For 2012					
Balance at January 01, 2012	871,650,000	250,000,000	344,903,991	506,889,888	1,973,443,879
Net Profit for the half-year	-	-	113,777,924	-	113,777,924
Balance at June 30, 2012	**871,650,000**	**250,000,000**	**458,681,915**	**506,889,888**	**2,087,221,803**
For 2013					
Balance at January 01, 2013	1,405,980,000	250,000,000	392,599,603	506,889,888	2,555,469,491
Depreciation on Revaluation Surplus	-	-	43,783,261	(43,783,261)	-
Issue of Bonus Share	281,196,000	-	(281,196,000)	-	-
Net Profit for the half-year	-	-	169,010,106	-	169,010,106
Balance at June 30, 2013	**1,687,176,000**	**250,000,000**	**324,196,970**	**463,106,627**	**2,724,479,597**

The annexed notes from an integral part of these financial statements

Sd/-	Sd/-	Sd/-
Managing Director	**Director**	**Company Secretary**

Signed in terms of our separate report of even date annexed

Sd/-

ATA KHAN & CO.
Chartered Accountants

Dhaka, Dated: August 21, 2013

GENERATION NEXT FASHIONS LIMITED
Statement of Cash Flows
For the half-year ended June 30, 2013

Particulars	Amount in Taka	
	30.06.2013	30.06.2012
A. CASH FLOWS FROM OPERATING ACTIVITIES:	**156,379,883**	**27,137,919**
Cash Received from Customers	1,091,910,307	892,803,867
Cash Payment for Materials and Expenses	(935,530,424)	(865,665,948)
B. CASH FLOWS FROM INVESTING ACTIVITIES:	**(102,890,217)**	**(100,524,820)**
Acquisition of Fixed Assets	(84,319,235)	(132,195,767)
Expenditures for Capital Work-in-Progress	(18,570,982)	(223,054,053)
Investments Realised/(Made)	-	254,725,000
C. CASH FLOWS FROM FINANCING ACTIVITIES:	**11,976,345**	**101,572,162**
Bank Overdraft (Adjusted)/Received	622,409	(44,198)
Issue of Share Capital	-	-
Short Term Bank Credit (Adjusted)/Received	50,570,862	114,733,475
Long Term Loan (Adjusted)	(9,682,469)	(13,117,115)
Share Money Deposit (Adjusted)/ Received	(29,534,457)	-
D. Net Increase/(Decrease) in cash & cash equivalents (A+B+C)	**65,466,011**	**28,185,261**
E. Cash & Cash equivalents at the beginning of the half-year	**43,224,270**	**14,153,884**
F. Cash & Cash equivalents at the end of the half-year (D+E)	**108,690,281**	**42,339,145**
Operating Cash Flow Per Share	**0.93**	**0.16**

Sd/-	Sd/-	Sd/-
Managing Director	**Director**	**Company Secretary**

Signed in terms of our separate report of even date annexed

Sd/-

ATA KHAN & CO.
Chartered Accountants

Dhaka, Dated: August 21, 2013

GENERATION NEXT FASHIONS LIMITED
Accounting Policies and Explanatory Notes
For the half-year ended June 30, 2013

1. Corporate Business

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

2. Corporate Financial Statements and Reporting

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

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

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

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

3. Fundamental Accounting Concepts/ Assumption

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

4. Going Concern

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

5. **Corporate Accounting Standards Practiced**

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

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

6. **Reporting Period**

The period of these financial statements covers from January 01, 2013 to June 30, 2013.

7. **Provisions**

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

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 4,968,146 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 BAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

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

14.1 Recognition of Tangible Fixed Assets

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

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

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

14.2 Depreciation of Tangible Fixed Assets

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

Depreciation has been charged on additions when the related assets are put into use and no depreciation is charged on retirement when the related assets retire.

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

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

14.3 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 recognised when goods are delivered from the factory godown and delivery challans are issued as per BAS-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. Raw materials has been valued at cost. Work-in-Process have been valued at prime cost basis as required by BAS-2 with proportionate addition of Factory Overheads. Finished goods have been valued at the lower of cost and net realizable value basis. Cost is determined by weighted average method.

14.7 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 BAS-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 BAS-23 "Borrowing Cost".

14.10 Income Taxes

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

14.11 Earnings Per Share

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

Basic Earnings

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

Weighted Average Number of Ordinary Shares Outstanding during the period.

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

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

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

(a) Interest rate risks:

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

Management perception:

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

(b) Exchange rate risks:

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

Management perception:

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

(c) Industry risks:

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

Management perception:

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

(d) Market and technology-related risks:

i) Market risks:

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

Management perception:

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

ii) Technology-related Risks:

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

Management perception:

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

(e) Potential or existing government regulations risks:

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

Management perception:

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

(f) Potential changes in global or national policies:

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

Management perception:

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

(g) Operational Risks:

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

Management perception:

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

(h) Input Cost Risks:

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

Management perception:

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

16. Property, Plant & Equipment: Tk.1,804,197,004

Particulars	Cost or Valuation			Rate of Dep. (%)	Depreciation			Written down value as on 30.06.2013
	Balance as on 01.01.13	Addition or valuation during the half-year	Balance as on 30.06.13		Balance as on 01.01.13	Charged during the half-year	Balance as on 30.06.13	
Land & Land Development	222,985,500	-	222,985,500	0%	-	-	-	222,985,500
Building	940,459,656	81,158,260	1,021,617,916	2%	43,545,185	9,780,728	53,325,913	968,292,003
Plant & Machinery	763,433,468	-	763,433,468	5%	170,153,473	14,832,000	184,985,473	578,447,995
Vehicles	19,620,415	-	19,620,415	10%	7,356,260	613,208	7,969,468	11,650,947
Other Assets	29,991,049	3,160,975	33,152,024	10%	9,130,384	1,201,082	10,331,466	22,820,558
Total	**1,976,490,088**	**84,319,235**	**2,060,809,323**	-	**230,185,302**	**26,427,017**	**256,612,319**	**1,804,197,004**
Total as on 31.12.2012	**1,613,983,221**	**362,506,867**	**1,976,490,088**	-	**181,093,112**	**49,092,190**	**230,185,302**	**1,746,304,786**

Particulars	Amount in Taka	
	30.06.2013	**30.06.2012**
Depreciation charge during the half-year	26,427,017	24,236,061
Total	**26,427,017**	**24,236,061**
Head of Accounts		
Factory Overhead	25,105,666	23,024,258
Administrative Expenses	1,321,351	1,211,803
	26,427,017	**24,236,061**

17 Capital Works-in-Progress		Amount in Taka	
		30.06.2013	31.12.2012
Buildings		937,496,719	918,925,737
Security Building		643,916	643,916
Engineered Steel Building		2,527,497	2,527,497
Drain Line		632,545	632,545
Gas Line and other Installation		13,565,207	13,565,207
Electrical Installation		13,525,912	13,525,912
Water Tanks		628,119	628,119
Deep Tubewell		915,719	915,719
Total		**969,935,634**	**951,364,652**

18 Inventories

Raw Materials (Note-18.01)		213,161,323	209,261,748
Work-in-Process	(327,054 Kgs; 2012: 316,758 Kgs)	156,986,350	155,962,500
Finished Goods	(104,076 Dozens; 2012: 100,570 Dozens)	182,653,400	181,032,222
Materials in Transit		17,175,093	8,463,510
Total		**569,976,166**	**554,719,980**

18.01 Raw Materials

Yarn	(485,123 Kgs; 2012: 458,080 Kgs)	151,358,468	146,585,320
Chemicals	(256,604 Kgs; 2012: 252,837 Kgs)	17,962,310	17,698,625
Accessories		43,840,545	44,977,803
		213,161,323	**209,261,748**

19 Accounts Receivables

PQS	43,586,950	32,290,051
ASDA Stores Limited	56,258,221	29,890,936
TESCO Stores Limited	137,979,328	60,799,883
TU Clothing	15,862,420	25,214,542
Miles Fashions GMBH	43,489,375	76,338,281
Primark Stores Limited	131,256,551	144,407,662
Impetus Vandillen Asiatex GMBH	6,797,186	41,859,927
Other Receivables (Note: 19.01)	89,556,169	78,953,621
Cash Subsidy from the Government.	4,900,000	14,600,600
Total	**529,686,200**	**504,355,503**

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

Dues upto 6 months	396,758,620	386,808,098
Dues above 6 months	132,927,580	117,547,405
Total	**529,686,200**	**504,355,503**

		Amount in Taka	
19.01	**Other Receivables**	**30.06.2013**	**31.12.2012**
	KHQ	8,506,954	7,290,949
	Pelican Limited	8,975,620	9,385,876
	Basspro	6,924,610	4,256,321
	Alok Industries Limited	5,625,785	4,286,300
	Hanebrands Europe GMBH	8,584,321	4,569,852
	Elegant Team Development Limited	5,630,751	6,481,130
	GEBR. Huber GMBH	5,589,762	6,501,236
	Poeticgem Limited	7,596,210	8,568,455
	Fashions FX Limited	5,685,954	3,036,269
	Visage	8,987,946	7,934,534
	Alpine	8,657,462	8,971,620
	KGB	8,790,794	7,671,079
	Total	**89,556,169**	**78,953,621**

20	**Advances, Deposit and Prepayments**		
	Advances (Note: 20.01)	197,925,474	190,924,321
	Deposits	625,704	625,704
	Total	**198,551,178**	**191,550,025**

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

Dues upto 6 months	96,574,651	142,319,268
Dues above 6 months	101,976,527	49,230,757
Total	**198,551,178**	**191,550,025**

20.01 Advances

Advance against Salary	2,546,250	1,750,000
Advance Income Tax	39,609,268	31,346,351
Advance against Purchase / Expenses **Note: 20.01(a)**	19,311,605	19,578,625
Advance against House Rent	680,000	680,000
Advance against IPO	25,974,293	26,556,943
Advance for Construction & Others **Note: 20.01(b)**	109,804,058	111,012,402
Total	**197,925,474**	**190,924,321**

20.01(a) Advance against Purchase / Expenses

Mr. Mosaraf (Procurement)	5,468,520	5,585,650
Nokta Accessories	1,586,250	1,680,000
Mehedi Hasan Enterprise	2,489,646	2,869,100
Mr. Munir (Procurement)	2,693,520	2,693,520
Dhaka Traders	1,869,520	1,952,000
Mr. Noman (C & F)	3,747,317	3,111,835
Dayamoy Enterprise	1,456,832	1,686,520
	19,311,605	**19,578,625**

	Amount in Taka	
	30.06.2013	31.12.2012

20.01(b) Advance for Construction & Others

	30.06.2013	31.12.2012
Brothers Builders	7,268,950	7,896,520
Hasib Thai	9,235,940	9,646,300
Taslima Enterprise	5,246,000	5,546,000
Biplop Enterprise	3,492,846	3,564,360
Royal Marble	9,346,840	9,228,600
Millenium Enterprise	5,863,410	5,564,200
Faruk Eng. Works	9,356,840	9,556,821
Mehedi Hasan Enterprise	8,567,950	6,326,500
M/S. Happy Enterprise	6,354,821	8,568,950
Maliha Enterprise	9,435,680	9,538,300
Hott Media	10,000,000	10,000,000
Maa Electronics	3,895,762	3,758,621
M/S. Saleem Sanitary Ent.	9,268,963	9,198,562
M/S. Mohana Enterprise	12,470,056	12,618,668
	109,804,058	**111,012,402**

21 Cash & Cash Equivalents

	30.06.2013	31.12.2012
Cash in Hand **(Note-21.01)**	263,468	3,804,490
Cash at Banks **(Note-21.02)**	108,426,813	39,419,780
Total	**108,690,281**	**43,224,270**

21.01 Cash in Hand

	30.06.2013	31.12.2012
Balance in Central Cash	218,733	2,169,250
Balance in Factory Cash	44,735	1,635,240
Total	**263,468**	**3,804,490**

21.02 Cash at Banks

Bank Name	A/c Number	Branch Name	30.06.2013	31.12.2012
EXIM Bank Ltd	711100009514/711100038467	Gulshan Br.	83,238	83,813
EXIM Bank Ltd	0211100004728/4288	Ahsulia Br.	4,881	4,881
National Bank Ltd	00036000534	Gulshan Br.	23,797	24,067
Prime Bank Ltd	11831020024366	Gulshan Br.	12,325	13,524
Southeast Bank Ltd	101110011987	Gulshan Br.	872,398	261,464
Southeast Bank Ltd	1015600000040	Gulshan Br.	194,429	66,265
Southeast Bank Ltd	1015500000256	Gulshan Br.	44,199,925	3,755,846
Southeast Bank Ltd	1015200000041	Gulshan Br.	1,764,992	1,643,202
Southeast Bank Ltd	1013100001554	Gulshan Br.	3,123	409,294
Southeast Bank Ltd	1024300049708	Gulshan Br.	33,909,516	-
Southeast Bank Ltd	1024300049781	Gulshan Br.	25,000,000	-
Standard Bank Ltd	933010404	Gulshan Br.	1,225	2,375
IFIC Bank Ltd.	1002390905001	Gulshan Br.	2,093	2,468
Jamuna Bank Ltd	00060210017279	Dilkusha Br.	13,938	4,782
BRAC Bank Ltd	1501201918541001	Gulshan Br.	2,680,850	13,641,235
BRAC Bank Ltd	1501201918541002	Gulshan Br.	290,148	18,179,603
BRAC Bank Ltd	1501201918541003	Gulshan Br.	13,144	320,664
BRAC Bank Ltd	1501201918541004	Gulshan Br.	4,992	382,089
BRAC Bank Ltd	1501201918541005	Gulshan Br.	(658,202)	614,208
Janata Bank Ltd	1020903	Corporate Br.	10,000	10,000
Total			**108,426,813**	**39,419,780**

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

	Amount in Taka	
	30.06.2013	31.12.2012
22 Accounts & Other Payables		
Shimanta Paribahan	895,210	1,232,111
KM Servicing	265,840	756,020
Trade Media	468,205	468,205
Nahian Enterprise	261,493	224,600
Salaries and Wages Payable	12,695,620	14,685,260
Other Payables	1,558,650	1,477,654
Total	**16,145,018**	**18,843,850**

These are unsecured, payable within one year.

23 Accrued Expenses

Audit fee	500,000	500,000
Gas Bill	4,403,014	3,366,387
Workers' Participant/Welfare Funds	24,437,627	15,488,790
Provision for tax **(Note: 23.01)**	110,972,048	101,005,422
Total	**140,312,689**	**120,360,599**

These are unsecured, falling due within one year.

23.01 Provision for tax

Accounting Year	Assessment Year	Amount	Status
2013	2014-2015	9,966,626	Return not yet due
2012	2013-2014	27,644,980	Return to be filed
2011	2012-2013	36,093,137	Return filed
2010	2011-2012	19,269,787	Assessment Completed
2009	2010-2011	8,582,033	Assessment Completed
2008	2009-2010	4,605,931	Assessment Completed
2007	2008-2009	4,605,623	Assessment Completed
2006	2007-2008	203,931	Assessment Completed
Total		**110,972,048**	

24 Bank Overdraft

Bank Name	Br Name		
Southeast Bank Ltd. CC A/c 0173300000167	Gulshan Br.	47,060,693	46,438,284
Total		**47,060,693**	**46,438,284**

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	548,870,041	519,676,150
Packing Credit	60,315,267	60,319,186
Bill Purchase	132,432,035	123,064,400
Other Loans	175,817,828	163,804,573
Total	**917,435,171**	**866,864,309**

These are secured, falling due within one year. The security and other term are specified as follows:
Time Loans are fully secured by first charge on the fixed assets of the Company.
Packing Credit, Bill Purchase and other Loans are against Lien on Master/Export L/C.

26 Deferred L/C Liabilities	Amount in Taka 30.06.2013	31.12.2012
NRG Knit Composite Mills Ltd	4,500,990	1,660,623
Pakiza Cotton Mills Ltd	16,152,000	11,063,850
Esha Trading	-	3,641,128
Alpha & Company	2,349,516	-
Gulshan Spinning Mills Limited	6,111,906	5,381,168
Tamijuddin Textiles Mills Ltd.	4,798,170	5,998,300
Israq Spinning Mills Limited	6,657,690	4,014,720
Keya Spinning Mills Limited	9,359,064	-
Glory International	4,095,341	-
YKK BD Pte Limited	-	2,888,804
Jamuna Spinning Mils Limited	-	12,114,270
Shameem Spinning Mills Limited	-	15,926,040
Other Deferred L/C Liabilities	7,321,781	7,380,017
Total	**61,346,458**	**70,068,920**

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

27 Share Money Refundable

These have been deposited against public issue of capital approved by SEC vide SEC letter no.SEC/CI/IPO-138/2010-1488 dated August 08, 2012.

Bank Name	A/C No.	Branch	30.06.2013	31.12.2012
BRAC Bank Ltd	1501201918541001	Gulshan Br.	2,680,850	13,641,235.37
BRAC Bank Ltd	1501201918541002	Gulshan Br.	290,148	18,179,602.74
BRAC Bank Ltd	1501201918541003	Gulshan Br.	13,144	320,664.00
BRAC Bank Ltd	1501201918541004	Gulshan Br.	4,992	382,088.72
			2,989,134	**32,523,591**

28 Long Term Bank Loans (Current Portion)

Current portion of Long Term Bank Loans Tk.82,288,122 (2012; Tk.60,000,000) has been shown under the head Current Liabilities which is payable within December-2013.

29 Share Capital

29.01 Authorised Capital

200,000,000 Ordinary shares of Tk.10/- each	2,000,000,000	2,000,000,000

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

111,885,000 Ordinary Shares of Tk. 10/- each paid-up in cash	1,118,850,000	1,118,850,000
56,832,600 Bonus Shares of Tk.10/- each	568,326,000	287,130,000
	1,687,176,000	**1,405,980,000**

The Shareholding position of the Company are as under :

Name of Directors and Sponsor	No. of Shares	Percentages (%)	Amount (Tk.)
Mr. Tauhidul Islam Chaudhury	8,660,949	5.13	86,609,490
Shaheen Akhter Chaudhury	156,196	0.09	1,561,960
Mr. Rajiv Sethi	3,374,352	2.00	33,743,520
Mr. Javed Opgenhaffen	9,310,091	5.52	93,100,910
New England Equity Ltd.	18,720,000	11.10	187,200,000
Mr. Mohd. Akhter	11,812,290	7.00	118,122,900
Others	116,683,722	69.16	1,166,837,220
Total	**168,717,600**	**100.00**	**1,687,176,000**

Shares Range	No. of Shareholders	No.of Shares	Amount	Percentage
001-500	5,153	1,150,165	11,501,650	0.68
501-5000	11,461	15,210,430	152,104,300	9.02
5001-10000	913	6,967,660	69,676,600	4.13
10001-20000	530	7,635,200	76,352,000	4.53
20001-30000	169	4,282,390	42,823,900	2.54
30001-40000	75	2,705,100	27,051,000	1.60
40001-50000	61	2,803,780	28,037,800	1.66
50001-100000	82	6,067,640	60,676,400	3.60
100001-1000000	87	24,498,441	244,984,410	14.52
1000001-1000000000	22	97,396,794	973,967,940	57.73
Total	**18,553**	**168,717,600**	**1,687,176,000**	**100**

30 Revaluation Surplus

	Amount in Taka	
	30.06.2013	**31.12.2012**
Gross Revaluation Surplus:		
Land & Land Development	136,740,234	136,740,234
Building	230,639,221	230,639,221
Plant & Machinery	139,510,433	139,510,433
	506,889,888	**506,889,888**
Less:Depreciation on Revaluation Surplus	43,783,261	-
Net	**463,106,627**	**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.

31 Retained Earnings

Opening Balance	392,599,603	344,903,991
Less: Prior Year Adjustments for Income Tax		(105,203)
Add: Current half-year Profit	169,010,106	282,130,815
	561,609,709	**626,929,603**
Add: Depreciation on Revaluation Surplus	43,783,261	-
	605,392,970	**626,929,603**
Less: Bonus Share Issue	281,196,000	234,330,000.00
Closing Balance	**324,196,970**	**392,599,603**

32 Long Term Loans

Particulars	Bank Name		
Term Loan	Southeast Bank	187,794,981	218,899,572
Car Loan	UCBL	25,600	267,600
Car Loan	Prime Bank	781,000	1,093,000
Car Loan	BRAC Bank	378,000	690,000
Total		**188,979,581**	**220,950,172**

Fully secured by first charge on the fixed assets of the Company.

Nature of Security of Loans :

Bank Overdraft	Fully secured by 1 (one) undated cheque to cover the entire the limit along with a letter of authority to insert date on the cheque and personal guarantee of the Directors of the Company..
Long Term Loan	Fully secured by first charge on the fixed assets of the Company.
Packing Credit & Bill Purchase	Lien on Master/Export L/C
Time Loan	Fully secured by first charge on the fixed assets of the Company.

Interest on Bank Loan:

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

Bank Overdraft	16.00% p.a. with Quarterly rests subject to revision from time to time.
Long Term Loan	15.50% p.a. with Quarterly rests subject to revision from time to time.
Time Loan , Packing Credit & Bill Purchase	Time Loan : 17.00% 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 :17.00% p.a. with Quarterly rests subject to revision from time to time.

33 Sales Revenue

Export Sales Revenue is recognised from 01.01.2013 to 30.06.2013 at USD 14,109,333.74 @ Tk.78.00 equivalent to Tk.1,100,528,032 (01.01.2012 to 30.06.2012; USD 10,516,630.49 @ Tk.81 equivalent to Tk.851,847,070, 01.04.2013 to 30.06.2013; USD 8,139,155.79 @ Tk.78.00 equivalent to Tk.63,485,4152 and 01.04.2012 to 30.06.2012; USD 5,777,839.45 equivalent to Tk.456,471,477) when delivery challan is issued.

34 Cost of Goods Sold

	Amount in Taka			
The make-up is as below:	**01.01.2013 to 30.06.2013**	**01.01.2012 to 30.06.2012**	**01.04.2013 to 30.06.2013**	**01.04.2012 to 30.06.2012**
Opening Stock of Raw Materials:	209,261,748	189,261,748	209,546,952	178,587,625
Add: Purchases **(Note : 34.01)**	663,620,474	576,752,210	389,310,237	308,779,851
Less: Closing Stock of Raw Materials **(Note : 34.02)**	213,161,323	198,687,910	213,161,323	198,687,910
Material Consumed	**659,720,899**	**567,326,048**	**385,695,866**	**288,679,566**
Add: Direct Labour	72,468,621	49,201,303	37,834,315	29,268,470
Prime Cost	**732,189,520**	**616,527,351**	**423,530,181**	**317,948,036**
Add: Factory Overhead **(Note : 34.03)**	46,143,692	41,230,423	24,171,846	21,768,762
Cost of Manufacturing	**778,333,212**	**657,757,774**	**447,702,027**	**339,716,798**
Add: Opening Work-In-Process	155,962,500	141,962,500	158,258,430	140,962,500
Less:Closing Work-In-Process	156,986,350	148,268,982	156,986,350	148,268,982
Cost of Goods Manufactured	**777,309,362**	**651,451,292**	**448,974,107**	**332,410,316**
Add:Opening Stock of Finished Goods	181,032,222	162,845,300	190,480,871	162,795,177
Less:Closing Stock of Finished Goods	182,653,400	179,863,300	182,653,400	179,863,300
Cost of Goods Sold	**775,688,184**	**634,433,292**	**456,801,578**	**315,342,193**

		Amount in Taka			
34.01	**Purchases of Raw Materials**	**01.01.2013 to 30.06.2013**	**01.01.2012 to 30.06.2012**	**01.04.2013 to 30.06.2013**	**01.04.2012 to 30.06.2012**
	Yarn 1,332,909 Kgs; 2012: 1,155,615 Kgs	415,867,520	369,796,820	244,068,410	205,998,958
	Chemicals 966,618 Kgs; 2012: 628,377 Kgs	67,663,323	43,986,420	39,197,011	27,639,850
	Accessories	180,089,631	162,968,970	106,044,816	75,141,043
	Total	**663,620,474**	**576,752,210**	**389,310,237**	**308,779,851**
34.02	**Closing Stock of Raw Materials**				
	Yarn (485,123 Kgs; 2012: 458,080 Kgs)	151,358,468	136,895,230	151,358,468	136,895,230
	Chemicals (256,604 Kgs; 2012: 252,837 Kgs)	17,962,310	19,859,755	17,962,310	19,859,755
	Accessories	43,840,545	41,932,925	43,840,545	41,932,925
		213,161,323	**198,687,910**	**213,161,323**	**198,687,910**
34.03	**Factory Overhead**				
	Rent	120,000	120,000	60,000	60,000
	Security Service	1,777,296	1,714,832	875,919	867,553
	Depreciation	25,105,666	23,024,258	12,552,833	11,512,129
	Utility Charges	12,692,455	11,124,982	6,727,948	6,085,439
	Transport	2,003,850	1,465,661	1,301,925	842,828
	Repair and Maintenance	1,355,094	825,874	797,179	512,937
	Fuel & Lubricant	900,710	1,261,462	560,355	831,730
	Carriage Inward	353,621	368,752	206,810	191,372
	Labour Bill	636,294	253,747	458,147	131,873
	Inspection Charge	325,022	-	182,511	-
	Other Expenses	873,684	1,070,855	448,219	732,901
	Total	**46,143,692**	**41,230,423**	**24,171,846**	**21,768,762**
34.04	CIF Costs of imported items aggregated	**630,832,994**	**548,256,628**	**368,844,625**	**291,196,859**
35	**Administrative & Selling Expenses**				
	Staff Salaries	28,588,979	23,842,530	15,894,489	12,421,225
	Directors' Remuneration	3,000,000	3,000,000	1,500,000	1,500,000
	Overtime and Similar Allowance	496,550	366,015	252,275	185,007
	Utility Charge	610,525	479,482	370,342	255,904
	Entertainment	313,182	168,260	137,895	89,132
	C & F Charges	2,768,264	2,014,682	1,434,132	1,107,341
	Courier & Postage	406,331	308,652	256,165	159,363
	Telephone and Other	137,140	306,320	68,570	143,160
	Labour Bill	-	82,684	-	45,682
	Office Rent	810,000	660,000	405,000	330,000
	Service Charges	96,272	90,430	48,560	47,215
	Car Rent and Other Expenses	1,065,420	1,045,000	552,710	542,500
	Depreciation	1,321,351	1,211,803	660,675	605,902
	Insurance Premium	3,239,702	3,437,888	3,239,702	3,437,888
	Audit Fee	500,000	500,000	500,000	500,000
	Professional and Consultancy fee	240,000	120,000	120,000	60,000
	Traveling & Conveyance	1,212,532	532,620	726,265	286,318
	Stationery	210,258	246,581	117,152	163,291
	Fuel & Lubricant	1,427,454	760,280	763,725	420,140
	Carriage Outward	1,417,101	763,582	828,551	381,791
	Advertisement	622,151	150,000	321,940	85,000
	License & Renewals	264,831	212,000	264,831	106,000
	Commercial Expenses	2,277,513	965,426	1,249,752	582,713
	Business Development Expenses	997,520	953,000	518,760	676,500
	Legal Fees	-	15,300	-	7,650
	Exchange Loss/Gain	1,975,576	2,787,622	1,187,788	1,693,811
	Donation	60,000	-	60,000	-
	Newspaper and Periodical Expenses	4,280	56,826	2,145	32,460
	AGM Expenses	1,055,764	-	1,055,764	-
	Other Expenses	2,086,510	1,271,413	1,242,264	675,706
		57,205,206	**46,348,396**	**33,779,452**	**26,541,699**

36	Other Income	01.01.2013 to 30.06.2013	01.01.2012 to 30.06.2012	01.04.2013 to 30.06.2013	01.04.2012 to 30.06.2012
		Amount in Taka			
	Sub-Contract Revenue	5,831,905	2,568,640	-	1,671,723
	Income from Cash Incentive	9,169,632	13,500,826	2,812,580	8,601,235
	Interest on Bank	1,298,870	117,307	1,298,870	117,307
	Interest on Investment and Deposits	-	8,306,250	-	-
	Other Revenues	412,565	689,250	155,643	68,352
	Total	**16,712,972**	**25,182,273**	**4,267,093**	**10,458,617**
37	**Financial Expenses**				
	Bank Charges	6,669,199	4,354,437	3,694,644	2,815,230
	Interest on Time Loan	48,394,528	26,236,919	24,912,668	17,266,172
	Interest on Packing Credit	3,534,216	3,625,531	2,245,029	1,423,103
	Interest on Term Loan	21,183,532	26,232,486	10,577,500	18,078,603
	Interest on Bill Purchase	1,861,009	1,245,362	1,021,854	380,732
	Interest on Forced Loan	14,779,561	12,488,428	9,204,756	8,613,921
	Total	**96,422,045**	**74,183,163**	**51,656,451**	**48,577,761**

38 Provision for Income Tax

Particulars	Amount	Rate	Tax Amount
Export	1,100,528,032	0.80%	8,804,224
Sub-Contract Revenue	5,831,905	4%	233,276
Income from Cash Incentive	9,169,632	5%	458,482
Interest on Bank	1,298,870	27.50%	357,189
Other Revenues	412,565	27.50%	113,455
			9,966,626

39 Earning Per Share (EPS)

	01.01.2013 to 30.06.2013	01.01.2012 to 30.06.2012	01.04.2013 to 30.06.2013	01.04.2012 to 30.06.2012
Earning Per Share (EPS)	**Basic Earning / No. of Share**			
	169,010,106 / 168,717,600	**113,777,924 / 168,717,600**	**86,650,798 / 168,717,600**	**67,416,426 / 168,717,600**
	= 1.00	**=0.67**	**=0.51**	**=0.40**

40 EPS From Recurring Income

Earning Per Share (EPS)	**Basic Earning / No. of Share**	**105,354,367 / 168,717,600**	**85,351,928 / 168,717,600**	**67,299,119 / 168,717,600**
	167,711,236 / 168,717,600			
	= 0.99	**=0.62**	**=0.50**	**=0.40**

41 EPS From Non-Recurring Income

Earning Per Share (EPS)	**Basic Earning / No. of Share**	**8,426,557 / 168,717,600**	**1,298,870 / 168,717,600**	**117,307 / 168,717,600**
	1,298,870 / 168,717,600			
	= 0.01	**=0.05**	**=0.01**	**=0.00**

42 Capital Expenditure Commitment

There was no capital expenditure contracted but not incurred or provided for as on 30.06.2013
There was no material Capital expenditure authorised by the Board but not contracted for as on 30.06.2013

43 Contingent Liabilities

There was no sum for which the Company is contingently liable as on 30.06.2013

44 Claims not Acknowledged

There was no claim against the Company not acknowledged as debt as on 30.06.2013

45 Credit Facilities Availed

Credit facilities available were to the Company from banks as on 30.06.2013 and Trade Credit available in the ordinary course of business. No other credit facilities were available to the Company as on 30.06.2013

46 Commission, Brokerage or Discount Against Sales

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

47 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

48 Employees

Number of employees whose salary was below Tk. 3,000 is 1492 as on 30.06.2013
Number of employees whose salary was above Tk. 3,000 is 1295 as on 30.06.2013

49 Related Parties Transactions

There were no related parties transactions, except regarding share capital, during the period ended 30.06.2013

50 Capacity Utilisation (Half-Yearly)

Particulars	Capacity	Actual Production	Percentage
Garments	655,000 Dozens	570,685 Dozens	87%
Fabrics	2,500 MT	1,875 MT	75%
Dyeing	2,500 MT	1,875 MT	75%

Reason: Actual production as per market demand

51 Managerial Remuneration

51.01 Total remuneration of managers aggregates during the half-year ended June 30, 2013 at Tk.17,296,170 (2012; Tk.14,805,520)

51.02 Total remuneration of the CEO/Managing Director for the half-year ended June 30, 2013 stood at Tk. 600,000 (2012; Tk.600,000)

Sd/-	Sd/-	Sd/-
Managing Director	**Director**	**Company Secretary**

ATA KHAN & CO.
Chartered Accountants

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

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 2008, 2009, 2010, 2011, 2012 & June 30, 2013 and Comparative Income Statement (Statement of Profit and Losses) for the year ended 31 December 2008, 2009, 2010, 2011, 2012 and half year ended June 30, 2013 that have been audited by us. Our responsibility is limited to review with 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:

2.1

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 31, 2008, 2009, 2010, 2011, 2012 and half year ended June 30, 2013

		Amount in Taka					
	Particulars	30-Jun-13	31-Dec-12	31-Dec-11	31-Dec-10	31-Dec-09	31-Dec-08
A	Sales Revenue	1,100,528,032	1,674,087,945	1,393,627,887	1,289,543,519	1,014,538,165	601,118,585
B	Cost of Goods Sold	775,688,184	1,128,014,588	1,082,489,912	1,021,092,324	807,425,529	443,409,375
C	Gross Profit (A-B)	324,839,848	546,073,357	311,137,975	268,451,195	207,112,636	157,709,210
D	Administrative Expenses	57,205,206	84,380,206	95,186,547	98,747,472	79,651,392	49,791,947
E	Operating Profit (C-D)	267,634,642	461,693,151	215,951,428	169,703,723	127,461,244	107,917,263
F	Financial Expenses	96,422,045	214,177,648	153,988,754	169,149,917	164,891,128	123,378,056
G	Other Income	16,712,972	77,749,082	156,542,529	112,505,521	115,397,056	71,356,802
H	Net Profit /(Loss) before tax and WPWFs (E-F+G)	187,925,569	325,264,585	218,505,203	113,059,327	77,967,172	55,896,009
I	Workers' Participation/Welfare Funds	8,948,837	15,488,790	-	-	-	-
J	Net Profit /(Loss) before tax (H-I)	178,976,732	309,775,795	218,505,203	113,059,327	77,967,172	55,896,009
K	Provision for Income tax	9,966,626	27,644,980	36,093,138	19,269,786	8,491,050	4,818,732
L	Net Profit (Loss) after Tax (J-K)	169,010,106	282,130,815	182,412,065	93,789,541	69,476,122	51,077,277
M	Fully Diluted Earning per Share (EPS)	1.00	2.01	2.09	2.68	14.72	10.82
N	Fully Diluted Earning per Share (EPS) From Recurring Income	0.99	1.63	1.69	2.68	14.56	10.70
O	Fully Diluted Earning per Share (EPS) From Non-Recurring Income	0.01	0.38	0.40	-	0.16	0.12

Place: Dhaka
Date: August 21, 2013

Sd/-
ATA KHAN & CO.
Chartered Accountants

ATA KHAN & CO.
Chartered Accountants

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

2.2

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 December 31, 2008, 2009, 2010, 2011, 2012 & June 30, 2013

	Particulars	Amount in Taka					
		30.06.2013	31.12.2012	31.12.2011	31.12.2010	31.12.2009	31.12.2008
A.	**NON-CURRENT ASSETS**	**2,774,132,638**	**2,697,669,438**	**2,267,152,562**	**1,717,956,510**	**1,484,787,328**	**1,313,598,258**
	Property, Plant & Equipment	1,804,197,004	1,746,304,786	1,432,890,110	1,289,999,471	1,196,135,081	1,134,603,222
	Capital Works-in-Progress	969,935,634	951,364,652	579,537,452	427,957,039	288,510,657	178,853,446
	Investments	-	-	254,725,000	-	-	-
	Preliminary Expenses	-	-	-	-	141,590	141,590
B.	**CURRENT ASSETS**	**1,406,903,825**	**1,293,849,778**	**1,014,789,671**	**896,098,045**	**580,122,981**	**461,236,228**
	Inventories	569,976,166	554,719,980	520,641,340	362,034,597	281,807,010	225,590,251
	Accounts Receivable	529,686,200	504,355,503	398,571,089	367,141,772	273,141,610	214,145,294
	Loans, Advances, Deposits & Pre-Payments	198,551,178	191,550,025	81,423,358	89,938,221	15,993,796	4,980,629
	Cash & Cash Equivalents	108,690,281	43,224,270	14,153,884	76,983,455	9,180,565	16,520,054
C.	**CURRENT LIABILITIES & PROVISIONS**	**1,267,577,285**	**1,215,099,553**	**953,478,661**	**798,540,477**	**448,341,818**	**299,476,917**
	Accounts & Other Payables	16,145,018	18,843,850	21,843,850	10,487,094	6,360,858	14,748,321
	Accrued Expenses	140,312,689	120,360,599	77,786,796	41,403,343	25,442,758	10,489,675
	Bank Overdraft	47,060,693	46,438,284	31,207,424	30,913,010	31,275,906	31,199,495
	Short Term Bank Credits	917,435,171	866,864,309	566,176,664	428,399,941	219,748,335	69,618,714
	Deferred L/C Liabilities	61,346,458	70,068,920	137,891,927	143,095,210	165,513,961	173,420,712
	Share Maoney Refundable	2,989,134	32,523,591				
	Current Maturity of Long Term Loans	82,288,122	60,000,000	118,572,000	144,241,879	-	-
D.	**NET CURRENT ASSETS (B-C)**	**139,326,540**	**78,750,225**	**61,311,010**	**97,557,568**	**131,781,163**	**161,759,311**
E.	**NET ASSETS (A+D)**	**2,913,459,178**	**2,776,419,663**	**2,328,463,572**	**1,815,514,077**	**1,616,568,491**	**1,475,357,569**
F.	**SHAREHOLDERS' EQUITY**	**2,724,479,597**	**2,555,469,491**	**1,973,443,879**	**1,019,381,814**	**675,592,273**	**617,704,457**
	Share Capital	1,687,176,000	1,405,980,000	871,650,000	350,000,000	47,200,000	47,200,000
	Share Premium	250,000,000	250,000,000	250,000,000	-	-	-
	Proposed Bonus Share	-		-	-	52,800,000	-
	Revaluation Surplus	463,106,627	506,889,888	506,889,888	506,889,888	495,301,582	506,889,888
	Retained Earnings	324,196,970	392,599,603	344,903,991	162,491,926	80,290,691	63,614,569
G.	**SHARE MONEY DEPOSIT**	-	-	-	**212,950,000**	**200,000,000**	-
H.	**LONG TERM LOAN**	**188,979,581**	**220,950,172**	**355,019,693**	**583,182,263**	**740,976,218**	**857,653,112**
	Long Term Bank Loan	188,979,581	220,950,172	355,019,693	583,182,263	690,347,319	607,024,213
	Other Loans	-	-	-	-	50,628,899	250,628,899
I.	**LIABILITIES & SHAREHOLDERS' EQUITY (F+G+H)**	**2,913,459,178**	**2,776,419,663**	**2,328,463,572**	**1,815,514,077**	**1,616,568,491**	**1,475,357,569**
	Net Assets Value Per Share of Tk.10 each with Revaluation (NAVPS)	**16.15**	**18.18**	**22.64**	**29.13**	**143.13**	**130.87**
	Net Assets Value Per Share of Tk.10 each without Revaluation (NAVPS)	**13.40**	**14.57**	**16.83**	**14.64**	**38.20**	**23.48**

Place: Dhaka
Date: August 21, 2013

Sd/-
ATA KHAN & CO.
Chartered Accountants

ATA KHAN & CO.
Chartered Accountants

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

2.3

Comparative Statement of Cash Flow

For the year ended December 31, 2008, 2009, 2010, 2011, 2012 and half year ended June 30, 2013

Particulars	Amount in Taka					
	30.06.2013	31.12.2012	31.12.2011	31.12.2010	31.12.2009	31.12.2008
A. CASH FLOWS FROM OPERATING ACTIVITIES:	**156,379,883**	**52,878,878**	**87,398,905**	**(92,264,637)**	**(28,470,707)**	**(32,576,373)**
Cash Received from Customers	1,091,910,307	1,646,052,614	1,518,741,099	1,308,048,878	1,070,938,904	549,742,683
Cash Payment for Materials and Expenses	(935,530,424)	(1,593,173,736)	(1,431,342,194)	(1,400,313,515)	(1,099,409,611)	(582,319,056)
B. CASH FLOWS FROM INVESTING ACTIVITIES:	**(102,890,217)**	**(479,609,067)**	**(593,167,163)**	**(348,248,005)**	**(212,397,921)**	**(170,485,048)**
Acquisition of Fixed Assets	(84,319,235)	(362,506,867)	(186,861,750)	(134,857,198)	(102,740,710)	(120,566,795)
Expenditures for Capital Work-in-Progress	(18,570,982)	(371,827,200)	(151,580,412)	(213,390,807)	(109,657,211)	(49,918,253)
Investments	-	254,725,000	(254,725,000)	-	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES:	**11,976,345**	**455,800,575**	**442,938,688**	**508,315,532**	**233,529,139**	**192,968,767**
Bank Overdraft Received/(Repaid)	622,409	15,230,860	294,414	(362,896)	76,412	298,421
Issue of Share Capital at par Premium	-	300,000,000	771,650,000	250,000,000	-	-
Short Term Bank Credit Received/(Repaid)	50,570,862	300,687,645	137,776,723	208,651,606	150,129,621	(48,234,221)
Long Term Loan (Repaid)/Received	(9,682,469)	(192,641,521)	(253,832,449)	37,076,823	83,323,106	135,669,420
Share Money Deposit (Adjusted)/Received	(29,534,457)	32,523,591	(212,950,000)	12,950,000	200,000,000	-
Other Loans (Repaid)/Received		-	-	-	(200,000,000)	105,235,147
D. Net Increase/(Decrease) in cash & cash equivalents (A+B+C)	**65,466,011**	**29,070,386**	**(62,829,570)**	**67,802,890**	**(7,339,489)**	**(10,092,654)**
E. Cash & Cash equivalents at the beginning of the period	**43,224,270**	**14,153,884**	**76,983,455**	**9,180,565**	**16,520,054**	**26,612,708**
F. Cash & Cash equivalents at the end of the period (D+E)	**108,690,281**	**43,224,270**	**14,153,885**	**76,983,455**	**9,180,565**	**16,520,054**
Operating Cash Flow Per Share	**0.93**	**0.38**	**1.00**	**(2.64)**	**(6.03)**	**(6.90)**

3 No dividend, except stock dividend at 20% for the year ended 31 December 2012 and 2011; and 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 or part of the proceeds of the issue of shares were applied by the Company in purchase of any business.

Place: Dhaka
Date: August 21, 2013

Sd/-
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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	As on					
		30.06.2013	31.12.2012	31.12.2011	31.12.2010	31.12.2009	31.12.2008
Liquidity ratios :							
Current ratio (Times)	Current assets / Current liabilities	1.11	1.06	1.06	1.12	1.29	1.54
Quick (Acid Test) ratio (Times)	(Current assets-Inventories)/Current liabilities	0.66	0.61	0.52	0.67	0.66	0.78
Times interest earned ratio (Times)	EBIT/Interest Expense	3.09	2.66	2.73	1.80	1.58	1.53
Debt to equity ratio (Times)	Total debt/Total equity	0.53	0.56	0.66	1.56	2.05	1.87
Operating ratios :							
Accounts receivable turnover ratio or average collection period (days)	Net credit sales/Average net receivable or Accounts Receivables/Revenue per day	175	110	104	104	98	130
Inventory turnover ratio	Cost of sales/Average inventory	1.38	2.10	2.45	3.17	3.18	2.84
Total asset turnover ratio	Turnover/Average total assets Total Revenue/Total Assets	0.26	0.42	0.42	0.49	0.49	0.34
Profitability ratios :							
Gross profit margin	Gross profit/Turnover	0.30	0.33	0.22	0.21	0.20	0.26
Operating profit margin	Operating profit/Turnover	0.24	0.28	0.15	0.13	0.13	0.18
Net Profit Margin (NPATM)	Net profit after tax/Turnover	0.15	0.16	0.13	0.07	0.07	0.08
Return on Assets (ROA)	Net profit after tax/Total assets	0.04	0.07	0.05	0.04	0.03	0.03
Return on Equity (ROE)	Net profit after tax/Total equity	0.06	0.11	0.09	0.09	0.08	0.08
Earnings Per Share (Taka)	Net profit after tax attributable to ordinary shareholders/ordinary shares outstanding	1.00	2.01	2.09	2.68	14.72	10.82
Earnings Per Share - diluted (Taka)	Net profit after tax attributable to ordinary shareholders/latest no. of ordinary shares outstanding	1.00	1.67	1.08	0.56	0.41	0.30
Face value per share	Share amount/number of shares	10.00	10.00	10.00	10.00	10.00	10.00

Place: Dhaka
Date: August 21, 2013

Sd/-
ATA KHAN & CO.
Chartered Accountants

GENERATION NEXT FASHIONS LIMITED

Registered Office: House # 348, Road # 05, DOHS Baridhara Dhaka-1206, Bangladesh.

February 27, 2014

Folio/BO Account No:
Name:
Address:

LETTER OF OFFER FOR RIGHTS ISSUE

Dear Shareholder (s)

We are pleased to inform you that the Board of Directors of the Company in its Meeting held on August 26, 2013 decided to raise paid up capital through issuance of Rights share of **112,478,400** Ordinary Shares at Tk. 10.00 each at par ratio of 2R:3 (two rights share for three existing share held) on the basis of existing paid up capital Tk. 1,687,176,000.00 which was approved by the Shareholders in the **2nd Extra Ordinary General Meeting** held on **September 29, 2013.** As a registered Shareholder of ordinary shares as on **February 25, 2014** the record date, you are entitled to exercise your rights share(s).

If you wish to accept the above Rights Share(s) in full or in part, you are required to submit completed Application Form-A annexed hereto with necessary payments.

You may, however, renounce your rights in respect of all or part of your entitlement in favor of others in which case the Renunciation **Form-B** and **Form-C** annexed hereto shall be submitted duly filled in by you and the renounce(s) along with necessary payments.

The rights cannot be exercised for fraction of a share i.e. below full unit of a share.

All the payments for accepted shares are to be made in cash or by P.O/DD/Cheque @ Tk. 10/- each at par share and to be deposited with any of the branches of Bankers to the Issue during banking hours from **March 18, 2014 to April 09, 2014** (both days inclusive). Any extension of time will be notified through national dailies. Payments through P.O/DD/Cheque payable to "**Generation Next Fashions Limited**" and must be drawn on a Bank in the same town where the Branch of Bankers to the Issue in which the application form has been submitted, is situated. It is to be noted that all transactions above Tk. 1.00 (one) lac must be effected through Demand Draft/Crossed Cheque/Pay Orders.

The offer will be deemed to have been declined if completed Application **Form-A** and/or Renunciation **Form-B** and **Form-C** with necessary payments have not been received by **April 09, 2014** or by such later date as may be notified through national dailies to that effect.

A self-explanatory Rights Share Offer Documents is attached for your kind information and evaluation.

By order of the Board

Sd/-
(Javed Opgenhaffen)
Managing Director

Application Form-A

GENERATION NEXT FASHIONS LIMITED

Registered Office: House # 348, Road # 05, DOHS Baridhara Dhaka-1206, Bangladesh.

Rights Issue of **112,478,400** Ordinary Shares of Tk.10.00 each at par share offer to the Shareholders whose name appeared in the share register at the close of record date of **February 25, 2014**

Last Date of Acceptance and Application: April 09, 2014

FORM OF ACCEPTANCE AND APPLICATION FOR SHARES

The Managing Director **Dated: ……./……/2014**

Generation Next Fashions Limited
House # 348, Road # 05
DOHS Baridhara Dhaka-1206, Bangladesh

Dear Sir,

I/We apply for allotment of ordinary shares indicated below in response to your letter of Rights Offer and Subject to the Memorandum and Articles of Association of the Company. I/We hereby agree to accept the shares as may be allotted to me/us on the terms laid down in the letter of offer and enclose the necessary remittance @ Tk.10.00 each at par share in cash or by Draft/Pay order/Cheque no………………dated……………………..drawn on. ……………………………………Bank……………………………….…….Branch.

Folio/BO Account No.	No. of Shares held at the close of record date of **February 25, 2014**	No. of Shares offered	No. of Shares Accepted	Total Amount Paid

Yours faithfully,

1. Name (in block)………………………………………………………………………. Signature ……………………………………………………………

Address:………

2. Name (in block)………………………………… ……………………………………Signature ……………………………………………………………

Address:………

BO Account No.

As per provision of the Depository Act, 1999 and regulations made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Note: Signature must be the same as was furnished to the Company earlier.

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ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

Received Tk……………………….………………. (Taka….……………………………………………..) only from Mr./Ms…………………………………………………folio/BO Account no……………………………... for……………………no.(s) of rights shares of **Generation Next Fashions Limited** in Cash/Pay order/Draft/Cheque No…………….………… dated……………............ of. ……………………………………………………… Bank. ……………………….………………Branch.

Application Sl. No. (Bank's Seal)

Signature of Receiving Officer
Date:

Renunciation Form-B

GENERATION NEXT FASHIONS LIMITED

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

Rights Issue of 112,478,400 Ordinary Shares of Tk.10.00 at par share offer to the Shareholders whose name appeared in the share register at the close of record date of **February 25, 2014.**

Last Date of Acceptance and Application: April 09, 2014

FORM OF RENUNCIATION

The Managing Director **Dated: ……../……./2014**

Generation Next Fashions Limited
House # 348, Road # 05,
DOHS Baridhara Dhaka-1206, Bangladesh

Dear Sir,

I/We hereby renounce my/our rights to the shares offered to me/us as noted below in favor of person(s) accepting the same and signing in Application by Renouncee(s) and apply for allotment in his/her/their name(s).

Folio/BO Account No.	No. of Shares held at the close of record date **February 25, 2014.**	No. of Shares offered	No. of Shares renounced

Yours faithfully,

1.Name (in block)……………………………………………………………………………… Signature……………………………………

Address:……

2.Name (in block)……………………………………………………………………………… Signature……………………………………

Address:……

Name(s) of Renouncee (s) **BO A/C No**

1. Name………………………………………………………

2. Name………………………………………………………

N.B. use photocopy in case of renouncement favoring more than 2 (two) persons

As per provision of the Depository Act, 1999 and regulations made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Note: Signature must be the same as was furnished to the Company earlier

Renunciation Form-C

APPLICATION BY RENOUNCEE(S)

The Managing Director **Dated: ……../……./2014**

Generation Next Fashions Limited
House # 348, Road # 05,
DOHS Baridhara Dhaka-1206, Bangladesh.

Dear Sir,

As the share holder(s) at pre-page has/have renounced his/her/their rights to the shares offered, in my/our favor, I/We do hereby apply for the number of share noted above as renounced, by making payment of Tk. ………………………………………………………………. being the value of ……………………………..Shares @ Tk.10.00 each at par share in cash or by Draft/Pay order/Cheque no………………dated……………………..drawn on. ……………………………………Bank……………………………………..Branch..

Yours faithfully,

1. Signature ………………………………………………..	2. Signature …………………………………………….
Name (in block)………………………………………..	Name (in block)………………………………………..
S/O. D/O. W/O. ………………………………………..	S/O. D/O. W/O. ………………………………………..
Address:………………………………………………….	Address:………………………………………………….
……………………………………………………………	……………………………………………………………
BO No.	BO No.

N.B. use photocopy in case of renouncement favoring more than 2 (two) persons

1. Signature of the Renouncer (s) 1. ………………………………………….2……………………………………………………..

As per provision of the Depository Act, 1999 and regulations made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Note: Folio No. is to be mentioned only in case of existing shareholder(s)

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ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

Received Tk. ……………………………………………………(Taka……………………………………………………..) only From Mr./Ms……Folio/BO Account No. ………………………………………….for…………………………no.s of Rights Share of Generation Next Fashions Limited in Cash/Draft/Pay Order/Cheque No……………… date……………………….. of …………………………………………… Bank ……………………………………………Branch.

Application Sl. No. (Bank's Seal)…………………..

Signature of Receiving Officer

Date: