

**ANNUAL REPORT**  
**2016-2017**

**PACIFIC  
DENIMS**  
THE AUTHENTIC DENIM



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Pacific Denims Limited

## TRANSMITTAL LETTER

The Shareholders,  
Bangladesh Securities and Exchange Commission (BSEC)  
Registrar of Joint Stock Companies & Firms (RJSC)  
Dhaka Stock Exchange Limited  
Chittagong Stock Exchange Limited

**Subject: Annual Report for the year ended 30<sup>th</sup> June, 2017.**

Dear Sir,

We are pleased to enclose a copy of Annual Report together with the Audited Financial Statements including Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow for the year ended 30<sup>th</sup> June, 2017 along with notes to thereon of Pacific Denims Limited for your kind information and records.

Sincerely Yours,

By the order of Board

Sd/  
**Md. Sorhab Ali**  
Company Secretary

## NOTICE OF THE 14<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 14th Annual General Meeting (AGM) of the shareholders of Pacific Denims Limited will be held on Thursday, December 28, 2017 at 10.30 A.M at The Institute of Engineers, Bangladesh, Ramna, Dhaka-1000 to transact the following business:

1. To consider and adopt the Audited Financial Statements for the year ended June 30, 2017 and for the period ended June 30, 2016 along with reports of the Auditors and Directors thereon.
2. To declare dividend as recommended by the Board of Directors.
3. To elect Directors as per Articles of Association of the Company.
4. To extend time for partial loan pay off of the company.
5. To appoint the Auditors and fixation of their remuneration.
6. To transact any other business with the permission of the Chair.

Date: December 07, 2017

By the order of Board

Sd/  
Md. Sorhab Ali  
Company Secretary

### Notes:

1. The record date is 19th November, 2017. The Shareholders whose name would appear in the Share Register or in the Depository Register as members of the Company on the record date will be entitled to dividend and eligible to attend and vote at the 14th AGM.
2. A Shareholder eligible to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote on his/her behalf. Proxy form, affixed with requisite revenue stamp, must be submitted at the Head Office of the Company not later than 48 hour before the time fixed for the meeting
3. Annual Report 2017 of Pacific Denims Limited will also be available at the company website: [www.pgbd.org](http://www.pgbd.org)
4. Admission to the Annual General Meeting will be allowed on production of the attendance slip sent with the Notice as well as verification of signature of Member(s) and/of Proxy-holder(s).

N.B: In compliance with Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013, no gift/gift coupon/food box/benefit in cash or in kind shall be distributed/paid to the Shareholders for attending the 14th Annual General Meeting.



## AWARD AND RECOGNITION


















Denim Expo-2015  
Hotel Radisson Blu



Asia Apparels Expo-2017  
Berlin, Germany.



## CORPORATE DIRECTORY

Company Name	: <b>Pacific Denims Limited (PDL)</b>
Company Logo	: 
Legal Position	: Pacific Denims Limited (PDL) was incorporated in Bangladesh as a Private Limited Company under the Companies Act, 1994. Vide Registration No. C-48649(633)/2003 dated March 20, 2003 and converted into the Public Limited Company as on January 12, 2011. The company raised Tk. 750,000,000 divided into 75,000,000 ordinary shares of Tk. 10 each through IPO on January 10, 2017. The shares of the company were listed with both Dhaka Stock Exchange and Chittagong Stock Exchange on January 25, 2017. The trading of shares of the company was started from 07 February, 2017 in both Stock Exchange.
Dates of Incorporation Commencement of its	: 20 March, 2003.
Commercial Operations	: April 01, 2007.
Authorized Capital	: Tk.1,200,000,000 divided into 120,000,000 Ordinary Share of Tk.10.00 each
Paid up Capital	: Tk. 1,130,000,000 divided into 113,000,000 Ordinary Share of Tk. 10.00 each
Registered Office	: Bashoti Aristocrats D-3, (3rd Floor), Plot-6, Block # SW (H), Gulshan Avenue, Dhaka-1212. Phone : +88-02-58817882, 58855523, E-mail :info@pacificgroupbd.com, Web : www.pgbd.org
Manufacturing Plant	: Natun Charchasi, Gazaria, Munshiganj, Bangladesh.
Board of Directors	: 5 Directors.
Auditor	: MAHFEL HUQ & CO. Chartered Accountants BGIC Tower (4thFloor), 34, Topkhana Road, Dhaka-1000. Tel: +88-02-9553143, +88-02-9581786; Fax: +88-02-9571005 Email: mahfelcofca@gmail.com
Manager to the Issue	: AFC CAPITAL LIMITED Saiham Sky View Tower (11th Floor), 45 Bijoy Nagar, Dhaka-1000. Tel: +88-02-8392371; Fax: +88-02-8392372 , Website: www.afccl.asia
Banker for IPO	: Mutual Trust Bank Limited, Dilkusha Branch
Banker of the Company	: Agrani Bank Limited, Prime Bank Limited, NCC Bank Limited and Bank Asia Limited
Compliance Officer	: Md. Sorhab Ali, Company Secretary

## OUR VISION

- Become one of the leading denim fabrics manufacturer of the country
- Provide products and services of high and consistent quality, ensuring value for money to its customers
- Accomplish a high level of productivity in all its operations through effective and efficient use of resources, adoption of appropriate technology and alignment with our core competencies.
- Develop its employees by training, motivating and rewarding for innovation.

## OUR MISSION

- Committed to the pursuit of excellence through world-class products, innovative processes and empowered employees to provide the highest level of satisfaction to its customers.

## OUR STRENGTH

- **Brand loyalty:** The Company's products (Jeans/Denim fabric) to its customers have enabled the company to capture significant market share in the sector. Our customer includes KIK, Tesco, Sears, Gman, NKD, A. F Textile, Primer, C & A, OVS, Target, Takko, Lidl, Wal-Mart, K-Mart, Gordge, Carl Ricker, Carryfour, Lindex and Tema etc.
- **Modern Machineries:** We have been using modern machineries that increase our productivity.
- **Market Share:** We have good market share of Denim Fabric.
- **Strong Distribution Channels:** We have very strong distribution channels through which we can smoothly supply our products.
- **Professional Management:** We have professional management and they have experience in this sector.

## BRIEF PROFILE OF BOARD OF DIRECTORS



**MD. SHADEQUL ALAM (YEASIN)**  
**Chairman, Pacific Denims Limited**

Mr. Md. Shadequl Alam (Yeasin) is the Chairman of Pacific Denims Limited. He has introduced innovative production management, incentive system and marketing approach to the company. He has 11 year of valuable business experience in the existing space of garments sector. He obtained Textile Engineering graduation from Adword University, Dhaka campus. Mr. Shadequl Alam (Yeasin) also serves as the Chairman of Pacific Co. (BD) Limited, Disney Properties Limited and Pacific Beverage & Food Limited.



**MD. SHAFIUL AZAM (MOHSIN)**  
**Managing Director, Pacific Denims Limited**

Mr. Md. Shafiul Azam (Mohsin) is the Managing Director of Pacific Denims Ltd. He was born in 1967 in an illustrious family of B. Baria. His father was late Abdur Rashid.

Mr. Mohsin obtained his B.Sc. from Tejgaon College under Dhaka University. He also serves as the Managing Director of Pacific Co. (BD) Limited, Disney Properties Limited. Mr. Mohsin is widely experienced personnel in industrial management. He is the Chief Executive Officer of Pacific Group, engaged in diversified business including number of Export Oriented Readymade Garments and Textile Industry, Land Development, Export Oriented RMG Accessories Industry, Food service, etc. He is young energetic business leader. He achieved NAWAB SIR SALIMULLAH GOLD MADEL AWARD as the best Industrial Entrepreneurship for the year of 2006. He also achieved BANGLADESH BUSINESS AWARD 2010-2011 presented by Mr. H. T. Imam, Adviser to the Honorable Prime Minister & also got Business Asia Award 2010--2011 presented by the Honorable Commerce Minister Mr. Faruk Khan as the best Denim Fabrics Exporter.



**MD. SOHEL KHAN**  
**Director, Pacific Denims Limited**

Mr. Md. Sohel Khan serves as the Director of Pacific Denims Limited and also Managing Director of Pacific Jeans Collection Limited and Color Tex International. He has 15 years of valuable business experience in the garments sector. Mr. Sohel has visited most of the countries where commodities made of Bangladesh have a good and lucrative export market. Mr. Sohel is young energetic business leader. He possesses his business talent and what initiative he has taken, he then made it to successful one. He has become a business icon to young business entrepreneur.



**MD. ASHFAK AHMED KHAN**  
**Independent Director, Pacific Denims Limited**

Mr. Md. Ashfak Ahmed Khan serves as the Independent Director of Pacific Denims Limited. He obtained his MSS in Political Science from Govt. Titumir College under National University. Mr. Ashfak Ahmed Khan has 15 years of valuable professional experience in the garments and textile sector. The creation of strategic alliances and strategic planning of his is the indicator of our continuous efforts to develop the core team to help achieve the mission of the company.



**M.A. KAMAL BHUIYAN**  
**Nominee Director, (Disney Properties Limited),**  
**Pacific Denims Limited**

Mr. M. A. Kamal Bhuiyan serves as the Representative Director of Disney Properties Limited. He also Chairman of Pacific Jeans Collection Limited. He obtained his B. Com (Pass) from Comilla Victoria Govt. College in 1980 and M. Com in Management from Chittagong University in 1982. He also completed partly (CMA Intermediate) professional degree from ICMAB, Comilla Branch. He also served as Chief Executive in Mariners Bangladesh Limited (1993-1995) and Production in Charge in Young Ill Mulsun, Kwangiu, South Korea (2001-2008).

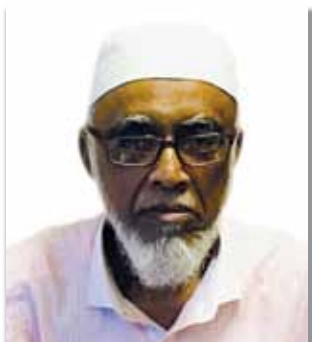


## MANAGEMENT PROFILE



**MD. ABDUL MAJID**  
**EXECUTIVE DIRECTOR (Operation)**

Mr. Md. Abdul Majid joined Pacific Denims Limited in May 2006. He obtained his B.Sc. Honors and M.Sc. in Applied Chemistry & Chemical Engineering from Rajshahi University. Before joining Pacific Denims Limited he worked with many companies in senior management position like Beximco Denims Limited, a sister concern Beximco Group, Deep Textile Limited, Jamuna Denims Limited a sister concern of Jamuna Group



**MD. ABDULA HALIM**  
**CHIEF FINANCIAL OFFICER**

Mr. Md. Abdul Halim joined Pacific Denims Limited in February 2007. He obtained his B. Com under University of Dhaka. He also obtained Banking Diploma from DAIBB. Before joining Pacific Denims Limited he worked in many banks in senior management position in the post of DGM at Janata Bank Limited, SVP of Mutual Trust Bank Limited and SVP of The City Bank Limited etc.



**MD. SORHAB ALI**  
**COMPANY SECRETARY**

Mr. Md. Sorhab Ali joined Pacific Denims Limited in November 2011. He obtained his BBA (Honors) & MBA in Accounting from Chittagong University. Before joining Pacific Denims Limited he worked in many companies in senior management position such as Siemex Textile Mills Limited, a sister concern of SIEMEX Group, DNS Software Limited a sister concern of DNS Group etc.

## MESSAGE FROM THE CHAIRMAN

Bismillahir Rahmanir Rahim  
Dear Shareholders

Assalamualaikum,

It is a great Pleasure for me to be here with you at the 14th Annual General Meeting of Pacific Denims Limited (PDL). After IPO, this is the first AGM of our Company. On behalf of the Board of Directors and myself, I express my heart-felt thanks and profound gratitude to you for your support and trust. It is my privilege to present you Company's business performance together with PDL's Annual Report and the Financial Statements and Auditors' report for the year ended June 30, 2017 and for the half year ended June 30, 2016. I would like to take the opportunity to thank the valued shareholders for joining us to make the event successful.

I am very pleased to announce that this 1st AGM after issuing capital to the shareholders through IPO. We are trying to deliver the value to the shareholders who have trusted us.

PDL has passed a successful year during the year 2016-2017. We believe that our endeavours and teamwork have enabled the Company to maintain its profitability under competitive industry scenario. The denims sector in Bangladesh is flourishing and we are very happy to be an integral part of the development. Despite many challenges PDL has grown in line with the denim industry in Bangladesh.

In 2016-2017, the Company has sales growth resulting in higher profit comparing to the previous year. I am pleased to report that the company's revenue for the year ended June 30, 2017 is Tk. 1,900.35 million and net profit after tax is Tk.134.16 million. Revenue of PDL has normal growth comparing to the prior year. Earning Per Share (EPS), Net Operating Cash Flow per shares (NOCFPS) has decreased due to increased number of shares from 38,000,000 to 113,000,000. EPS and NOCFPS was calculated by applying weighted number of ordinary shares of 73,342,466 for the year ended June 30, 2017 and 38,000,000 shares for the year ended June 30, 2016. Based on performance and business results the Board has recommended 12.50% Stock for the year 2016-2017.

PDL is still in expansion phase. Construction of Factory building is going on. We are hopeful that our expansion of factory would be completed within the next year.

PDL manufactures high quality of products as per customer requirement. Thus, the management is continuously improving the production process and human resources by conducting research and development. PDL produces high-end segment products with innovation and customer satisfaction. PDL has become a trusted source for the buyers over the years, for continuous product development of their products.

PDL recognizes its customer and people as most valuable asset. At PDL we are working for a better future for our stakeholders, buyers, employees and society at large. I would like to thank the employees without whose effort and commitment we would not be able to hold such a strong position. Meanwhile, Bangladesh Securities and Exchange Commission (BSEC) has introduced mandatory Guidelines on Corporate Governance. The Board of Directors of the Company is committed to delivering good Governance and exercising best practice in all respects.

I would also like to extend my gratitude to the Bangladesh Securities & Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies and Firms, National Board of Revenue, Central Depository Bangladesh Limited and our shareholders for their valuable guidance, support and cooperation at the time of our needs.

Sincerely Yours,

Sd/-  
Md. Shadequ lAlam (Yeasin)  
Chairman

## MESSAGE FROM THE MANAGING DIRECTOR

Bismillahir Rahmanir Rahim

Dear Shareholders,

It is a great pleasure and privilege for me to announce that this is the 1st AGM after issuing shares to the shareholders through IPO. We have been trying our best to add value to the company and shareholders.

I am delighted to announce that 2016-2017 has been a successful year for the Company. During this year the Company has earned the highest revenue and profit in the year 2016-2017 since its inception.

I hope the production capacity of the Company will be further increased by implementing the capital investment from IPO fund in the existing line of business that is already under process. Expansion of the company factory is progressing. We expect that the expansion will be completed by next year and lead to further increases in revenue and profit.

I believe that the dedication and commitment of all our employees towards our customers have been the main driving force in our successful performance. The company will continue to hold the sustainable and steady growth and profits in the coming years with bringing good returns to all the stakeholders.

Thanking You,

Sd/-  
Md. Shafiul Azam (Mohsin)  
Managing Director

## FINANCIAL HIGHLIGHTS

Operational Result	Amount in Taka				
	30-June-2017	30-June-2016 Six Months	31-Dec-2015	31-Dec-2014	31-Dec-2013
Turnover	1,900,357,135	927,498,195	1,682,536,409	1,604,853,996	1,569,637,160
Gross Profit	330,426,343	148,312,440	268,151,086	248,747,643	242,943,049
Operating Profit	280,062,040	133,738,545	241,784,560	223,498,120	218,544,996
Net profit before tax	158,626,985	64,702,605	118,164,085	114,122,300	110,419,355
Net Profit after tax	134,168,394	54,790,026	99,987,550	96,824,164	93,856,451
Net Cash Flow from Operation	41,744,653	14,181,298	75,919,868	93,919,256	(109,6219,06)

Financial Position	30-June-2017	30-June-2016 Six Months	31-Dec-15	31-Dec-14	31-Dec-13
Non-Current Assets	1,085,672,939	857,437,638	860,497,363	848,396,282	868,781,777
Current Assets	1,905,146,777	1,272,070,494	1,208,500,481	108,8864,476	1,008,705,240
Shareholder's Equity	1,943,246,006	1,059,077,612	1,004,287,586	904,300,037	915,296,618
Non-Current Liabilities	683,114,732	750,918,945	723,507,168	673,324,976	568,107,733
Key Financial Ratio	30-June-2017	30-June-2016 Six Months	31-Dec-15	31-Dec-14	31-Dec-13
Current Ratio	5.22	3.98	3.54	3.03	2.56
Quick Ratio	3.12	1.84	1.72	1.49	1.22
Debt to Equity Ratio	0.45	0.86	0.91	0.96	0.97
Net Income Ratio	7.04	5.91	5.94	6.03	5.98
Return on Equity Ratio	6.90	5.46	9.96	10.64	10.81
EPS (Basic)	1.83	1.44	2.63	2.55	2.47



## DIRECTOR'S REPORT

Bismillahir Rahmanir Rahim

Dear Shareholders,

Assalamualaikum

It is my immense pleasure to present Annual Report along with Audited Financial Statements and Auditors Report for the year ended June 30, 2017 on behalf of the Board of Directors of Pacific Denims Limited. The Company's performance and other matters as laid in the report has been dressed in terms of the Companies Act 1994, the guideline issued by Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Accounting Standards (BAS).

### Background

Pacific Denims Limited was incorporated in Bangladesh as a Private Limited Company under The Companies Act, 1994. Vide Registration No. C-48649(633)/2003 dated March 20, 2003 and converted into the Public Limited Company as on January 12, 2011. The company raised Tk. 750,000,000 divided into 75,000,000 ordinary shares of Tk. 10 each through IPO on January 10, 2017. The shares of the company were listed with both Dhaka Stock Exchange and Chittagong Stock Exchange on January 25, 2017. The trading of shares of the company was started from 07 February, 2017 in both Stock Exchange. The main activities of the Company are in manufacturing, dyeing, weaving & finishing of 100% export oriented denim fabrics. The Authorized capital of the company is TK. 1,200.00 million and paid up capital Tk. 1,130.00 million.

### Overview of Business:

The main activities of the Company were concentrated in Manufacturing, Weaving, and Dyeing & Finishing of 100% Export Oriented Denim Fabrics and exporting the same. The company produces a single product 'Denim Fabrics' of various specifications, compositions, color and qualities. PDL sells its products through Back to Back L/Cs to the local garments manufacturers and exporters who consume the denim fabrics as raw materials of their products. The garment manufacturers export their goods to the overseas markets. Therefore, the final destination of the company's products appears to be the overseas market. Pacific Denims Limited ultimately produces denim fabrics for such world renowned brand name as KIK, Tesco, Sears, Gman, NKD, A. F Textile, Primer, C & A, OVS, Target, Takko, Lidl, Wal-Mart, K-Mart, Gordge, Carl Ricker, Carryfour, Lindex and Tema.

PDL has modern machineries and technology that ensures quality products. Quality is main concern while formulating our strategy. We try to produce goods with cheap cost so that we can get competitive advantages over our competitors. We also believe in providing customizing products to our customer as per need basis so that we can get maximum market share of our products. So innovation is always there.

### Revenue

As you are aware the company is 100% export oriented and the principal activities of the company produce a single product 'Denim Fabrics' of various specifications, compositions, color and qualities. The sale proceeds stood at Tk. 1,900,357,135 during the last financial years,

The operating financial results of the Company for the period 2016-17 as compared to previous year are summarized hereunder:

Particular	June-30-2017	June-30-2016 (Six Months)
Turnover	1,900,357,135	927,498,195
Gross Profit	330,426,343	148,312,440
Net Profit (BT)	158,626,985	64,702,605
Provision for Taxation	24,458,591	9,912,579
Net Profit (AT)	134,168,394	54,790,026
Gross Margin (Turnover)	17.38%	15.99%
Net Margin (BT)	8.34%	6.98
Net Margin (AT)	7.06%	5.91
Earnings Per Share (EPS) (Tk.)	1.83	1.44

### Overview of Industry

Bangladesh, the eighth most populous country over all, is the second-largest garment exporter in the world, trailing only the Chinese mainland. With its wage levels amongst the lowest in the region and with its abundant labour supply, Bangladesh is hugely in demand as a garment production base, securing its status as one of the world's major suppliers of low-cost, ready-made garments (RMG) over the past two decades. Many foreign companies now either have their own export-oriented production plants in Bangladesh or source garments for the international market from the country.

Bangladesh's garment sector has become one of its most important economic pillars, with clothing products accounting for almost 80% of its exports and more than 10% of its GDP. This thriving sector has contributed enormously to the country's development, creating jobs and generating foreign income, attracting FDI, triggering infrastructure projects and providing a host of other related business opportunities. As a result, the country's per-capita income has shot up from US\$ 280 in 1990 to US\$ 1609 in 2017. Readymade Garments industry in Bangladesh, which includes knit and woven items along with specialized textile products, is the prime exporting sector. In spite of bad incidents in last few years due to fire and other accidental incidents and pressure from competitive low cost country such as Cambodia, Vietnam and India etc, RMG export of Bangladesh reached to \$34.83 billion with 1.68% growth in FY'17.

Although the global market for knit items is mostly concentrated in the North America and EU, other Asian and South American markets emerge as new export destinations. Due to very competitive labour cost and shift of orders from other countries where cost of production factors are going up, Bangladeshi exporters may still be in favourable position to foreign buyers. Bangladesh's denim industry is poised to enter a new era with massive expansion and significant up-gradation. Confidence of global buyers and troubles in China and Turkey has nourished this growth. Gradually, Bangladesh is gaining fresh grounds in overseas denim market with fashion and higher end products. Now, Bangladesh is a lucrative place for denim manufacturers because of its geographic location, availability of cheap labor and necessary up-gradation in technology. As a result market of denim fabrics has got a sound growth of 10% to 15% over the last several years.

Bangladesh has already started to act as an important player in the \$60 billion plus global denim-wear market by exporting jeans and other denim products worth atleast \$3.5 billion (BDT. 24,500 crore) annually to the US and EU and other international markets. Moreover, in recent times, retailers and wholesalers from Japan, Turkey, India, and even from China are switching to Bangladesh as they started to realize Bangladesh as a reliable source for finely stitched wears at competitive prices.

Initially there were few established names in Bangladesh; but now there are 25 huge denim manufacturers around the country. Presently, Denim Industries in Bangladesh Produces 30 million yards of denim a month and Bangladesh is the second largest denim-made garments exporter after china. The international market analyst in the apparel sector foresee that the world demand of denim will reach to \$55 to \$65 billion dollar by the year 2016 and \$70 to \$75 billion dollar by the end of year 2021.

Global importers have realized that Bangladesh is not only competitive in price but fine stitches on denims are available here. More than 66 international brands have turned to Bangladesh in the last couple of years for importing denim products. "The demand of Denim fabrics is increasing both locally and internationally. The growth is now 15%-20% annually.

Bangladesh now exports denim products of \$2 billion annually. The business is amazingly prospective. The intellectuals of the nation are highly optimistic and emphasize that the country should be considered as a place of investment for denim, not a source of import only.

### Segment Information

The Company produces a single product 'denim fabrics' of various specifications, compositions, color and qualities. Following table shows various attributes of the company's product 'denim fabrics':

SL	Product Segmentation	Product Type	
1	By Fabric Effect	Basic Denim	Slub Denim
		Ring Denim	Cross Slub Denim
2	By Composition	Cotton Stretch Denim	Tencel Denim
		Cotton Polyester Stretch Denim	Cotton Polyester Denim
		Cotton Denim	Cotton Jute Denim
3	By Color	Indigo	Olive
		Blue Black	Ecru
		Black	
4	By Weaving	2/1 RHT	Broken Twill
		3/1 RHT, 3/1 LHT	Satin

### Risk and Concerns

Risk management refers to the practice of identifying potential risks in advance, analyzing those and taking precautionary steps to reduce/curb the risk. In the textile industries, various risk are encompasses around it.

The risk may occur adverse effect to the Company's sales and profit etc. Mostly, the risk arises from falling demand for the product, shortage of power, workers unrest, Raw Material Shortage along with other related risk such as Interest Rate Risk, Foreign Exchange Risk, Technology Risk, Market Risk, Political Risk and other regulatory risk etc.

The Company is aware of its risks concern and well prepared to meet those by systematic control. The denim industry of Bangladesh is hovering to enter a new era with massive expansion and significant up-gradation buoyed by confidence of global buyers and troubles in China and Turkey.

Changes in the existing global or national policies can have either positive or negative impacts for the company. Any scarcity or price hike of raw materials due to change in policy in the international market might hamper the production and profitability.

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

Similarly, risks and concern of the industry depends on the upcoming Government policy as well. However, garments being the major foreign currency earner have always enjoyed special consideration from all the successive Governments and expectation is that it will continue in the future.

### A discussion on cost of goods sold, gross margin and net profit margin

Particulars	30-June-2017		30-June-2016	
	Amount	%	Amount (Six Months)	%
Sales	1,900,357,135	100.00	927,498,195	100.00
Cost of Goods Sold	1,569,930,792	82.61	779,185,755	84.01
Gross Profit	330,426,343	17.39	148,312,440	15.99
Net Profit for the year	134,168,394	7.06	54,790,026	5.91

### Discussion on continuity of extra-ordinary gain or loss

Extraordinary gains or losses refer to infrequent and unusual gain or loss and which is not part of the Company's ordinary/day to day operations.

### Related party transactions

The Company in normal course of business carried out a number of transactions with other entities and Directors that fall within the definition of related party contained in BAS 24 : Related Party Disclosures. Details of related party disclosures are shown on page 42, note 11.00 of the financial statements of the company.



**Significant variance of financial statements**

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

**Utilization of IPO fund**

The company raised total Tk. 75.00 crore by issuing ordinary shares through IPO. By June 20, 2017 the company utilized total Tk. 31.08. PDL paid off partial bank loans of Tk. 10.00 crore, IPO expenses 2.06 crore and made capital investment 19.02 crore including construction of factory buildings. PDL received interest of Tk. 63.80 lac from IPO fund maintained with different banks in FDR & SND accounts.

From 1st July 2017 to 31st October 2017, the Company has further utilized Tk.2.74 crore for incurring Building & Civil Construction.

Compliance of Notification No. BSEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012.

**Board Size:**

The number of members of the Board of Directors stands at 05 (including One Independent Director) which are within the limits given by the BSEC Notification.

**Independent Director**

Md. Ashfak Ahmed Khan

Mr. Md. Ashfak Ahmed Khan serves as the Independent Director of Pacific Denims Limited. He obtained his MSS in Political Science from Govt. Titumir College under National University. The creation of strategic alliances and strategic planning of his is the indicator of our continuous efforts to develop the core team to help achieve the mission of the company.

**Qualification of Independence Director**

Mr. Md. Ashfak Ahmed is well business experienced person. He has 16 years of valuable professional experience in the garments and textile sector.

**Company Secretary, Chief Financial Officer, Head of Internal Audit**

As per corporate governance of BSEC, the company has allocated the responsibilities as follows:

Company Secretary	: Md. Sorhab Ali
Chief Financial Officer	: Md. Abdul Halim
Head of Internal Audit	: Md. Abdul Jalil Majumder

**Audit Committee**

The Audit Committee, as a subcommittee of the Board of Director has been constituted with the Independent Director as Chairman and two other Directors. The company Secretary acts as Secretary to the Audit Committee. This committee assists the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company. Audit committee is responsible to the Board of Directors and its roles and responsibilities are clearly set forth.

**External Statutory Auditors**

The BSEC guidelines are being strictly followed in engaging statutory Auditors.

**Subsidiary Company**

The company has no subsidiary company.

**Duties of Managing Director & CFO**

The provision of BSEC regulations has been compiled in the annual report.

**Reporting and Compliance of Corporate Governance**

We have examined the compliance to the BSEC guidelines on Corporate Governance by Pacific Denims Limited for the year ended 30 June 2017. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 as amended vide notification dated 21 July 2013 and 18 August 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance is presented on page no. 30 (Thirty).

**Directors' Appointment and Re-Appointment**

With regard to the appointment, retirement and re-appointment of directors, the company is governed by its Articles of Association, the Companies Act, 1994 and other related legislations. Accordingly, the following Directors of the Board retire and re-elected at the annual general meeting:

1. Md. Shafiul Azam (Mohsin)
2. Md. Shadequl Alam (Yeasin)

**Shareholding Pattern**

The shareholding of directors at the period end of 30 June, 2017 is shown as below:

Name of Directors	Position	June-30-2017	
		No of Share	% of Share
<b>1. Parent/Subsidiary/Associate companies and other related parties.</b>	-	-	-
<b>2. Directors, CEO, CS, CFO, HIA and their spouses and minor children:</b>			
Md. Shadequl Alam (Yeasin)	Chairman	9,496,200	8.40%
Md. Shafiul Azam (Mohsin)	Managing Director	16,340,950	14.46%
Md. Sohel Khan	Director	6,500,000	5.75%
Disney Properties Ltd. (Re -present By M.A Kamal Bhuiyan)	Nominee Director	2,660,000	2.35%
Md. Ashfak Ahmed Khan	Independent Director	-	-
Md. Abdul Halim	Chief Financial Officer	-	-
Md. Sorhab Ali	Company Secretary	-	-
Md. Abdul Jalil Majumder	Head of Internal Audit	-	-
<b>3. Executives</b>			
Md. Abdul Majid	Executive Director (Operation)	-	-
Md. Mainuddin Rubel	GM (Commercial)	-	-
Md. Hasan Askri (Kafi)	Senior Manager (Weaving)	-	-
<b>4. Shareholding 10% or more voting right</b>			
Md. Shafiul Azam (Mohsin)	Managing Director	16,340,950	14.46%

**Directors involved in other Companies:**

SL	Name	Designation in PDL	Directorship/Sponsorship/Ownership with other companies	Position
1	Md. Shadequl Alam (Yeasin)	Chairman	Pacific Co. (BD) Ltd.	Director
			Disney Properties Ltd.	
			Pacific Beverage & Food Ltd.	
			Pacific Automobiles Ltd.	
2	Md. Shafiul Azam (Mohsin)	Managing Director	Pacific Co. (BD) Ltd.	Managing Director
			Disney Properties Ltd.	
			Pacific Beverage & Food Ltd.	
			Pacific Automobiles Ltd.	
			Wilson Cold Storage Ltd.	
3	Md. Sohel khan	Director	-	-
4	Disney Properties Ltd.Re -present By M.A Kamal Bhuiyan)	Director	-	-
5	Md. Ashfak Ahmed Khan	Independent Director	-	-

### Board Meeting and Attendance

During the year 5 (Five) Board Meetings were held. The attendance record of the directors is as given below:

Name of Directors	Attendance
Md. Shadequl Alam (Yeasin)	05
Md. Shafiu Azam (Mohsin)	05
Md. Sohel Khan	05
Disney Properties Ltd. Re-present By M.A Kamal Bhuiyan)	05
Md. Ashfak Ahmed Khan (Independent Director)	05

### Director's remuneration

Director's remuneration is shown in the Note -11 of the notes to the Financial Statements.

### Directors Responsibilities for the Financial Statements

We have examined the compliance to the BSEC guidelines on Corporate Governance by Pacific Denims Limited for the year ended 30 June 2017. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 as amended vide notification dated 21 July 2013 and 18 August 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance Directors are pleased to confirm the following:

- The financial statements together with notes thereon have been drawn up in conformity with the Companies Act. 1994 and Bangladesh Securities and Exchange Rules 1987. These statements present fairly the companies state of affairs, the result of its operations, cash flow and changes in equity.
- Proper books and accounts of the company have been maintained.
- Statements and the accounting estimates are based on reasonable and prudent judgment.
- Appropriate accounting policies have been applied consistently in preparation of the financial The International Financial Reporting Standards, as applicable in Bangladesh, have been followed in the preparation of the financial statements.
- The system of internal control is sound and has been implemented and monitored effectively.
- The key operating and financial data for the last five years are shown on page 17 (Seventeen)

### Internal Control

The Board has ultimate responsibilities to establish the effective system of internal control. To ensure internal control regarding risk management, financial control and compliance legislation, the company already has a strong internal audit department to ensure internal control and compliance in place.

### Going Concern

The Board of Directors has reviewed the Company's present and potential business growth, performance, extension progress, liquidity, financial arrangement as well as overall business plans, strategies & become highly satisfied to see that the Company has adequate resources to continue its operation in the foreseeable future.

They are also pleased to find that the Directors' fee is appropriate to adopt going concern assumption and there is no material uncertainty in preparing the Financial Statements. And also there are no significant doubts or threats upon the Company's ability to continue as going concern.

A separate report highlighting key financial track record, good practices in business and operations indicating to continuity as a going concern has been set out with this Annual Report.

### Dividend

The Board of Directors has recommended 12.50% stock dividend for the shareholders for the year ended 30 June, 2017 (subject to the forthcoming AGM) whose names appear in the share register of the company and/or Depository Register of CDBL as on record date: Sunday, November 19, 2017 The board thinks generated profit should reinvest in the business for increasing more profitability.



### **Statutory Auditors**

The Auditors of the Company M/S Mahfel Huq & Co., Chartered Accountants, BGIC Tower (4th Floor), 34, Topkhana Road, Dhaka-1000 has carried out the audit of the company for the year ended 30 June 2017. The Board of Directors has recommended & appointed of M/S Mahfel Huq & Co., Chartered Accountants, BGIC Tower (4th Floor), 34, Topkhana Road, Dhaka-1000 as Auditor. A proposal for appointment of M/S MahfelHuq& Co., as auditor for the year 2017-18 of the Company placed and approved in the 14th AGM for shareholder's approval and fixation of fees.

### **Acknowledgments**

The Company express its sincere thanks and gratitude to the respected shareholders, valued clients, Banks and well-wishers home and aboard for their wholehearted co-operation and active support.

We are thankful to theBangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd (DSE), Chittagong Stock Exchange Ltd (CSE), Registrar of Joint Stock Companies& Firms (RJSCF), Government and private sector Organization and many others for extending their co-operation to our company.

I, on behalf of the Board, also put on record my deep appreciation for the services and loyalty of the executives, officers and employees of the company at all levels without which we could not have achieved this result.

Thanks are also due to all directors, all executives, officers, staff and workers of the company for their excellent, sincere, dedicated efforts in achieving company's target during the year under review.

To ensure financial security we always welcome your suggestions and opinion to improve present and future services of the company.

I now appeal to the magnanimity of valued shareholders to kindly accept and approve the Auditors' Report, Annual Audited Accounts 2016-17 and Directors' Report placed before you.

Thanking you.

On behalf of the Board of Directors

Sd/-  
Md. Shadequul Alam (Yeasin)  
Chairman

## MANAGING DIRECTOR'S & CFO'S DECLARATION

The Board of Directors  
Pacific Denims Limited  
Plot # 6, D-3 (3rd Floor & 2nd Floor)  
Block # SW (H), Gulshan Avenue  
Gulshan-1, Dhaka 1212  
Bangladesh.

**Subject: Managing Director & CFO's Declaration to the Board of Directors**

Dear Sir,

In compliance with the condition no. 6 imposed by Bangladesh Securities and Exchange Commission's notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 issued under section 2CC of the Securities & Exchange Ordinance 1969, we do hereby certify to the Board of Directors that:

We have reviewed the financial statements for the year ended on June 30, 2017 and for the half year ended June 30, 2016 that to the best of our knowledge and belief;

- (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (b) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;

There are, to the best of knowledge and belief, no transactions entered into by the company during the period which are fraudulent, illegal or violation of the company's code of conduct.

Sincerely yours,

Sd/-  
(Md. Shafiul Azam (Mohsin))  
Managing Director

Sd/-  
(Md. Abdul Halim)  
Chief Financial Officer

## AUDIT COMMITTEE REPORT

Pacific Denims Limited established an audit committee as a sub-committee of the Board of Directors. The committee supports the Board in fulfilling its oversight responsibilities.

The audit committee of Pacific Denims Limited of the following Board members:

Md. Ashfak Ahmed Khan ( <b>Independent Director</b> )	: Chairman
Md. Sohel Khan ( <b>Director</b> )	: Member
Md. Abdul Jalil Majumder	: Member
Md. Sorhab Ali ( <b>Company Secretary</b> )	: Secretary of the Committee

### Terms of Reference

The terms of reference of the committee has been agreed upon as follows:

- To review all internal and external audit report.
- To recommend the statutory annual audited financial statements to the Board of Directors for approval.
- To review the finding of the internal and external auditors.
- To review and approve the Annual "Audit Plan" of the Internal Audit Department.
- To monitor the implementation of the recommendations of the Internal and External auditors.
- To review the performance of the external auditors and make recommendations to the Board regarding their appointment and fees.
- To review the quarterly, half yearly and annual financial statements before submission to the Board, focusing particularly on.
- To review the company's statement on internal control systems prior to endorsement by the Board.
- The company secretary shall be the secretary of the audit committee.

### Activities

1. The committee reviewed the integrity of the quarterly and annual financial statement and recommended to the Board for consideration and approval.
2. The Committee had overseen, reviewed and approved the procedure and task of the internal audit, financial report preparation and the external audit report and made suggestions for improvement.
3. The committee recognized the observation of the internal audit department regarding internal control and suggestions made to improve operational systems and procedures and their implementation.

### Recommendation

The audit committee recommended to the Board of Directors that:

1. The Financial Statements for the year ended 30th June, 2017 and for the half year ended June 30, 2016 be approved.
2. Mahfel Huq & Co. Chartered Accountants be appointed as the auditor of the company for the year ended 30th June, 2018 at BDT. 3,50,000 (Three lac fifty thousand taka) only including VAT and TAX subject to the approval of the members at the 14th Annual General Meeting of the company.

On behalf of the Audit Committee

Sd/-  
Md. Ashfak Ahmed Khan  
Chairman  
Audit Committee



## CERTIFICATE ON CORPORATE GOVERNANCE COMPLIANCE



**MAZUMDAR SIKDER AND ASSOCIATES**

Cost & Management Accountants

### **CERTIFICATE OF COMPLIANCE ON CORPORATE GOVERNANCE OF PACIFIC DENIMS LIMITED**

We have examined the compliance to the BSEC guidelines on Corporate Governance by Pacific Denims Limited for the year ended 30 June 2017. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012, as amended vide notification dated 21 July 2013 and 18 August 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance is the responsibility of the company. Our examination for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the Company for ensuring the compliance on the attached statement on the basis of evidence gathered and representation received.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines as issued by BSEC.

Place: Dhaka.  
Date: November 26, 2017

**Mazumdar Sikder and Associates**  
Cost & Management Accountants

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION Pacific Denims Limited

**Status of compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 Issued under section 2CC of the Securities and Exchange Ordinance, 1969:**

**(Report Under Condition No. 7.00)**

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Compl ied	Non- Compl ied	
<b>1</b>	<b>Board of Directors:</b>			
<b>1.1</b>	<b>Board's Size</b>			
	The number of the Board members of the company shall not be less than 5 (five) and more than 20 (twenty)	√		
<b>1.2</b>	<b>Independent Directors</b>			
1.2(i)	At least on fifth (1/5) of the total number of directors in the company's board shall be independent directors.	√		
1.2 (ii) a)	Independent Director does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company.	√		
1.2 (ii) b)	Independent Director is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company.	√		
1.2 (ii) c)	Independent Director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	√		
1.2 (ii) d)	Independent Director who is not a member, director or officer of any stock exchange;	√		
1.2 (ii) e)	Independent Director who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	√		
1.2 (ii) f)	Independent Director who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	√		
1.2 (ii) g)	Independent Director shall not be an independent director in more than 3 (three) listed companies;	√		
1.2 (ii) h)	Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	√		
1.2 (ii) i)	Independent Director has not been convicted for a criminal offence involving moral turpitude;	√		
1.2 (iii)	Independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM);	√		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Non-Complied	
1.2 (iv)	The post of independent director cannot remain vacant for more than 90 (ninety) days;	√		No such vacancy created 2017
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded;	√		
1.2 (vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only;	√		
<b>1.3</b>	<b>Qualification of Independent Director(ID)</b>			
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business;	√		
1.3 (ii)	The independent director should be a Business Leader/Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background /Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of Corporateengagement/professional experiences.	√		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission;	√		N/A
<b>1.4</b>	<b>Chairman of the Board and Chief Executive Officer</b>			
	The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	√		
<b>1.5</b>	<b>The Directors' Report to Shareholders</b>			
	The directors of the companies shall include the following additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994)	√		
1.5 (i)	Industry outlook and possible future developments in the industry	√		
1.5 (ii)	Segment-wise or product-wise performance	√	-	N/A
1.5 (iii)	Risks and concerns	√		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	√		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	-	-	N/A
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report	√		Presented in the Financial Statement
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	√	-	

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Non-Complied	
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.	-	-	N/A
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance on their Annual Report.			No such variance occurred
1.5 (x)	Remuneration to directors including independent directors	√		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		
1.5 (xii)	Proper books of account of the issuer company have been maintained.	√		
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS) / International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	√		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	√		N/A
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	-		N/A
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
<b>1.5 (xxi)</b>	<b>The pattern of shareholding shall be reported to disclose the aggregate number of shares held by:</b>	√		
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details)	√		
1.5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details)	√		Only Director hold share of the company
1.5 (xxi) c)	Executives	√		
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	√		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Compl ied	Non- Compl ied	
<b>1.5 (xxii)</b>	<b>In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:</b>			
1.5 (xxii) a)	A brief resume of the director	√		
1.5 (xxii) b)	Nature of his/her expertise in specific functional areas.	√		
1.5 (xxii) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
<b>2.0</b>	<b>Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)</b>			
<b>2.1</b>	<b>Appointment</b>			
	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO , the Head of internal Audit and the CS.			
<b>2.2</b>	<b>Requirement to attend the Board Meetings</b>			
	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors provided that the CFO and /or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating of their personal matters.	√		
<b>3.0</b>	<b>Audit Committee</b>			
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors	√		
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	√		
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		
<b>3.1</b>	<b>Constitution of Audit Committee</b>			
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members	√		
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	√		
3.1 (iii)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management experience.	√		
3.1 (iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Non-Complied	
	Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	√		There was no such vacancy created
3.1 (v)	The company secretary shall act as the secretary of the Committee.	√		
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
<b>3.2</b>	<b>Chairman of the Audit Committee</b>			
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	√		
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	√		
<b>3.3</b>	<b>Role of Audit Committee shall include the following:</b>			
3.3 (i)	Oversee the financial reporting process.	√		
3.3 (ii)	Monitor choice of accounting policies and principles.	√		
3.3 (iii)	Monitor Internal Control Risk management process.	√		
3.3 (iv)	Oversee hiring and performance of external auditors.	√		
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	√		
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	√		
3.3 (vii)	Review the adequacy of internal audit function.	√		
3.3 (viii)	Review statement of significant related party transactions submitted by the management.	√		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		
3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus. √	√		
<b>3.4</b>	<b>Reporting to the Audit Committee</b>			
<b>3.4.1</b>	<b>Reporting to the Board of Directors</b>			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
3.4.1(ii)	<b>The Audit committee shall immediately report to the Board of Directors on the following findings, if any;</b>			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Compl ied	Non- Compl ied	
3.4.1 (ii) a)	Report on conflicts of interests;	-	-	N/A
3.4.1 (ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	-	-	N/A
3.4.1 (ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations; and	-	-	N/A
3.4.1 (ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately	-	-	N/A
<b>3.4.2</b>	<b>Reporting to the Authorities</b>			
	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.			N/A
<b>3.5</b>	<b>Reporting to the Shareholders and General Investors</b>			
	Report on activities carried out by Audit Committee, including any report made to the Board of Directors under condition 3.4.1(ii) above during the year shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	√		
<b>4.0</b>	<b>External/Statutory Auditors.</b>			
4 (i)	Non-engagement in Appraisal or valuation services or fairness opinions	√		
4 (ii)	Non-engagement in designing and implementation of Financial Information System	√		
4 (iii)	Non-engagement Book-keeping or accounting	√		
4 (iv)	Non-engagement Broker-dealer services	√		
4 (v)	Non-engagement in Actuarial services	√		
4 (vi)	Non-engagement in Internal audit services	√		
4 (vii)	Non-engagement in any other service determined by the Audit Committee	√		
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	√		
4 (ix)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 7.	√		
<b>5.0</b>	<b>Subsidiary Company</b>	√		
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	√		N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Non-Complied	
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	-	-	N/A
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	-	-	N/A
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	-	-	N/A
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	-	-	N/A
6.0	<b>Duties of Chief Executive Officer (CEO) &amp; Chief Financial Officer (CFO)</b>			
6 (i)	The CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief;	√		
6 (i) a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	√		
6 (i) b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	√		
7.0	<b>Reporting and Compliance of Corporate Governance</b>			
7 (i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant / Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	√		
7 (ii)	The directors of the company shall state, in accordance with the <b>Annexure</b> attached, in the directors' report whether the company has complied with these conditions	√		

Sd/-

**Md. Shafiul Azam (Mohsin)**

Managing Director



## **Independent Auditor's Report To the Shareholders of PACIFIC DENIMS LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying Financial Statements of PACIFIC DENIMS LIMITED, which comprise the Statement of Financial Position as at 30 June 2017 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 30 June 2017 and of its financial performance and its cash flows for the year then ended in accordance with the Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations.

### **Emphasis of Matter**

Without qualifying our opinion, we draw attention to note # 54 to the financial statements in which the management of the company explained the reasons as to why Earnings Per Share (EPS) and Net Operating Cash Flow Per Share (NOCFPS) declined in the current year in comparison with previous year.

### **Report on Other Legal and Regulatory Requirements**

In accordance with The Companies Act 1994 and The Securities and Exchange Rules 1987, we further report that:

- a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred was for the purpose of the company's business.

Dhaka;  
October 28, 2017

Sd/-  
**MAHFEL HUQ & Co.**  
Chartered Accountants

**PACIFIC DENIMS LIMITED**  
**Statement of Financial Position**  
**As at 30 June 2017**

Particulars	Notes	June 30, 2017 Amount in Taka	June 30, 2016 Amount in Taka
<b>NON-CURRENT ASSETS</b>		<b>1,085,672,939</b>	<b>857,437,638</b>
Property, Plant & Equipment	16.00	807,036,599	842,202,028
Capital Work-in-Progress	17.00	278,636,340	15,235,610
<b>CURRENT ASSETS</b>		<b>1,905,146,777</b>	<b>1,272,070,494</b>
Inventories	18.00	488,217,070	426,647,928
Trade & Other Receivables	19.00	609,738,876	533,581,738
Advances, Deposits & Pre-Payments	20.00	278,058,073	258,439,661
Fixed Deposit	21.00	212,889,348	47,627,796
Cash & Cash Equivalents	22.00	316,243,410	5,773,371
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		<b>364,458,976</b>	<b>319,511,575</b>
Trade Payables	23.00	11,201,200	15,978,278
Short-Term Borrowings	24.00	123,359,000	93,507,532
Long-Term Borrowings-Current portion		118,908,979	118,908,979
Provision for Income Tax	25.00	97,463,601	79,165,987
Accrued Expenses	26.00	13,526,196	11,950,799
<b>NET CURRENT ASSETS</b>		<b>1,540,687,801</b>	<b>952,558,919</b>
<b>NET ASSETS</b>		<b>2,626,360,738</b>	<b>1,809,996,557</b>
<b>SHAREHOLDERS' EQUITY</b>		<b>1,943,246,006</b>	<b>1,059,077,612</b>
Share capital	27.00	1,130,000,000	380,000,000
Revaluation Reserve	28.00	145,690,413	145,690,413
Tax Holiday Reserve	29.00	145,760,152	145,760,152
Retained Earnings	30.00	521,795,441	387,627,047
<b>LONG TERM LIABILITY</b>		<b>683,114,732</b>	<b>750,918,945</b>
Long Term Borrowings	31.00	632,338,235	699,566,425
Deferred Tax Liability	32.00	50,776,497	51,352,520
<b>LIABILITIES &amp; SAHREHOLDERS' EQUITY</b>		<b>2,626,360,738</b>	<b>1,809,996,557</b>
<b>Net Asset Value (NAV) Per Share</b>	33.00	<b>17.20</b>	<b>27.87</b>

These financial statements should be read in conjunction with the annexed notes 1 to 55 and were approved by the Board of Directors and were signed on its behalf by:

Sd/- Chairman	Sd/- Managing Director	Sd/- Chief Financial Officer	Sd/- Company Secretary
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This is the statement of financial position referred to in our report of even date annexed.

Place : Dhaka  
Dated : 28 October, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

**PACIFIC DENIMS LIMITED**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended June 30, 2017**

Particulars	Notes	June 30, 2017 Amount in Taka	June 30, 2016 Amount in Taka
<b>Turnover</b>	34.00	1,900,357,135	1,731,557,294
<b>Cost of Sales</b>	35.00	(1,569,930,792)	(1,455,706,373)
<b>Gross Profit</b>		<b>330,426,343</b>	<b>275,850,921</b>
<b>Operating Expenses:</b>		<b>(50,364,303)</b>	<b>(27,234,425)</b>
Office & Administrative Expenses	36.00	44,759,301	22,037,872
Selling & Distribution Expenses	37.00	5,605,002	5,196,553
<b>Operating Profit</b>		<b>280,062,040</b>	<b>248,616,496</b>
Financial Expenses	38.00	(128,080,484)	(130,196,487)
Other Income	39.00	6,645,429	2,155,169
Loss on Fire Accident	40.00	-	(297,837)
<b>Net Profit Before Tax</b>		<b>158,626,985</b>	<b>120,277,341</b>
<b>Income Tax Expenses</b>		<b>(24,458,591)</b>	<b>(18,472,635)</b>
Current Income Tax Expenses	41.00	(25,034,614)	(19,167,737)
(Deferred Tax Expenses)/Income	42.00	576,023	695,102
<b>Net Profit for the year</b>		<b>134,168,394</b>	<b>101,804,705</b>
<b>Earnings Per Share (EPS)</b>	<b>43.00</b>	<b>1.83</b>	<b>2.68</b>
<b>Weighted Number of Shares</b>	<b>43.00</b>	<b>73,342,466</b>	<b>38,000,000</b>

These financial statements should be read in conjunction with the annexed notes 1 to 55 and were approved by the Board of Directors and were signed on its behalf by:

Sd/- <b>Chairman</b>	Sd/- <b>Managing Director</b>	Sd/- <b>Chief Financial Officer</b>	Sd/- <b>Company Secretary</b>
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This is the statement of profit or loss and other comprehensive income referred to in our report of even date annexed.

Place : Dhaka  
Dated : 28 October, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

**PACIFIC DENIMS LIMITED**  
**Statement of Changes in Equity**  
**For the year ended June 30, 2017**

Particulars	Share Capital	Revaluation Reserve	Tax Holiday Reserve	Retained Earning	Total Equity
<b>Balance at July 01 , 2016</b>	<b>380,000,000</b>	<b>145,690,413</b>	<b>145,760,152</b>	<b>387,627,047</b>	<b>1,059,077,612</b>
Addition During the year	750,000,000	-	-	-	750,000,000
Net Profit for the year	-	-	-	134,168,394	134,168,394
<b>Balance at June 30, 2017</b>	<b>1,130,000,000</b>	<b>145,690,413</b>	<b>145,760,152</b>	<b>521,795,441</b>	<b>1,943,246,006</b>
<b>Balance at July 01 , 2015</b>	<b>380,000,000</b>	<b>145,690,413</b>	<b>145,760,152</b>	<b>285,822,343</b>	<b>957,272,908</b>
Net Profit for the year	-	-	-	101,804,705	101,804,705
<b>Balance at June 30, 2016</b>	<b>380,000,000</b>	<b>145,690,413</b>	<b>145,760,152</b>	<b>387,627,047</b>	<b>1,059,077,612</b>

These financial statements should be read in conjunction with the annexed notes 1 to 55 and were approved by the Board of Directors and were signed on its behalf by:

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Chief Financial Officer

Sd/-  
Company Secretary

This is the Statement of Changes in Equity referred to in our even dated report to the shareholders.

Place : Dhaka  
Dated : 28 October, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants



**PACIFIC DENIMS LIMITED**  
**Statement of Cash Flows**  
**For the year ended June 30, 2017**

Particulars	June 30, 2017 Amount in Taka	June 30, 2016 Amount in Taka
<b>A. Cash Flow from Operating activities :</b>		
Cash Received from Customers & Others	1,818,379,849	1,686,381,774
Cash Received from other Income	6,645,429	2,155,169
Cash Paid to Suppliers, Employees and Others	(1,644,799,659)	(1,488,719,638)
<b>Cash Generated from Operations</b>	<b>180,225,619</b>	<b>199,817,305</b>
Interest Paid	(128,080,484)	(130,196,487)
Income Tax Paid	(10,400,482)	(6,977,011)
<b>Net Cash from operating activities</b>	<b>41,744,653</b>	<b>62,643,807</b>
<b>B. Cash Flow from Investing activities :</b>		
Acquisition of Property, Plant and Equipment	-	(27,511,253)
Paid against Capital Work-in-Progress	(278,636,340)	(15,235,610)
Paid against Fixed Deposit	(165,261,552)	(11,093,237)
<b>Net Cash used by investing activities</b>	<b>(443,897,892)</b>	<b>(53,840,100)</b>
<b>C. Cash Flow from Financing activities :</b>		
Received/Repaid of share Money Deposit	750,000,000	-
Received/Repaid of Short-term loan	29,851,468	(8,456,981)
Received/Repaid of Long-term loan	(67,228,190)	61,815
<b>Net Cash used in Financing activities</b>	<b>712,623,278</b>	<b>(8,395,166)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	310,470,039	408,541
Cash and Cash Equivalents at Beginning of year	5,773,371	5,364,829
<b>F. Cash and cash equivalents at the end of the period</b>	<b>316,243,410</b>	<b>5,773,371</b>
<b>Net Operating Cash Flow Per Share ( Note-44)</b>	<b>0.57</b>	<b>1.65</b>

These financial statements should be read in conjunction with the annexed notes 1 to 55 and were approved by the Board of Directors and were signed on its behalf by:

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Chief Financial Officer

Sd/-  
Company Secretary

This is the Statement of Cash Flows referred to in our even dated report to the shareholders.

Place : Dhaka  
Dated : 28 October, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

**PACIFIC DENIMS LIMITED**  
**Selected Notes to the Financial Statements**  
**For the year ended June 30, 2017**

**1.00 Corporate History of the Reporting Entity**

Pacific Denims Limited (The Company) was incorporated in Bangladesh as a Private Limited Company under the Companies Act, 1994. Vide Registration No. C-48649(633)/2003 dated March 20,2003 and converted into the Public Limited Company as on January 12, 2011. The company raised Tk. 750,000,000 divided into 75,000,000 ordinary shares of Tk. 10 each through IPO on January 10, 2017. The shares of the company were listed with both Dhaka Stock Exchange and Chittagong Stock Exchange on January 25,2017. The trading of shares of the company was started from 07 February, 2017 in both Stock Exchange.

**2.00 Authorized Capital**

The Authorized capital of the Company is Tk. 1,200,000,000 divided into 120,000,000 ordinary shares of Tk.10 each. The value of Share has been split from Tk 100 per share to Tk.10 per share vide EGM dated 12-01-2011.

**3.00 Corporate Business**

The main activities of the company were concentrated in Manufacturing, Dyeing, Weaving & Finishing of Denim Fabrics and exporting the same through local letter of credit (Deemed Export).

**4.00 Corporate Financial Statements and Reporting**

a) This is prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1994, the Securities and Exchange Rules, 1987, Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs) and other laws & regulations 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 this financial statements.

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

b) According to the Bangladesh Accounting standards (BASs) 1 : "Presentation of Financial Statements" the complete set of financial statements includes the following components:

- i) Statement of Financial Position as at June 30, 2017
- ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2017
- iii) Statement of Changes in Equity for the year ended June 30, 2017
- iv) Statement of Cash Flows for the year ended June 30, 2017
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements for the year ended June 30, 2017

**5.00 Fundamental Accounting Concepts/ Assumption**

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

**6.00 Going Concern**

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

**7.00 Corporate Accounting Standards Practiced**

The following BASs are applicable to the financial statements for the year under review:

BAS 1	Presentation of Financial Statements
BAS 2	Inventories
BAS 7	Statement of Cash Flows
BAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS 10	Events after the Reporting Period
BAS 12	Income Taxes
BAS 16	Property, Plant And Equipment
BAS 17	Leases
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 36	Impairment of Assets
BAS 37	Provisions, Contingent Liabilities and Contingent Assets
BAS 39	Financial Instruments: Recognition and Measurement

The other related BFRSs are also complied for preparation of these financial statements:

BFRS 7	Financial Instruments: Disclosures
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**8.00 Reporting Period**

The period of the financial statements covers one year from July 1, 2016 to June 30, 2017.

**9.00 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. when reliable estimates can be made of the amount of the obligation.

**Contingent liability:**

A contingent liability is:

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of the company; or
- b) a present obligation arising from past events but not recognized because:
  - i) an outflow of resources to settle the obligation is not probable; or
  - ii) the amount of the obligation cannot be measured with sufficient reliability.

**Contingent asset**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of the company.

During the period there was no such assets or liabilities.

**10.00 Events after the Reporting Period**

Events after the reporting date that provide additional information about the Company's position at the reporting date are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes when material.

**11.00 Related Party Transactions**

Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Particulars of transactions with related parties are as follows;

SL.	Related Parties	Relationship	Remuneration	Board Meeting Fees (2017)	Board Meeting Fees (2016)
1	Md. ShadequlAlam (Yeasin)	Chairman	702,000	25,000	25,000
2	Md. ShafiuAzam (Mohsin)	Managing Director	1,200,000	30,000	30,000
3	Md. Sohel Khan	Director	-	20,000	20,000
4	Md. Ashfak Ahmed Khan	Independent Director	-	20,000	20,000
5	M.A. Kamal Bhuiyan	Nominee Director (Disney Properties Ltd.)	-	20,000	20,000

**12.00 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

**13.00 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 has been rounded off to the nearest Taka except where indicated otherwise. Figures in brackets indicate deductions.

**14.00 Comparative Information and Rearrangement Thereof**

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.

**14.01 The Effects of Changes in Foreign Exchange Rates**

Transactions in foreign currencies are translated to Bangladeshi "Taka" at the foreign exchange rates ruling at the date of transactions. Monetary assets and liabilities are converted at the rates prevailing at the statement of the financial position date. Non-monetary assets and liabilities denominated in foreign currencies stated at historical cost are translated into Bangladeshi "Taka" at the exchange rate ruling at the date of transaction. Gain or losses resulting from foreign currency transactions are recognized in the profit or loss and other comprehensive income.

**15.00 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, the accounting policies applied in preparation of the financial statements are set out below in one place.

**15.01 Recognition of Property, plant and equipment**

These are capitalized at cost of acquisition and subsequently stated at cost/revaluation 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.

On retirement or otherwise disposal of property, plant and equipment, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the Statement of Profit or Loss and other Comprehensive Income which is determined with reference to the net book value of assets and the net sales proceeds.

**15.02 Capital Work-in-progress**

Capital work-in-progress is stated at cost. The expenses are capital expenditures in nature directly incurred for construction of building and other construction. No depreciation is charged on the capital work-in-progress which is in accordance with BAS-16.

**15.03 Depreciation of Tangible Fixed Assets**

Depreciation on fixed assets is computed using the reducing balance method so as to write off the assets over their expected useful life. After considering the useful life of assets as per BAS-16 Property, Plant and Equipment the annual depreciation rates have been applied as under which is considered reasonable by the management. No depreciation is charged on land and land development and depreciation is charged on additions to fixed assets from when they are available for use.

Particulars/Name of Assets	June 30 2017	June 30 2016
Land	0%	0%
Land Development	0%	0%
Building & other Construction	2.50%	2.50%
Furniture & Fixture	10%	10%
Electric Installation	10%	10%
Deep-Tube-well	10%	10%
Office Equipment	10%	10%
Plant & Machinery Imported	10%	10%
Plant & Machinery Local	10%	10%
Fire Fighting Equipment	10%	10%
Vehicles & Transport	10%	10%

**15.04 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.

**15.05 Revenue Recognition**

Revenue from the sale of goods is recognized when all of the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.



**15.06 Interest Income**

Interest on FDR treated as other income which has been calculated on cash basis.

**15.07 Revaluation of Property, Plant and Equipment**

The increase in value of land and land development arisen due to revaluation of assets as per BAS-16. The effective date of revaluation to the Financial Statements was 31st December 2010. In the year 2010, the Company made valuation of its Land and land development by independent valuation specialist M/S. Ata Khan & Co, Chartered Accountants following current cost method at Tk. 180,000,000/- resulting a valuation surplus of Tk. 145,690,413. Revaluation surplus has been transferred to revaluation reserve and distribution of such reserve to shareholders is restricted.

**15.08 Accrued Expenses and Other Payables**

Liabilities are recognized for the goods and services received, whether paid or not for those goods and services.

**15.09 Inventories**

Inventories comprises of raw materials, Work-in-Process, Finished goods and Spares Parts. Raw materials and Spares Parts have been valued at average 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 cost of material and other production overhead attributable to bringing the goods to the state of sale under the convention of BAS-2.

**15.10 Income Tax-Current**

Provision for taxation has been made as per rates prescribed in Finance Act 2017 and the Income Tax Ordinance, 1984 on the profit made by the company.

**Provision for Tax Holiday Reserve**

The company was allowed tax holiday for periods of four years from the date of commencement of commercial production i.e. 01, April 2007 vide National Board of Revenue's Order ref. 11(656) Anu-1/2005/483 dated 12.07. 2012 The period of tax holiday of the company expired in 31March 2011. The company has made Tax Holiday reserve for the period from 01-01-2011 to 31-03-2011@ 40% on net profit.

**Deferred Tax**

Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the financial statement date. The company has recognized Deferred Tax as per provision of BAS-12 (Income Taxes).

**Income Tax Status**

Income Tax Assessment was completed for the assessment year from 2007-2008 to 2010-2011 and accordingly certificates collected from Tax Authority. Assessment order was made by the Deputy Commissioner of Taxes for the assessment year 2011-2012 & 2012-2013 against which appeal was filed by the company and the appeal is pending. The assessment year 2013-2014, 2014-2015, 2015-2016, 2016-2017 is under process & 2017-2018 not yet due. The company has tax liability of Tk. 97,463,601/- against which advance tax paid Tk. 22,077,038/-

**15.11 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash in hand, demand deposits, short term deposits, highly liquid investments that are readily convertible to know amounts of cash, and which are subject to an insignificant risk of changes in value. Considering the provisions of BAS 7 and BAS 1, cash in hand and bank balances have been considered as cash and cash equivalents.

**15.12 Statement of Cash Flows**

Statement of Cash Flows is prepared principally in accordance with BAS-7 "Statement of Cash Flows" and the cash flows from the operating activities have been presented under direct method

**15.13 Borrowing Costs**

Financial Expenses (Borrowing Costs) incurred during the year is recognized as revenue expenses in accordance with BAS-23 "Borrowing Costs".

**15.14 Earnings Per Share**

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

**Basic Earnings**

This represents earnings for the year 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 Year**

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 year.

**Diluted Earnings Per Share**

No diluted EPS is required to be calculated for the year, as there was no scope for dilution during the year under review.

**15.15 Reason for not providing provision for WPPF**

Pacific Denims Ltd. is a 100% export oriented garments manufacturer and member of The Bangladesh Textile Mills Association (BTMA)). As per Sub-Section 3 of Section 232 of Bangladesh Labor Act 2006 re-placed by the Act No 30, Para 63 of the year 2013 as follows:

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

For the above reason management didn't start making provision for WPPF because of not yet forming Board for fund raise and utilization by the government. The board shall format the rules of determination of subscription, procedure of collection and utilization of fund. Pacific Denims Ltd. is a 100% export oriented denims fabric manufacturing company and that's why the company does not recognize any provision for WPPF.

**15.16 Employee Benefits (BAS 19)**

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

The company has accounted for and disclosed employee benefits in compliance with the provisions of BAS 19: Employee Benefits.

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

The company's employee benefits include short-term employee benefits such as maternity leave allowance, medical service, day care center etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

**15.17 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Derivative:**

According to BFRS 7: " Financial Instruments : Disclosures", the Company was not a Party to any derivative contract (financial instruments) at the financial statement date, such as forward contracts, future contracts to hedge risks arising from borrowings, future purchase, etc.

**Non-Derivative:**

Non-derivative financial instruments comprise of trade and other receivable, borrowings and other payables and are shown at transaction cost as per BAS 39 "Financial Instruments: Recognition and Measurement".

**15.18 Trade Receivable**

Trade receivable from foreign currency transactions are recognized into Bangladeshi Taka using exchange rates prevailing on the closing date of the accounts in accordance with BAS-21: The Effects of Changes in Foreign Exchange Rates. Uncollectible receivables are charged to statement of profit or loss and other comprehensive income as bad debts.

**15.19 Segment Reporting**

No segmental reporting is applicable for the company as required by BFRS 8: "Segment Reporting" as the company operates in a single industry segment and within a single operational unit.

**15.20 Authorization of Financial Statements:**

The Financial Statements have been authorized for issue by the Board of Directors on October 28,2017

		Amount in Taka	
		June 30, 2017	June 30, 2016
<b>16.00</b>	<b>Property, Plant and Equipment</b>	<b>Tk. 807,036,599</b>	<b>Tk. 842,202,028</b>
	This represents the written down value of assets as at 30-06-2017 at historical cost. This has been arrived as under:		
	<b>A. Cost:</b>		
	Opening Balance	1,379,485,356	1,372,092,983
	Add: Addition during the year	15,235,610	7,908,065
	Less: Adjustment for Fire Accident	-	(515,692)
		<b>1,394,720,966</b>	<b>1,379,485,356</b>
	<b>B. Accumulated Depreciation</b>		
	Opening Balance	537,283,327	511,595,620
	Add: Depreciation Charged during the year	50,401,041	25,905,563
	Less: Adjustment for Fire Accident	-	(217,855)
		587,684,367	537,283,327
	(A-B) Written down Value	<b>807,036,599</b>	<b>842,202,028</b>
	<b>The details of above has been shown in Annexure " A"</b>		
<b>17.00</b>	<b>Capital Work-in-Progress</b>	<b>Tk. 278,636,340</b>	<b>Tk. 15,235,610</b>
	Plant & Machinery and Building & Other Construction		
	a) Plant & Machinery		
	Opening balance:	15,235,610	-
	Addition during the year	-	15,235,610
	Sub total	<b>15,235,610</b>	<b>15,235,610</b>
	Transfer to Fixed Asset Sch.	(15,235,610)	-
	Balance of plant & machinery	-	<b>15,235,610</b>
	Building & Other Construction		
	b) Opening balance:	-	-
	Addition during the year	278,636,340	-
	Sub total	<b>278,636,340</b>	-
	Transfer to Fixed Asset Sch.	-	-
	Balance of building & other construction	<b>278,636,340</b>	-
	<b>Total Ending Balance</b>	<b>278,636,340</b>	<b>15,235,610</b>
<b>18.00</b>	<b>Inventories</b>	<b>Tk. 488,217,070</b>	<b>Tk. 426,647,928</b>
	The break-up of the amount is given below:		
	Yarn	129,567,330	98,861,307
	Dyes & Chemicals	41,855,660	37,249,011
	Packing Materials	8,778,700	7,801,410
	Spares & Parts	3,812,540	3,755,965
	Work-in- process	90,015,880	79,977,574
	Finished Goods	214,186,960	199,002,660
		<b>488,217,070</b>	<b>426,647,928</b>
	<b>The details of above has been shown in Annexure " B"</b>		
<b>19.00</b>	<b>Trade and Other Receivables</b>	<b>Tk. 609,738,876</b>	<b>Tk. 533,581,738</b>
	This is made-up as follows:		
	Trade Receivables	609,738,876	527,761,589
	Other Receivables	-	5,820,149
		<b>609,738,876</b>	<b>533,581,738</b>

The above amounts are considered good and collectible within six months.

Amount in Taka	
June 30, 2017	June 30, 2016

**Aging of Trade and Other Receivables:**

Less Than Six Months	609,738,876	527,761,589
More Than Six Months	-	5,820,149
<b>Total:</b>	<b>609,738,876</b>	<b>533,581,738</b>

The amount of receivable considered fully secured and guaranteed by export letter of credit opening bank against export order and considered good & realizable as per the terms of export letter of credit. The classification of receivables as required by the Schedule XI of the Companies Act, 1994 is given below:

Sl.	Particulars	Amount in Taka	
		June 30, 2017	June 30, 2016
I	Receivables considered good in respect of which the company is fully secured.	609,738,876	533,581,738
II	Receivables considered good in respect of which the company holds no security other than the debtor personal is fully secured.	-	-
III	Receivable considered doubtful or bad.	-	-
IV	Accounts Receivable due by any director or other officer of the company	-	-
V	Receivables due by common management	-	-
VI	The maximum amount of receivable due by any director or other officer of the company.	-	-
	<b>Total:</b>	<b>609,738,876</b>	<b>533,581,738</b>

<b>19.01 Trade Receivables</b>	<b>Tk. 609,738,876</b>	<b>Tk. 527,761,589</b>
This is made-up as follows:		
Opening Balance	527,761,589	512,392,682
Add: Export During the year	1,900,357,135	1,731,557,294
	2,428,118,724	2,243,949,976
Less: Realized during the year	(1,818,379,849)	(1,686,381,774)
	609,738,876	527,761,589
<b>19.02 Other Receivables</b>	<b>-</b>	<b>5,820,149</b>
	<b>-</b>	<b>5,820,149</b>
<b>20.00 Advances, Deposits &amp; Pre-Payments</b>	<b>Tk. 278,058,073</b>	<b>Tk. 258,439,661</b>
The break-up of the amount is given below:		
Advances (Notes #20.01)	277,156,073	257,537,661
Deposits (Notes #20.02)	902,000	902,000
	<b>278,058,073</b>	<b>258,439,661</b>



	Amount in Taka	
	June 30, 2017	June 30, 2016
<b>20.01 Advances</b>	<b>Tk. 277,156,073</b>	<b>Tk. 257,537,661</b>
The break-up of the amount is given below:		
Advance Against Salary	866,350	824,463
Advance Against Goods, Spare, Services & Others	50,495,150	48,140,157
Advance to Suppliers & Contractors	203,717,535	190,159,486
Advance Income Tax (At Source) (Note # 20.4)	22,077,038	18,413,556
	<b>277,156,073</b>	<b>257,537,661</b>
<b>20.02 Deposits</b>	<b>Tk. 902,000</b>	<b>Tk. 902,000</b>
Bank Guarantee	902,000	902,000
	<b>902,000</b>	<b>902,000</b>
<b>20.03 Disclosures as per Schedule-XI, Part-I of the Companies Act, 1994</b>		
Advance, Deposit and pre-payments exceeding 6 Months and considered good and secured	902,000	902,000
Advance, deposit and pre-payments considered good without security	277,156,073	257,537,661
Advance, deposit and pre-payments considered doubtful and bad	-	-
Advance, deposit and pre-payments due by directors or others officers	-	-
Advance, deposit and pre-payments due from companies from same management	-	-
Maximum advance, deposit and pre-payments due by Directors or other officers at any time	-	-
	<b>278,058,073</b>	<b>258,439,661</b>
<b>20.04 Advance Income Tax (At Source)</b>	<b>Tk. 22,077,038</b>	<b>Tk. 18,413,556</b>
This is made-up as follows:		
Opening Balance	18,413,556	16,972,244
Add: AIT During the year	3,663,482	1,441,312
<b>Closing Balance</b>	<b>22,077,038</b>	<b>18,413,556</b>
<b>21.00 Fixed Deposit</b>	<b>Tk. 212,889,348</b>	<b>Tk. 47,627,796</b>
Fixed Deposit with Prime Bank	52,889,348	47,627,796
Fixed Deposit with Meghna Bank	160,000,000	-
	<b>212,889,348</b>	<b>47,627,796</b>
We are enjoying different credit facilities from Prime Bank Ltd. Like L/C sight/DP, Loan on Trust Receipt (LTR) Inland Bill Purchase (IDBP) etc. In this regard we build FDR and kept that FDR amount as lien for the mentioned credit support. We also kept FDR with Meghna Bank Limited until open L/C for Machinery from IPO Fund.		
<b>22.00 Cash &amp; Cash Equivalents</b>	<b>Tk. 316,243,410</b>	<b>Tk. 5,773,371</b>
The break-up of the amount is given below:		
Cash in Hand	1,518,037	1,488,368
Cash at Banks (Note- 22.01 )	314,725,373	4,285,003
	<b>316,243,410</b>	<b>5,773,371</b>

	Amount in Taka	
	June 30, 2017	June 30, 2016
<b>22.01 Cash at Bank</b>	<b>Tk. 314,725,573</b>	<b>Tk. 4,285,003</b>
The break-up of the amount is given below:		
Al-ArafIslami bank Ltd CD A/c No 2121	409	519
BRAC Bank Ltd.Banani A/c No 63001	16,481,326	-
Bank Asia Scotia Branch A/c No 03387	18,644	5,318
Meghna Bank Ltd. Principal Branch, A/C: 0558	46,871,136	-
Exim bank Ltd Corporate Br. Gulshan A/c 9359	7,312	36,005
Exim bank Ltd Corp. Br. Gulshan A/c 153791	442	57,026
Eastern Bank Ltd Banani Br. A/c 2244	25,422	27,647
Farmers Bank Ltd Gulsan Br. A/c 134	8,694	9,844
Islami Bank Bangladesh Ltd.A/c No 17704	37,670	7,182
Jamuna Bank Ltd. Banani Br. A/c 5077	5,105,440	1,039,640
Janata Bank Local Office A/c NO-59448	4,305	-
NCC Bank Ltd. Foreign Ex. CD A/c No 8224	-	1,742
National bank Ltd. Gulshan A/c 1749	8,916	9,951
National bank Ltd. PragatiSarani, A/c 5819	4,598	5,288
Prime Bank Ltd Foreign Exchange A/c No 13421	6,800,594	780,735
Social Islami Bank Ltd Gulshan A/c No 4768	878,333	2,192,644
Social Islami Bank Ltd Banani A/c No 5092	13,227	14,377
South East Bank Ltd. Banani A/C No. 5020	34,317	35617
South Bangla Agr. & Com. Bank A/C-2369	7,998	9,263
Trust bank Ltd SKB Br. A/c No 1885	15,555	11,705
Woories Bank Ltd Gulsan Br. A/c 8402	37,325	40,500
Mutual Trust Bank, Dilkusha Br. A/C No. 1552	162,588,420	-
Mutual Trust Bank Ltd., Dilkusha Br. A/C No. 1783 USD. 966195/- @ Tk.78	75,363,210	-
Mutual Trust Bank Ltd., Dilkusha Br. A/C No. 1792 EURO. 1252.65 @84.99	106,475	-
Mutual Trust Bank Ltd., Dilkusha Br. A/C No. 1809 GBP. 3221.52@94.86	305,605	-
	<b>314,725,373</b>	<b>4,285,003</b>

Cash balance is certified by the management. Bank balances are agreed with banks Statement Issued & Certified by the respective banks.

<b>23.00 Trade Payables</b>	<b>Tk. 11,201,200</b>	<b>Tk. 15,978,278</b>
The break-up of the amount is given below:		
Acceptance Liabilities	11,201,200	15,978,278
	<b>11,201,200</b>	<b>15,978,278</b>
<b>24.00 Short-Term Bank Borrowings</b>	<b>Tk. 123,359,000</b>	<b>Tk. 93,507,532</b>
The break-up of the amount is given below:		
Agrani Bank Ltd C.C Hypothecation Loan	49,300,000	69,229,341
Prime Bank Ltd	74,059,000	24,278,191
	<b>123,359,000</b>	<b>93,507,532</b>

This represents the present outstanding balances of the above Short term loans. The above loans are secured by personal guarantee of the directors of the company, corporate guarantee of Pacific Group and the paripassu sharing agreement between banks on fixed and floating assets of the company. The interest rate of this loans is varying from 13% -15%.

		Amount in Taka	
		June 30, 2017	June 30, 2016
<b>25.00 Provision for Income Tax</b>		<b>Tk. 97,463,601</b>	<b>Tk. 79,165,978</b>
The break-up of the amount is given below:			
Opening Balance		79,165,987	71,909,197
Add: During the Year		25,034,614	10,256,790
Less: Adjustment/Paid		6,737,000	3,000,000
		<b>97,463,601</b>	<b>79,165,978</b>
<b>26.00 Accrued Expenses</b>		<b>Tk. 13,526,196</b>	<b>Tk. 11,950,799</b>
This outstanding liabilities are rendered their services to the company. The individual balance are subject to confirmation.			
The break-up of the amount is given below:			
Salary & Allowance		847,948	717,552
Salary & Wages		5,562,691	5,367,850
Telephone bill		6,199	27,364
Mobile bill		61,580	38,450
Gas bill		6,645,278	5,569,583
Audit fee		402,500	230,000
		<b>13,526,196</b>	<b>11,950,799</b>
<b>27.00 Share Capital</b>		<b>Tk. 1,130,000,000</b>	<b>Tk. 380,000,000</b>
<b>27.01 Authorized Capital</b>			
120,000,000 ordinary shares of tk. 10/- each		1,200,000,000	380,000,000

**27.02 Issued, Subscribed, Called-up & Paid-up Capital**

Tk.1,130,000,000 divided into 113,000,000 Ordinary Shares of @ Tk.10 each fully paid as follows:

SL No.	Name of Shareholders	No. of Shares	% of Shares	June 30, 2017	June 30, 2016
1	Mr. Shafiul Azam (Mohsin)	16,340,950	14.46%	163,409,500	163,409,500
2	Mr. Shadequl Alam (Yasin)	9,496,200	8.40%	94,962,000	94,962,000
3	Shahida Khanom (Swarna)	950	0.001%	9500	9500
4	Md. Moazzam khan	950	0.001%	9,500	9,500
5	Md. Yunus khan	950	0.001%	9,500	9,500
6	Md. Sohel Khan	6,500,000	5.75%	65,000,000	65,000,000
7	Disney Properties Ltd.	2,660,000	2.35%	26,600,000	26,600,000
8	Md. Tazul Islam	500,000	0.44%	5,000,000	5,000,000
9	Md. Kabiruddin Ahmed	50,000	0.04%	500,000	500,000
10	Md. Hamid Ullah Khan	350,000	0.31%	3,500,000	3,500,000
11	Asif Iqbal Chowdhury	90,000	0.08%	900,000	900,000
12	Hoq Mahbub Morshed	175,000	0.15%	1,750,000	1,750,000
13	Shajeda Begum	450,000	0.40%	4,500,000	4,500,000
14	Hoque Mahtab Morshed	50,000	0.04%	500,000	500,000

				Amount in Taka	
				June 30, 2017	June 30, 2016
15	Md. Sharif Hossain	50,000	0.04%	500,000	500,000
16	Foysal Ahmed	100,000	0.09%	1,000,000	1,000,000
17	A.S.A Muiz	250,000	0.22%	2,500,000	2,500,000
18	Md. Sayadur Rahman	100,000	0.09%	1,000,000	1,000,000
19	Ahmed Tawfiqur Rahman	100,000	0.09%	1,000,000	1,000,000
20	ATM Tahmiduzzaman	50,000	0.04%	500,000	500,000
21	Md. Abdus Sultan	50,000	0.04%	500,000	500,000
22	Enter IT (BD) Limited	50,000	0.04%	500,000	500,000
23	Anita Sharmin	10,000	0.01%	100,000	100,000
24	Howa Nur Begum	50,000	0.04%	500,000	500,000
25	Sabrina Shabnam Rabbi	50,000	0.04%	500,000	500,000
26	S.M Iftheker Imam	25,000	0.02%	250,000	250,000
27	Monjur Ahmed	250,000	0.22%	2,500,000	2,500,000
28	Md. Moallem Hossain	200,000	0.18%	2,000,000	2,000,000
29	Issuance of IPO	75,000,000	66.37%	750,000,000	-
	<b>Total</b>	<b>113,000,000</b>	<b>100%</b>	<b>1,130,000,000</b>	<b>380,000,000</b>

**28.00 Revaluation Reserve****Tk. 145,690,413****Tk. 145,690,413**

Revaluation reserve has been created out by the amount of revaluation surplus of land. Details are below, revaluation was made in December 31, 2010.

Land	145,690,413	145,690,413
	<b>145,690,413</b>	<b>145,690,413</b>

**29.00 Tax Holiday Reserve****Tk. 145,760,152****Tk. 145,760,152**

Tax Holiday Reserve

145,760,152

145,760,152

**145,760,152****145,760,152**

The period of tax holiday of the company expired in March 31, 2011. The company has made Tax Holiday reserve for the period from 01-01-2011 to 31-03-2011@ 40% on net profit during the year 2011.

**30.00 Retained Earnings****Tk. 521,795,441****Tk. 387,627,047**

This is made up as follows :

Opening Balance

387,627,047

332,837,020

Add: Net Profit for the year

134,168,394

54,790,026

Accumulated Earnings

**521,795,441****387,627,047**

		Amount in Taka	
		June 30, 2017	June 30, 2016
<b>31.00 Long- Term Borrowings ( Secured)</b>		<b>Tk. 632,338,235</b>	<b>Tk. 699,566,425</b>
The break-up of the amount is given below:			
Long Term Loan from Bank (Note # 31.01)		660,225,671	707,579,726
Lease Liabilities (Note # 31.02)		91,021,543	110,895,678
		751,247,214	818,475,404
Less: Long -Term Borrowings-Current portion		118,908,979	118,908,979
Long- Term Borrowings net off current portion		<b>632,338,235</b>	<b>699,566,425</b>
<b>31.01 Long- Term Bank Loan (Secured)</b>		<b>Tk. 660,225,671</b>	<b>Tk. 707,579,726</b>
The break-up of the amount is given below:			
Agrani Bank Principal Branch (Project Loan)		500,341,498	500,341,498
NCC Bank Ltd Foreign Ex. Branch (Term Loan)		115,570,260	136,083,214
Brac Bank Term Loan		23,231,824	27,790,301
Bank Asia Term Loan		21,082,089	43,364,713
		<b>660,225,671</b>	<b>707,579,726</b>
This represents the present outstanding balances of the above term loans. The above loans are secured by personal guarantee of the directors of the company, corporate guarantee of Pacific Group and the paripassu sharing agreement between banks on fixed and floating assets of the company. The interest rate of this loans is varying from 13% -16%.			
<b>31.02 Leases</b>		<b>Tk. 91,021,543</b>	<b>Tk. 110,895,678</b>
This is made up as follows :			
IDLC Finance Limited		26,699,877	29,075,775
IIDFC		32,928,380	37,778,123
First Lease Finance & Investment Ltd.		31,393,286	44,041,780
		<b>91,021,543</b>	<b>110,895,678</b>
<b>32.00 Deferred Tax Liability</b>		<b>Tk. 50,776,497</b>	<b>Tk. 51,352,520</b>
WDV of Assets Accounting Base		807,036,599	842,202,028
WDV of Assets Tax Base		468,526,619	499,851,893
Temporary Difference		338,509,980	342,350,135
Tax Rate		15%	15%
Deferred Tax Liability		<b>50,776,497</b>	<b>51,352,520</b>
<b>33.00 Net Asset Value (NAV) Per Share</b>			
Net Assets		1,943,246,006	1,059,077,612
No. of Shares		113,000,000	38,000,000
<b>Net Asset Value (NAV) Per Share</b>		<b>17.20</b>	<b>27.87</b>
<b>34.00 Turnover</b>		<b>Tk. 1,900,357,135</b>	<b>Tk. 1,731,557,294</b>
Export Sales		1,900,357,135	1,731,557,294
		<b>1,900,357,135</b>	<b>1,731,557,294</b>
<b>35.00 Cost of Sales</b>		<b>Tk. 1,569,930,792</b>	<b>Tk. 1,455,706,373</b>
The break-up of the amount is given below:			
Raw materials Consumed	Note 35.01	1,421,217,390	1,308,848,031
Manufacturing Overhead	Note 35.03	173,936,007	174,412,516
Opening WIP		79,977,574	71,564,520
Closing WIP		(90,015,880)	(79,977,574)
<b>Cost of Production</b>		<b>1,585,115,092</b>	<b>1,474,847,493</b>
Finished Goods (Opening)		199,002,660	179,861,540
Finished Goods (Closing)		(214,186,960)	(199,002,660)
<b>Cost of Sales</b>		<b>1,569,930,792</b>	<b>1,455,706,373</b>



		Amount in Taka	
		June 30, 2017	June 30, 2016
<b>35.01</b>	<b>Raw Material Consumed</b>	<b>1,421,217,390</b>	<b>1,308,848,031</b>
	<b>Opening Stock of Raw Materials</b>	<b>143,911,728</b>	<b>121,265,411</b>
	Raw Materials- Yarn	98,861,307	81,461,530
	Dyes & Chemicals	37,249,011	32,458,210
	Packing Materials	7,801,410	7,345,671
	<b>Add: Raw Material Purchased</b>	<b>1,457,507,352</b>	<b>1,331,494,348</b>
	Raw Materials- Yarn	1,217,581,328	1,112,462,090
	Dyes & Chemicals	145,996,679	133,330,301
	Packing Materials	93,929,345	85,701,957
	<b>Raw Material available for Consumption</b>	<b>1,601,419,080</b>	<b>1,452,759,759</b>
	<b>Less: Closing Stock of Raw Materials</b>	<b>180,201,690</b>	<b>143,911,728</b>
	Raw Materials- Yarn	129,567,330	98,861,307
	Dyes & Chemicals	41,855,660	37,249,011
	Packing Materials	8,778,700	7,801,410
	<b>Raw Material Consumption</b>	<b>1,421,217,390</b>	<b>1,308,848,031</b>
<b>35.02</b>	<b>Purchase of Materials:</b>	<b>Tk. 1,463,743,037</b>	<b>Tk. 1,337,294,984</b>
	Breakup of the above amount is given below:		
	Yarn Purchases	1,217,581,328	1,112,462,090
	Dyes & Chemicals	145,996,679	133,330,301
	Packing Materials	93,929,345	85,701,957
	Raw Materials Purchase	<b>1,457,507,352</b>	<b>1,331,494,348</b>
	Spares parts	6,235,684	5,800,636
		<b>1,463,743,037</b>	<b>1,337,294,984</b>
<b>35.03</b>	<b>Manufacturing Overhead:</b>	<b>Tk. 173,936,007</b>	<b>Tk. 174,412,516</b>
	The break-up of the amount is given below:		
	Wages & Allowances	64,329,267	60,199,576
	Festival Bonus	10,836,619	10,140,950
	Overtime Expenses	592,267	554,246
	Gas Bill	24,587,614	27,608,978
	Medical Expenses	480,398	449,558
	Insurance Premium	1,631,608	1,526,865
	Postage & Stamp	128,294	120,058
	Factory Maintenance	1,503,685	1,407,154
	Generator Maintenance & Lubricants	13,170,299	12,324,817
	ETP Expenses	95,806	84,977
	Spare Parts	6,179,109	5,840,506
	Depreciation	50,401,041	54,154,833
		<b>173,936,007</b>	<b>174,412,516</b>
<b>35.04</b>	<b>Spares Parts</b>	<b>Tk. 6,179,109</b>	<b>Tk. 5,840,506</b>
	Stock of Spare parts Opening	3,755,965	3,795,835
	Purchase of Spare parts	6,235,684	5,800,636
	Stock of Spare parts - Closing	(3,812,540)	(3,755,965)
	Consumption	<b>6,179,109</b>	<b>5,840,506</b>

Note-35.04

		Amount in Taka	
		June 30, 2017	June 30, 2016
<b>36.00 Office &amp; Administrative Expenses</b>		<b>Tk. 44,759,301</b>	<b>Tk. 22,037,872</b>
	The break-up of the amount is given below:		
	Salary & Allowances	4,047,206	3,502,940
	Remuneration (Chairman)	702,000	702,000
	Remuneration (MD)	1,200,000	1,200,000
	Board Meeting Fees	115,000	115,000
	Car maintenance	894,263	814,002
	Audit Fees	402,500	345,000
	Renewal & registration fees	327,662	325,760
	Repair & Maintenance	183,878	167,375
	Tour & Travels	659,467	600,279
	Donation	283,172	257,757
	IPO Expenses	20,620,000	-
	Legal & Consultancy fees	101,158	92,079
	Conveyance	180,709	164,490
	Entertainment	122,983	111,945
	Misc. Expenses	186,138	169,432
	Mobile & Telephone bill	1,037,554	944,433
	Printing & Stationery	1,165,999	1,061,350
	Fees & Forms	193,255	175,910
	Charge & Commission (C&F Expenses)	6,682,468	6,239,731
	Office Rent	2,250,000	1,950,000
	Internet bill	420,572	382,825
	Transportation	2,335,278	2,125,685
	Paper & periodical	32,401	29,493
	Office Maintenance	615,640	560,386
		<b>44,759,301</b>	<b>22,037,872</b>
<b>37.00 Selling &amp; Distribution Expenses</b>		<b>Tk. 5,605,002</b>	<b>Tk. 5,196,553</b>
	The break-up of the amount is given below:		
	Salary & Allowances	2,676,929	2,481,855
	Entertainment	135,553	125,675
	Printing & Stationery	136,500	126,553
	Advertisement	974,237	903,242
	Misc. Expenses	563,381	522,326
	Travelling & Conveyance	409,456	379,618
	Sales promotion Exp.	708,947	657,284
		<b>5,605,002</b>	<b>5,196,553</b>
<b>38.00 Financial Expenses</b>		<b>Tk. 128,080,484</b>	<b>Tk. 130,196,487</b>
	The break-up of the amount is given below:		
	Interest on Project Loan general (Agrani bank)	66,845,596	60,177,812
	Interest on Term (N.C.C Bank)	32,135,169	35,703,424
	Interest on IDLC Finance Limited	3,982,251	5,950,785
	Interest on (IIDFC)	5,682,866	6,721,174
	Interest on First Lease Financing	8,586,073	9,886,079
	Interest on Term Loan (Bank Asia Ltd.)	5,776,375	7,026,076
	Interest on Term Loan (Brac Bank Ltd.)	1,308,046	972,868
	Interest on LTR	1,346,829	1,516,021
	Bank Charge/Bank Misc./Service Charge etc.	2,417,278	2,242,248
		<b>128,080,484</b>	<b>130,196,487</b>

		Amount in Taka	
		June 30, 2017	June 30, 2016
<b>39.00</b>	<b>Other Income</b>	<b>Tk. 6,645,429</b>	<b>Tk. 2,155,169</b>
	This amount consist of		
	Interest Received from FDR & IPO Fund	6,380,374	1,841,819
	Exchange Gain	265,054	313,350
		<b>6,645,429</b>	<b>2,155,169</b>
<b>40.00</b>	<b>Loss on Fire Accident</b>	<b>Tk. 0</b>	<b>Tk. 297,837</b>
	Cost	-	515,692
	Less: Accumulated Dep.	-	217,855
		<b>-</b>	<b>297,837</b>
<b>41.00</b>	<b>Current Tax Expenses</b>	<b>Tk. 25,034,614</b>	<b>Tk. 19,167,737</b>
	Profit before Tax	158,626,985	120,277,341
	Less: Other Income considered separately	6,645,429	2,155,169
		151,981,556	118,122,172
	Add: Accounting Depreciation	50,401,041	54,154,833
	Less: Tax Depreciation	(46,560,886)	(49,520,818)
	Taxable Income	<b>155,821,711</b>	<b>122,756,186</b>
	Current tax Expenses on Taxable Income @15%	23,373,257	18,413,428
	Current tax Expenses on other Income @25%	1,661,357	754,309
	Current Tax Expenses	<b>25,034,614</b>	<b>19,167,737</b>
<b>42.00</b>	<b>Deferred Tax Expenses</b>	<b>(Tk. 576,023)</b>	<b>(Tk. 695,102)</b>
	Closing	50,776,497	51,352,520
	Beginning	51,352,520	52,047,622
		<b>(576,023)</b>	<b>(695,102)</b>
<b>43.00</b>	<b>Calculation of Basic Earnings Per Share</b>		
	<u>Net Profit After Tax</u>	134,168,394	101,804,705
	Weighted Number of Ordinary Shares during the year	73,342,466	38,000,000
		<b>1.83</b>	<b>2.68</b>
	<b>Calculation of weighted Number of shares</b>	<b>38,000,000</b>	<b>38,000,000</b>
	(38000000*365/365)		
	<u>75000000*172</u>	35,342,466	-
	365	<b>73,342,466</b>	<b>38,000,000</b>
<b>44.00</b>	<b>Net Operating Cash Flow Per Share</b>		
	<u>Net Cash from operating activities</u>	41,744,653	62,643,807
	No. of Shares	73,342,466	38,000,000
	<b>Net Operating Cash Flow Per Share</b>	<b>0.57</b>	<b>1.65</b>
<b>45.00</b>	<b>Utilization of IPO Fund</b>		
	Utilization position of IPO proceeds up to 30 June 2017 was as under;		

Purpose as per prospectus	Amount as per prospectus	Utilized during the year	Total unutilized
Acquisition of Machinery & Equipment	181,006,277	-	181,006,277
Construction of Building	298,373,723	190,174,456	108,199,267
Partial Bank Loan Pay off	250,000,000	100,000,000	150,000,000
IPO Expenses	20,620,000	20,620,000	-
<b>Total</b>	<b>750,000,000</b>	<b>310,794,456</b>	<b>439,205,544</b>

Amount in Taka	
June 30, 2017	June 30, 2016

The company raised Tk. 750,000,000 divided into 75,000,000 ordinary shares of Tk. 10 each through IPO on January 10, 2017. During the year the company utilized Tk. 190,174,456 for the purpose of construction of building, Tk. 100,000,000 for partial bank loan pay off, and Tk. 20,620,000 for IPO expenses as certified by independent auditor, Habib Sarwar Bhuiyan & Co., Chartered Accountants.

The utilization for the purpose of construction of building has been recognized as capital work in progress in note # 17, and the IPO expenses has been reported as revenue expenses under office & administrative expenses in note # 36 to the financial statements.

Out of the above partial bank loan pay off, the company repaid Tk. 50,000,000 to Agrani Bank Ltd., Tk. 20,000,000 to NCC Bank, Tk. 10,000,000 to IIDFC, Tk. 10,000,000 to IDLC Finance Limited and Tk. 10,000,000 to First Lease Finance & Investment Ltd from the IPO Fund.

#### 46.00 The requirement of schedule XI part-II, Para 3 Employees

Number of employees whose salary was below Tk. 8,250  
Number of employees whose salary was above Tk. 8,250

0	0
420	414
<b>420</b>	<b>414</b>

#### 47.00 Additional Information

##### The requirement of schedule XI part-II, Para 3 (a) : Turn Over

Turnover in BDT.	1,900,357,135	1,731,557,294
Turnover in Quantity	14,846,540	13,563,820

##### The requirement of schedule XI part-II, Para 3 (d) (i) : Raw Materials Consumed

Raw Material (Yarn) (Kgs)	5,846,676	5,397,852
Raw Material (Yarn) (Value in BDT.)	1,186,875,305	1,095,062,313
Dyes & Chemical (Kgs)	1,597,627	1,456,208
Dyes & Chemical (Value in BDT.)	141,390,030	128,539,500

##### The requirement of schedule XI part-II, Para 3 (d) (ii) : Goods Produced

###### Finished Goods

Opening (Yds)	741,855	670,500
Production (Yds)	14,895,772	13,635,176
Closing (Yds)	791,088	741,855

Amount in Taka	
June 30, 2017	June 30, 2016

**The requirement of schedule XI part-II, Para 4**

Sl. No	Name	Designation	Nature of Transaction Remuneration, Salary & Allowance/ Receivable & Payable	Board Meeting Fee
1	Md. Shadequl Alam (Yeasin)	Chairman	702,000	25,000
2	Md. Shafiu Azam (Mohsin)	Managing Director	1,200,000	30,000
3	Md. Sohel Khan	Director	-	20,000
4	Md. Ashfak Ahmed Khan	Independent Director	-	20,000
5	M.A. Kamal Bhuiyan	Nominee Director (Disney Properties Ltd.)	-	20,000

**The requirement of schedule XI part-II, Para 7 : Capacity Utilization**

Sl. No	Name of Product	Production Capacity Yds/Year	Actual Production Yds	Utilization
1	Denims Fabrics	18,450,000	14,902,622	80%

**The requirement of schedule XI part-II, Para 8**

Particulars	Opening Balane	Total Purchase year ended June 30, 2017	Material Available (Taka)	Material Available (Taka)	% of Consumption
Raw Material (Yarn)	98,861,307	1,217,581,328	1,316,442,635	1,186,875,305	90%
Dyes & Chemical	37,249,011	145,996,679	183,245,690	141,390,030	77%
Packing Material	7,801,410	93,929,345	101,730,755	92,952,055	91%
Spare Parts	3,755,965	6,235,684	9,991,649	6,179,109	62%

**Value of Export****Particulars**

Export of Denims Fabrics (US Dollar)	US \$ 23 ,618,657	US \$ 22,199,452
Export of Denims Fabrics (BDT.)	1,900,357,135	1,731,557,294



**48.00 Capital Expenditure Commitment**

There was no Capital expenditure contracted but not incurred or provided for as on 30.06.2017  
 There was no Material Capital expenditure authorized by the Board but not contracted for as on 30.06.2017

**49.00 Contingent Liabilities**

There was no sum for which the company is contingently liable as on 30.06.2017

**50.00 Claims Not Acknowledged**

There was no claims against the company not acknowledged as debt as on 30.06.2017

**51.00 Credit Facilities Not Availed**

There was no credit facilities available to the company but not availed of as on 30.06.2017 under any contract other than Trade Credit available in the ordinary course of business.

**52.00 Commission Brokerage Or Discount Against Sales**

No commission, brokerage or discount was incurred or paid by the Company against sales during the period of July 1, 2016 to June 30, 2017.

**53.00 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 date of the financial ; are reflected in the financial statements and events after the reporting period that are not adjusting events are disclosed in the notes when material. The board of directors recommended 12.50% stock dividend for the year 2016-2017 which is subject to shareholder's approval at the forthcoming Annual General Meeting.

**54.00 Significant Deviation**

During the year Sales and Net profit after Tax increased in comparison with previous year ended on 30 June 2016. In the current year Earnings per share (EPS) and Net Operating Cash flow per share (NOCFPS) declined due to increase in number of Shares from 38,000,000 to 113,000,000. EPS and NOCFPS was calculated by applying Weighted Number of ordinary Shares 73,342,466 for the year ended June 30, 2017 and 38,000,000 Shares for the year ended June 30, 2016.

**55.00 Financial Risk Management**

The management of company is overall responsible for the establishment and oversight of the company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risk for its use of financial instruments.

Credit Risk  
 Liquidity Risk  
 Market Risk

**Credit Risk**

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place that are controlled and monitored in accordance with terms and conditions prescribed in export letter of credit. As at 30th June 2017 the entire part of the receivables are related to export of goods and subject to insignificant credit risk. Risk exposures from other financial assets. i.e. Cash at bank and other external receivables are nominal.

### **Liquidity Risk**

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach in managing liquidity ( cash and cash equivalents) is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses including financial obligation through preparation of the cash flow forecast with due consideration of time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. In extreme stressed conditions the company may get support from the related company in the form of short term financing

### **Market Risk**

Market risk is the risk that any changes in market prices such as foreign exchange rates and interest will affect the company's income or the value of its holdings financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

#### **a) Currency risk**

The company is exposed to currency risk on certain revenues and purchases such as revenue from foreign customers and import of raw materials, machineries and equipment. Majority of the company's foreign currency transactions are denominated in USD and relate to procurement of raw materials, machineries and equipment from abroad.

#### **b) Interest rate risk**

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. The foreign currency loan is subject to floating rates of interest. Local loans are, however, not significantly affected by fluctuations in interest rate risk. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

**PACIFIC DENIMS LIMITED**  
Schedule of Property, Plant & Equipment  
As at June 30, 2017

Particulars	At Cost			Rate %	Depreciation			W.D. Value Balance as at 30-06-2017	W.D. Value Balance as at 30-06-2016
	Balance as at 01.07.2016	Addition during the year	Adjust ment		Balance as at 30-06-2017	Charge During the Year	Adjust ment		
Land	148,310,413	-	-	0%	-	-	-	148,310,413	148,310,413
Land Development	36,708,547	-	-	0%	-	-	-	36,708,547	36,708,547
Building & other Construction	251,172,678	-	-	2.50%	38,478,233	5,317,361	-	207,377,084	212,694,445
Furniture & Fixture	32,177,409	-	-	10%	13,287,044	1,889,037	-	17,001,329	18,890,365
Electric Installation	64,772,051	-	-	10%	39,481,982	2,529,007	-	22,761,062	25,290,069
Deep-Tube-well	452,632	-	-	10%	286,041	16,659	-	149,932	166,591
Office Equipment	8,325,306	-	-	10%	2,478,280	584,703	-	5,262,324	5,847,026
Plant & Machinery Imported	756,275,615	15,235,610	-	10%	399,656,329	36,296,746	-	335,558,151	356,619,286
Plant & Machinery Local	76,349,343	-	-	10%	41,712,642	3,463,670	-	31,173,030	34,636,701
Fire Fighting Equipment	2,475,360	-	-	10%	445,231	203,013	-	1,827,116	2,030,129
Vehicles & Transport	2,466,002	-	-	10%	1,457,545	100,846	-	907,611	1,008,457
<b>Total</b>	<b>1,379,485,356</b>	<b>15,235,610</b>	<b>-</b>		<b>537,283,327</b>	<b>50,401,041</b>	<b>-</b>	<b>807,036,599</b>	<b>842,202,028</b>

Note : \* Ata Khan & Co. Chartered Accountants have revalued the Land of the Company as at 31st December, 2010 following Current cost method showing of Tk.180,000,000 resulting in a valuation surplus of Tk. 145,690,413

**PACIFIC DENIMS LIMITED**  
**Details Item wise Inventories list**  
**For the year ended June 30, 2017**

Sl.No	Items	As at 30 June, 2017			As at 30 June, 2016		
		Rate TK	Quantity KG	Amount in Taka	Rate TK	Quantity KG	Amount in Taka

**1 Yarn**

Cotton open end	198	188,275	37,301,043	196	142,695	27,985,343
Cotton OE Slu	200	149,595	29,919,000	199	95,840	19,052,992
Cotton Ring Slub	240	69,939	16,785,360	238	59,260	14,097,954
Cotton Elastane	348	55,182	19,203,336	347	45,680	15,864,207
Polyester Filament	145	78,446	11,374,657	142	64,229	9,133,332
Poly Elastane	187	80,128	14,983,934	186	68,560	12,727,478
<b>Total</b>		<b>621,565</b>	<b>129,567,330</b>		<b>476,264</b>	<b>98,861,307</b>

**2 Dyes & Chemicals**

Indigo Dye	444	58,087	25,767,595	443	52,719	23,333,630
Sulphar Black Dye	150	21,573	3,246,578	149	20,190	3,000,083
Caustic soda	49	46,982	2,317,151	48	45,821	2,214,069
Hydrose	121	41,639	5,043,257	120	37,230	4,472,009
Native Starch	54	22,004	1,193,957	52	19,264	1,006,756
Modified Starch	75	11,730	879,759	74	10,259	759,175
Sodium Sulphide	65	25,501	1,657,550	63	24,491	1,542,925
Catinic Softener	360	4,861	1,749,816	358	2,571	920,364
<b>Total</b>		<b>232,377</b>	<b>41,855,660</b>		<b>212,545</b>	<b>37,249,011</b>

**3 Packing Materials**

8,778,700

7,801,410

**4 Spares & Parts**

3,812,540

3,755,965

**5 Work-in-process**

Warping			10,195,292			8,383,364
Dyeing-Sizing			28,726,688			26,090,458
Weaving			43,155,503			38,916,916
Finishing			7,938,397			6,586,836
<b>Total</b>			<b>90,015,880</b>			<b>79,977,574</b>

**6 Finished Goods**

100% Cotton	248	150,791	37,396,069	246	136,591	33,601,288
Cotton- Polyester	242	20,058	4,854,109	239	14,763	3,528,429
Cotton- Elastane	315	184,776	58,204,591	312	164,597	51,354,264
Cotton- Poly -elastane	278	409,109	113,732,191	276	400,430	110,518,680
<b>Total</b>		<b>764,734</b>	<b>214,186,960</b>		<b>716,381</b>	<b>199,002,660</b>

<b>Grand Total</b>			<b>488,217,070</b>			<b>426,647,928</b>
Yarn			129,567,330			98,861,307
Dyes & Chemicals			41,855,660			37,249,011
Packing Materials			8,778,700			7,801,410
Spares & Parts			3,812,540			3,755,965
Work -in- process			90,015,880			79,977,574
Finished Goods			214,186,960			199,002,660
<b>Total</b>			<b>488,217,070</b>			<b>426,647,928</b>



## **Auditors' Report and Financial Statements**

As at and for the period ended 30 June 2016

### **Independent Auditors' Report On the Financial Statements of Pacific Denims Ltd.**

*We have audited the accompanying Financial Statements of PACIFIC DENIMS LTD., Dhaka which comprises the Statement of Financial Position as at 30 June 2016 and Statement of Profit or Loss and Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the period then ended and other explanatory notes forming part of the financial Statements.*

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS)/ Bangladesh Accounting Standards, the companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. This responsibility includes designing, implementing internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that reasonable in the circumstances.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

#### **Basis of Opinion**

We have conducted audit in accordance with Bangladesh Standards on Auditing (BSA) and accordingly 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 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion:**

In our opinion, the financial statements prepared in accordance with the Bangladesh Accounting Standards (BAS)/ Bangladesh Financial Reporting Standards (BFRS), present fairly, in all material respects, the financial position of the company as at 30 June 2016 and the result of its operation and its cash flows for the period then ended and comply with the Companies Act. 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We further report that;

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;
- c) the company's financial statements dealt with by the report are in agreement with the books of account;  
and
- d) the expenditure incurred was for the purposes of the company's business.

Sd/-

Mahfel Huq & Co.  
Chartered Accountants

**PACIFIC DENIMS LIMITED**  
Statement of Financial Position  
As at June 30, 2016

Particulars	Notes	June 30, 2016 Amount in Taka	Dec. 31, 2015 Amount in Taka
<b>NON-CURRENT ASSETS</b>		<b>857,437,638</b>	<b>860,497,363</b>
Property, Plant & Equipment	17	842,202,028	860,497,363
Capital Work-in-Progress	18	15,235,610	-
<b>CURRENT ASSETS</b>		<b>1,272,070,494</b>	<b>1,208,500,481</b>
Inventories	19	426,647,928	378,112,560
Trade & Other Receivables	20	533,581,738	526,419,836
Advances, Deposits & Pre-Payments	21	258,439,661	243,677,608
Fixed Deposit	22	47,627,796	38,833,257
Cash & Cash Equivalents	23	5,773,371	21,457,220
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		<b>319,511,575</b>	<b>341,203,089</b>
Trade & Other Payables	24	15,978,278	17,598,438
Short-Term Borrowings	25	93,507,532	119,190,451
Long-Term Borrowings-Current portion	32	118,908,979	118,908,979
Provision for Income Tax	26	79,165,987	71,909,197
Accrued Expenses	27	11,950,799	13,596,023
<b>NET CURRENT ASSETS</b>		<b>952,558,919</b>	<b>867,297,392</b>
<b>NET ASSETS</b>		<b>1,809,996,557</b>	<b>1,727,794,754</b>
<b>SHAREHOLDERS' EQUITY</b>		<b>1,059,077,612</b>	<b>1,004,287,586</b>
Share capital	28	380,000,000	380,000,000
Revaluation Reserve	29	145,690,413	145,690,413
Tax Holiday Reserve	30	145,760,152	145,760,152
Retained Earnings	31	387,627,047	332,837,020
<b>LONG TERM LIABILITY</b>		<b>750,918,946</b>	<b>723,507,168</b>
Long Term Borrowings	32	699,566,425	671,810,437
Deferred Tax Liability	33	51,352,520	51,696,731
<b>LIABILITIES &amp; SAHREHOLDERS' EQUITY</b>		<b>1,809,996,557</b>	<b>1,727,794,754</b>
<b>Net Asset Value Per Share (NAVPS)</b>		<b>27.87</b>	<b>26.43</b>

These financial statements should be read in conjunction with the annexed notes 1 to 52 and were approved by the Board of Directors and were signed on its behalf by:

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Chief Financial Officer

This is the statement of financial position referred to in our report of even date annexed.

Place : Dhaka  
Dated: 17 October 2016

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

**PACIFIC DENIMS LIMITED**  
**Statement of Profit or Loss and other Comprehensive Income**  
**For the period from January 1, 2016 to June 30, 2016**

Particulars	Notes	June 30, 2016 Amount in Taka	June 30, 2015 Amount in Taka
<b>Turnover</b>	<b>35</b>	927,498,195	878,477,310
<b>Cost of Sales</b>	<b>36</b>	(779,185,755)	(737,864,705)
<b>Gross Profit</b>		<b>148,312,440</b>	<b>140,612,606</b>
<b>Operating Expenses:</b>		<b>(14,573,895)</b>	<b>(13,705,993)</b>
Office & Administrative Expenses	<b>37</b>	11,796,687	11,085,035
Selling & Distribution Expenses	<b>38</b>	2,777,208	2,620,958
<b>Operating Profit</b>		<b>133,738,545</b>	<b>126,906,613</b>
<b>Financial Expenses</b>	<b>39</b>	(69,774,043)	(65,457,646)
<b>Other Income</b>	<b>40</b>	1,035,941	1,140,385
<b>Loss on Fire Accident</b>	<b>41</b>	(297,837)	-
<b>Net Profit Before Tax</b>		<b>64,702,605</b>	<b>62,589,351</b>
<b>Income Tax Expenses</b>		<b>(9,912,579)</b>	<b>(9,616,480)</b>
Current Income Tax Expenses	<b>42</b>	(10,256,790)	(9,618,124)
(Deferred Tax Expenses)/Income	<b>43</b>	344,211	1,645
<b>Net Profit for the year</b>		<b>54,790,026</b>	<b>52,972,872</b>
<b>Basic Earnings Per Share (EPS)</b>	<b>44</b>	<b>1.44</b>	<b>1.39</b>

These financial statements should be read in conjunction with the annexed notes 1 to 52 and were approved by the Board of Directors and were signed on its behalf by:

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Chief Financial Officer

This is the statement of financial position referred to in our report of even date annexed.

Place : Dhaka  
Dated: 17 October 2016

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

**PACIFIC DENIMS LIMITED**  
**Statement of Changes in Equity**  
**For the period from January 1, 2016 to June 30, 2016**

Particulars	Share Capital	Revaluation Reserve	Tax Holiday Reserve	Retained Earning	Total Equity
Balance at Jan 01 , 2016	380,000,000	145,690,413	145,760,152	332,837,020	1,004,287,585
Net Profit for the year	-	-	-	54,790,026	54,790,026
<b>Balance at June 30, 2016</b>	<b>380,000,000</b>	<b>145,690,413</b>	<b>145,760,152</b>	<b>387,627,047</b>	<b>1,059,077,612</b>
	-	-	-	-	-
<b>Balance at Jan 01 , 2015</b>	<b>380,000,000</b>	<b>145,690,413</b>	<b>145,760,152</b>	<b>232,849,471</b>	<b>904,300,036</b>
Net Profit for the year	-	-	-	52,972,872	52,972,872
<b>Balance at June 30, 2015</b>	<b>380,000,000</b>	<b>145,690,413</b>	<b>145,760,152</b>	<b>285,822,343</b>	<b>957,272,908</b>

These financial statements should be read in conjunction with the annexed notes 1 to 52 and were approved by the Board of Directors and were signed on its behalf by:

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Chief Financial Officer

This is the Statement of Changes in Equity referred to in our even dated report to the shareholders.

**Dhaka**  
Dated: 17 October 2016

Sd/-  
**MahfelHuq & Co.**  
Chartered Accountants



**PACIFIC DENIMS LIMITED**  
**Statement of Cash Flows**  
For the period from January 1, 2016 to June 30, 2016

Particulars	June 30, 2016 Amount in Taka	June 30, 2015 Amount in Taka
<b>A. Cash Flow from Operating activities :</b>		
Cash Received from Customers & Others	912,129,288	910,249,101
Cash Received from other Income	1,035,941	1,140,385
Cash Paid to Suppliers, Employees and Others	(824,768,575)	(812,742,163)
<b>Cash Generated from Operations</b>	<b>88,396,654</b>	<b>98,647,323</b>
Interest Paid	(69,774,043)	(65,457,646)
Income Tax Paid	(4,441,312)	(5,732,320)
<b>Net Cash from operating activities</b>	<b>14,181,298</b>	<b>27,457,357</b>
<b>B. Cash Flow from Investing activities :</b>		
Acquisition of Property, Plant and Equipment	(7,908,065)	(47,233,379)
Paid against Capital Work-in-Progress	(15,235,610)	-
Fixed Deposit	(8,794,540)	(32,034,560)
<b>Net Cash used by investing activities</b>	<b>(31,938,215)</b>	<b>(79,267,939)</b>
<b>C. Cash Flow from Financing activities :</b>		
Received/Repaid of Short-term loan	(25,682,920)	(23,833,173)
Received/Repaid of Long-term loan	27,755,988	77,569,883
<b>Net Cash used in Financing activities</b>	<b>2,073,068</b>	<b>53,736,710</b>
Net Increase/(Decrease) in Cash and Cash Equivalents	(15,683,849)	1,926,128
Cash and Cash Equivalents at Beginning of year	21,457,220	3,438,701
<b>F. Cash and cash equivalents at the end of the period (A+B+C)</b>	<b>5,773,371</b>	<b>5,364,829</b>
<b>Net Operating Cash Flow Per Share (Notes-45)</b>	<b>0.37</b>	<b>0.72</b>

These financial statements should be read in conjunction with the annexed notes 1 to 52 and were approved by the Board of Directors and were signed on its behalf by:

Sd/-  
**Chairman**

Sd/-  
**Managing Director**

Sd/-  
**Chief Financial Officer**

This is the statement of financial position referred to in our report of even date annexed.

Place : Dhaka  
Dated: 17 October 2016

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

## **PACIFIC DENIMS LIMITED**

Notes to the Financial Statements as at and  
For the period of January 1, 2016 to June 30, 2016

### **1.00 Corporate History of the Reporting Entity**

Pacific Denims Limited (The Company) was incorporated in Bangladesh as a Private Limited Company under The Companies Act, 1994. Vide Registration No. C-48649(633)/2003 dated March 20, 2003 and converted into the Public Limited Company as on January 12, 2011.

### **2.00 Authorized Capital**

The Authorized capital of the Company is Tk. 1,200,000,000 divided into 120,000,000 ordinary shares of Tk.10 each. The value of Share has been split from Tk 100 per share to Tk.10 per share vide EGM dated 12-01-2011.

### **3.00 Corporate Business**

The main activities of the company were concentrated in Manufacturing, Dyeing, Weaving & Finishing of Denim Fabrics and exporting the same through local letter of credit (Deemed Export)

### **4.00 Corporate Financial Statements and Reporting**

a) This is prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1994, the Securities and Exchange Rules, 1987 and the Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRS) as well as those standards, disclosures recommended by BASs 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 this financial statements.

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

b) According to the Bangladesh Accounting standards (BASs) 1 as adopted by ICAB as BAS 1 "Presentation of Financial Statements" the complete set of financial statements includes the following components:

- i) Statement of Financial Position as at June 30, 2016
- ii) Statement of Profit or Loss and other Comprehensive Income for the period from January 1, 2016 to June 30, 2016
- iii) Statement of Changes in Equity for the period from January 1, 2016 to June 30, 2016
- iv) Statement of Cash Flows for the period from January 1, 2016 to June 30, 2016
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements for the period of January 1, 2016 to June 30, 2016

### **5.00 Fundamental Accounting Concepts/ Assumption**

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

### **6.00 Going Concern**

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

### **7.00 Corporate Accounting Standards Practiced**

The following BASs are applicable to the financial statements for the year under review:

- BAS 1 Presentation of Financial Statements
- BAS 2 Inventories
- BAS 7 Statement of Cash Flows

BAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS 10	Events after the Reporting Period
BAS 12	Income Taxes
BAS 16	Property, Plant And Equipment
BAS 17	Leases
BAS 18	Revenue
BAS 19	Employee Benefits
BAS 21	The Effects of Changes in Foreign Exchange Rates
BAS 23	Borrowing Costs
BAS 24	Related Party Disclosures
BAS 33	Earnings Per Share
BAS 34	Interim Financial Reporting
BAS 36	Impairment of Assets
BAS 37	Provisions, Contingent Liabilities and Contingent Assets
BAS 39	Financial Instruments: Recognition and Measurement

### 8.00 Reporting Period

The period of the financial statements covers from 1st January to 30 June, 2016.

### 9.00 Provisions

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

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

### 10.00 Events after the Reporting Period

Initial Public Offer (IPO) approved from Bangladesh Securities & Exchange Commission (BSEC) as on September 1, 2016 from their 582nd Commission meeting events after the reporting period.

### 11.00 Related Party Transactions

Some related parties transaction had been reviewed during the tenure of our audit. As per BAS 24 Transaction with Common Director, Representative Director, Investment in Associate will be treated as Transaction with Related Parties. Following are the Related Parties Transaction:

SL.	Related Parties	Relationship	Nature of Transaction Remuneration, Salary & Allowance / Receivable & Payable	Board meeting Fees	Board Meeting Fees
1	Pacific Aviation Ltd.	Receivable	1,236,500	-	-
2	Pacific Beverage & Food Ltd.	Receivable	4,260,159	-	-
3	Pacific Ceramic Ltd.	Receivable	323,490	-	-
4	Md. ShadequlAlam (Yeasin)	Chairman	351,000	25,000	25,000
5	Md. ShafiulAzam (Mohsin)	Managing Director	600,000	30,000	30,000
6	Md. Sohel Khan	Director	-	20,000	20,000
7	Md. Ashfak Ahmed Khan	Independent Director	-	20,000	20,000
8	M.A. Kamal Bhuiyan	Nominee	-	-	-
	Director (Disney Properties Ltd.)		-	20,000	20,000

**12.00 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

**13.00 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 has been rounded off to the nearest Taka except where indicated otherwise. Figures in brackets indicate deductions.

**14.00 The Effects of Changes in Foreign Exchange Rates**

Transactions in foreign currencies are translated to Bangladeshi "Taka" at the foreign exchange rates ruling at the date of transactions. Monetary assets and liabilities are converted at the rates prevailing at the statement of the financial position date. Non monetary assets and liabilities denominated in foreign currencies stated at historical cost are translated into Bangladeshi "Taka" at the exchange rate ruling at the date of transaction. Gain or losses resulting from foreign currency transactions are recognised in the income statement.

**15.00 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 were 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.

**15.01 Recognition of Tangible Fixed Assets**

These are capitalized at cost of acquisition 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.

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 Statement of Comprehensive Income which is determined with reference to the net book value of assets and the net sales proceeds.

**15.02 Capital Work-in-progress**

Capital work-in-progress is stated at cost. These are expensed of a capital nature directly incurred in the Plant & Machinery. No depreciation is charged on the capital work-in-progress which is in accordance with BAS-16.

**15.03 Depreciation of Tangible Fixed Assets**

Depreciation on fixed assets is computed using the reducing balance method so as to write off the assets over their expected useful life. After considering the useful life of assets as per BAS-16 Property, Plant and Equipment the annual depreciation rates have been applied as under which is considered reasonable by the management. Depreciation on Land Development has been charged during the year as per decision by the management and the recognition of prior year is also adjusted.

Particulars/Name of Assets	June 30, 2016	December 31, 2015
Land	0%	0%
Land Development	0%	0%
Building & other Construction	2.50%	2.50%
Furniture & Fixture	10%	10%
Electric Installation	10%	10%
Deep-Tube-well	10%	10%
Office Equipment	10%	10%
Plant & Machinery Imported	10%	10%
Plant & Machinery Local	10%	10%
Fire Fighting Equipment	10%	10%
Vehicles & Transport	10%	10%

**15.04 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.

**15.05 Revenue Recognition**

Revenue represents the invoice value of goods supplied to customers through L/Cs during the period. Revenue from sales of goods is recognized in the Statement of Profit or Loss and other Comprehensive Income when the significant risks and rewards of ownership have been transferred to the buyer. Sales are recognized when delivery certificate is raised against confirmed L/Cs.

**15.06 Other Income**

Interest on FDR and exchange gain treated as other income which has calculated on cash basis.

**15.07 Revaluation of Property, Plant and Equipment**

The increase value of land and land development arisen due to revaluation of assets as per BAS-16. The effective date of revaluation to the Financial Statements was 31st December 2010. In the year 2010, the Company made valuation of its Land and Land Development by independent valuation specialist M/S. Ata Khan & Co, Chartered Accountants following current cost method at Tk. 180,000,000/- resulting a valuation surplus of Tk. 145,690,413/-, Revaluation surplus has been transferred to revaluation reserve.

**15.08 Accrued Expenses and Other Payables**

Liabilities are recognized for the goods and services received, whether paid or not for those goods and services.

**15.09 Inventories**

Inventories comprises of raw materials, Work-in-Process, Finished goods and Stores & Spares. Raw materials and Stores and Spares have been valued at average 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 cost of material and other production OH attributable to bringing the goods to the state of sale under the convention of BAS-2.

**15.10 Income Tax-Current**

Provision for taxation has been made as per rates prescribed in Finance Act 2015 and the Income Tax Ordinance, 1984 on the profit made by the company. As per BAS-12 Income Taxes provision has been made during the year as the company earned taxable income.

**Provision for Tax Holiday Reserve**

The company was allowed tax holiday for periods of four years from the date of commencement of commercial production i.e. 01, April 2007 vide National Board of Revenue's Order ref. 11(656) Anu-1/2005/483 dated 12.07. 2012 The period of tax holiday of the company expired in 31 March 2011.

The company has been made for Tax Holiday reserve for the period from 01-01-2011 to 31-03-2011@ 40% on net profit during the year.

**Deferred Tax Liability**

Deferred tax arises due to temporary difference between the carrying amount of assets and liabilities as per account and the corresponding tax base value which is recognized in the Statement of Profit or Loss and other Comprehensive Income.

The company introduces Deferred Tax in 2014 which is recognized in Statement of Financial Position and Statement of Profit or Loss and other Comprehensive Income. The prior year adjustment is also recognized in the Retained Earnings. Rates applied for the calculation for deferred tax 15% for fixed assets other than land and 3% for land.

**Income Tax Payments Status**

Income Tax Assessment was completed up to the year 2007-2008 to 2010-2011 and certificates already collected and completed for the year 2011-2012 & 2012-2013 by Deputy Commissioner of Taxes against which appeal is pending. The assessment year 2013-2014, 2014-2015 & 2015-2016 is under process. The company has tax liability of Tk. 79,165,987/- against which advance tax paid Tk. 18,413,556.

**15.11 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits, and short term deposit, highly liquid investments that are readily convertible to know amounts of cash, and which are subject to an insignificant risk of changes in value.

**15.12 Statement of Cash Flows**

Statement of Cash Flows is prepared principally in accordance with BAS-7 "Statement of Cash Flows" and the cash flows from the operating activities have been presented under direct method.

**15.13 Borrowing Costs**

Financial Expenses (Borrowing Costs) incurred during the year is recognized as revenue expenses in accordance with BAS-23 "Borrowing Costs".

**15.14 Earnings Per Share**

This has been calculated in compliance with the requirements of BAS 33: Earnings Per Share 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 year**

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.

**Diluted Earnings Per Share**

No diluted EPS is required to be calculated for the year, as there was no scope for dilution during the year under review.

**15.15 Details of all personnel related schemes for which the company has to make provision for in future year**

As per Section 232 of the Bangladesh Labor (amendment) Act. 2013, which states that in sub-section 2 "The Government may, by notification in the official Gazette apply this chapter to such other companies as it may specify therein." And in sub-section 3 "Notwithstanding anything contained in sub-section (1) and (2), in industrial sector which is hundred percent export oriented or which is hundred percent foreign invested, the government may, by rules, for the beneficiaries working in such sectors, from sector-wise a central fund consolidating buyers and owners, fund management board, determine amount of donation and procedure



for recovery thereof, adopt rules for using money of that fund and relevant other necessary rules. Provided that, such board, may very prior approval of government adopt regulations for the purpose of this section.” Pacific Denims Ltd. is a 100% export oriented denims fabric manufacturing company and that's why the company does not recognize any provision for WPPF.

#### **15.16 Financial Instruments**

A financial instrument in any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

##### **Financial Assets**

Financial assets of the company include cash and cash equivalents, equity instrument of another equity, trade receivable and other receivables. The company initially recognizes receivable on the date they are originated. All other financial assets are recognized initially on the date which the company becomes a party to the contractual obligation of the transaction. The company derecognizes a financial asset when and only when contractual rights or probabilities of receiving the cash flows from the assets expire or it transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and reward of ownership of the financial assets are transferred.

##### **Initial Recognition**

An entity recognizes a financial assets or liabilities in its statement of financial position when, and only when, the entity becomes a party to the contractual provision of the instrument and subsequently recognizes at their amortized cost.

##### **Trade Receivables**

Trade receivables are carried at original invoice amount.

##### **Financial Liabilities**

The company initially recognizes financial liabilities on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognises a financial liability when it's contractual obligations are discharged or cancelled or expired. Financial liabilities are recognised initially at fair value less any directly attributable transactions cost. Subsequently to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Financial liabilities include loan and borrowing, trade creditors, liabilities for expenses and liabilities for other finance.

#### **16.00 Interim Financial Reporting**

To comply the Income Tax Ordinance, 1984, we have to prepare the Financial Statements as at June 30, 2016.

Pacific Denims Limited

		Amount in Taka	
		June 30, 2016	Dec. 31, 2015
<b>17.00</b>	<b>Property, Plant and Equipments</b>	<b>Tk. 842,202,028</b>	<b>Tk. 860,497,363</b>
This represents the written down value of assets as at 30-06-2016 at historical cost. This has been arrived as under:			
<b>A. Cost:</b>			
	Opening Balance	1,372,092,983	1,277,084,876
	Add: Addition during the period	7,908,065	95,008,107
	Less: Adjustment for Fire Accident	(515,692)	-
		<b>1,379,485,356</b>	<b>1,372,092,983</b>
<b>B. Accumulated Depreciation</b>			
	Opening Balance	511,595,620	456,860,134
	Add: Depreciation Charged during the year	25,905,563	54,735,486
	Less: Adjustment for Fire Accident	(217,855)	-
		537,283,328	511,595,620
	(A-B) Written down Value	<b>842,202,028</b>	<b>860,497,363</b>
<b>The details of above has been shown in Annexure " A "</b>			
<b>18.00</b>	<b>Capital Work-in-Progress</b>	<b>Tk. 15,235,610</b>	<b>Tk. 0</b>
Plant & Machinery and Building & Other Construction			
a) Plant & Machinery			
	Opening balance:	-	17,768,578
	Addition during the year	15,235,610	910,230
	Sub total	15,235,610	18,678,808
	Transfer to Fixed Asset Sch.	-	(18,678,808)
	Balance of plant & machinery	<b>15,235,610</b>	-
Building & Other Construction			
	b) Opening balance:	-	10,402,962
	Addition during the year	-	60,366,357
	Sub total	-	70,769,319
	Transfer to Fixed Asset Sch.	-	(70,769,319)
	Balance of building & other construction	-	-
	<b>Total Ending Balance</b>	<b>15,235,610</b>	<b>-</b>
<b>19.00</b>	<b>Inventories :</b>	<b>Tk. 426,647,928</b>	<b>Tk. 378,112,560</b>
The break-up of the amount is given below:			
	Yarn (Notes #36.01)	98,861,307	80,433,796
	Dyes & Chemicals (Notes #36.01)	37,249,011	33,266,246
	Packing Materials (Notes #36.01)	7,801,410	7,455,810
	Spares & Parts (Notes #36.04)	3,755,965	3,695,934
	Work-in- process (Notes #36)	79,977,574	72,915,206
	Finished Goods (Notes #36)	199,002,660	180,345,568
		<b>426,647,928</b>	<b>378,112,560</b>
Item wise details shown in Annex-B			
<b>20.00</b>	<b>Trade and Other Receivables:</b>	<b>Tk. 533,581,738</b>	<b>Tk. 526,419,836</b>
This is made-up as follows:			
	Trade Receivables (Notes-20.01)	527,761,589	512,392,682
	Other Receivables (Notes- 20.02)	5,820,149	14,027,154
		<b>533,581,738</b>	<b>526,419,836</b>

The above amounts are considered good and collectible within one year. Party wise details shown in Annex-C & D.

**Aging of Accounts Receivable:**

Less Than Six Months	527,761,589	512,392,682
More Than Six Months	5,820,149	14,027,154
<b>Total:</b>	<b>533,581,738</b>	<b>526,419,836</b>

The amount of receivable considered fully secured and guaranteed by export letter of credit opening bank against export order and is considered good & realizable as per the terms of export letter of credit. The classification of receivables as required by the Schedule XI of the companies Act, 1994 are given below:

SI.	Particulars	Amount in Taka	
		June 30, 2016	Dec. 31, 2015
I	Receivables considered good in respect of which the company is fully secured.	533,581,738	526,419,836
II	Receivables considered good in respect of which the company holds no security other than the debtor personal is fully secured.	-	-
III	Receivable considered doubtful or bad.	-	-
IV	Accounts Receivable due by any director or other officer of the company	-	-
V	Receivables due by common management	-	-
VI	The maximum amount of receivable due by any director or other officer of the company.	-	-
	<b>Total:</b>	<b>533,581,738</b>	<b>526,419,836</b>
<b>20.01</b>	<b>Trade Receivables:</b>	<b>Tk. 527,761,589</b>	<b>Tk. 512,392,682</b>
	This is made-up as follows:		
	Opening Balance	512,392,682	508,129,552
	Add: Export During the year	927,498,195	1,682,536,409
	Less: Realized during the year	(912,129,288)	(1,678,273,279)
		<b>527,761,589</b>	<b>512,392,682</b>
<b>20.02</b>	<b>Other Receivables :</b>	<b>5,820,149</b>	<b>14,027,154</b>
	<b>The details of above has been shown in Schedule: Annex-D</b>	<b>5,820,149</b>	<b>14,027,154</b>
<b>21.00</b>	<b>Advances, Deposits &amp; Pre-Payments:</b>	<b>Tk. 258,439,661</b>	<b>Tk. 243,677,608</b>
	The break-up of the amount is given below:		
	Advances (Notes #21.01)	257,537,661	242,775,608
	Deposits (Notes #21.02)	902,000	902,000
		<b>258,439,661</b>	<b>243,677,608</b>
<b>21.01</b>	<b>Advances :</b>	<b>Tk. 257,537,661</b>	<b>Tk. 242,775,608</b>
	The break-up of the amount is given below:		
	Advance Against Salary	824,463	801,440
	Advance Against Goods, Spare, Services & Others (Annex-E)	48,140,157	49,173,142
	Advance to Suppliers & Contractors (Annex-E)	190,159,486	175,828,783
	Advance Income Tax (At Source) (Notes #21.04)	18,413,556	16,972,244
		<b>257,537,661</b>	<b>242,775,608</b>
<b>21.02</b>	<b>Deposits:</b>	<b>Tk. 902,000</b>	<b>Tk. 902,000</b>
	Bank Gurantee	902,000	902,000
		<b>902,000</b>	<b>902,000</b>
<b>21.03</b>	<b>Disclosures as per Schedule-XI, Part-I of the Companies Act, 1994</b>		
	Advance, Deposit and pre-payments exceeding 6 Months and considered good and secured	902,000	902,000
	Advance, deposit and pre-payments considered good without security	257,537,661	242,775,608
	Advance, deposit and pre-payments considered doubtful and bad	-	-
	Advance, deposit and pre-payments due by directors or others officers	-	-
	Advance, deposit and pre-payments due from companies from same management	-	-
	Maximum advance, deposit and pre-payments due by Directors or other officers	-	-
		<b>258,439,661</b>	<b>243,677,608</b>
<b>21.04</b>	<b>Advance Income Tax (At Source)</b>	<b>18,413,556</b>	<b>16,972,244</b>
	This is made-up as follows:		
	Opening Balance	16,972,244	13,704,225
	Add: AIT During the year	1,441,312	3,268,019
	<b>Closing Balance</b>	<b>18,413,556</b>	<b>16,972,244</b>
<b>22.00</b>	<b>Fixed Deposit</b>	<b>Tk. 47,627,796</b>	<b>Tk. 38,833,257</b>
	Fixed Deposit with Prime Bank	47,627,796	38,833,257
		<b>47,627,796</b>	<b>38,833,257</b>

We are enjoying different credit facilities from Prime Bank Ltd. Like L/C sight/DP, Loan on Trust Receipt (LTR) Inland Bill Purchase (IDBP) etc. In this regard we build FDR and kept that FDR amount as a lien for the mentioned credit support.

Pacific Denims Limited

		Amount in Taka	
		June 30, 2016	Dec. 31, 2015
<b>23.00</b>	<b>Cash &amp; Cash Equivalents:</b>	<b>Tk. 5,773,371</b>	<b>Tk. 21,457,220</b>
	The break-up of the amount is given below:		
	Cash in Hand	1,488,368	470,561
	Cash at Banks (Note- 23.01 )	4,285,003	20,986,659
		<b>5,773,371</b>	<b>21,457,220</b>
<b>23.01</b>	<b>Cash at Bank :</b>	<b>Tk. 4,285,003</b>	<b>Tk. 20,986,659</b>
	The break-up of the amount is given below:		
	Al-Arafa Islami bank Ltd CD A/c No 2121	519	4,622
	BRAC Bank Ltd. Banani A/c No 63001	-	7,818
	Bank Asia Scotia Branch A/c No 03387	5,318	5,309
	Exim bank Ltd Corporate Br. Gulshan A/c 9359	36,005	545,652
	Exim bank Ltd Corporate Br. Gulshan A/c 153791	57,026	5,023,804
	Eastern Bank Ltd Banani Br. A/c 2244	27,647	17,212
	Farmers Bank Ltd Gulsan Br. A/c 0409	9,844	-
	Islami Bank Bangladesh Ltd. A/c No 17704	7,182	3,119
		-	-
	Jamuna Bank Ltd. Banani Br. A/c 5077	1,039,640	701,706
	Janata Bank Local Office A/c N0-59448	-	502
	NCC Bank Ltd. Foreign Ex. CD A/c No 8224	1,742	7,113
	National bank Ltd. Gulshan A/c 1749	9,951	10,411
	National bank Ltd. Pragati Sarani Gulshan A/c 5819	5,288	5,600
	Prime Bank Ltd Foreign Exchange A/c No 13421	780,735	10,840,397
	Social Islami Bank Ltd Gulshan A/c No 4768	2,192,644	3,699,709
	Social Islami Bank Ltd Banani A/c No 5092	14,377	14,900
	Southeast Bank Ltd. Banani Br. A/c No 5020	35,617	36,192
	South Bangla Agriculture & Commerce Bank A/C-2369	9,263	10,388
	Trust bank Ltd SKB Br. A/c No 1885	11,705	11,705
	Woories Bank Ltd Gulsan Br. A/c 8402	40,500	40,500
		<b>4,285,003</b>	<b>20,986,659</b>
	Cash balance is certified by the management. Bank balances are agreed with banks Statement Issued & Certified by the respective banks.		
<b>24.00</b>	<b>Trade &amp; Other Payables:</b>	<b>Tk. 15,978,278</b>	<b>Tk. 17,598,438</b>
	The break-up of the amount is given below:		
	Acceptance Liabilities	15,978,278	15,747,648
	Pacific Automobiles Ltd.	-	615,340
	Pacific Co (BD) Ltd.	-	1,235,450
		<b>15,978,278</b>	<b>17,598,438</b>
<b>25.00</b>	<b>Short-Term Bank Borrowings:</b>	<b>Tk. 93,507,532</b>	<b>Tk. 119,190,451</b>
	The break-up of the amount is given below:		
	Agrani Bank Ltd C.C Hypothecation Loan	69,229,341	69,229,341
	Prime Bank Ltd	24,278,191	49,961,110
		<b>93,507,532</b>	<b>119,190,451</b>
	This represents the present outstanding balances of the above Short term loans. The above loans are secured by personal guarantee of the directors of the company, corporate guarantee of Pacific Group and the pari passu sharing agreement between banks on fixed and floating assets of the company. The interest rate of this loans are varying from 13% -15%.		
<b>26.00</b>	<b>Provision for Income Tax</b>	<b>Tk. 79,165,987</b>	<b>Tk. 71,909,197</b>
	The break-up of the amount is given below:		
	Opening Balance	71,909,197	59,039,146
	Add: During the Year	10,256,790	17,870,053
	Less: Adjustment/Paid	3,000,000	5,000,000
		<b>79,165,987</b>	<b>71,909,197</b>

**27.00 Accrued Expenses: Tk. 11,950,799 Tk. 13,596,023**

This outstanding liabilities are rendered their services to the company. The individual balance are subject to confirmation.

The break-up of the amount is given below:

Salary & Allowance	717,552	852,550
Salary & Wages	5,367,850	4,442,000
Telephone bill	27,364	46,332
Mobile bill	38,450	68,720
Gas bill	5,569,583	7,956,421
Audit fee	230,000	230,000
	<b>11,950,799</b>	<b>13,596,023</b>

**28.00 Share Capital : Tk. 380,000,000 Tk. 380,000,000****28.01 Authorised Capital :**

120,000,000 ordinary shares of tk. 10/- each

**1,200,000,000 1,200,000,000**

**28.02 Issued, Subscribed, Called-up & Paid-up Capital :**

Tk.380,000,000 divided into 38,000,000 Ordinary

Shares of @ Tk.10 each fully paid as follows:

SL No.	Name of Share Holders	No. of Shares	% of Shares	June 30, 2016	December 31, 2015
1	Mr. Shafiqul Azam (Mohsin)	16,340,950	43.00%	163,409,500	163,409,500
2	Mr. Shadequul Alam (Yasin)	9,496,200	24.99%	94,962,000	94,962,000
3	Shahida Khanom (Swarna)	950	0.00%	9,500	9,500
4	Md. Moazzam khan	950	0.00%	9,500	9,500
5	Md. Yunus khan	950	0.00%	9,500	9,500
6	Md. Sohel Khan	6,500,000	17.11%	65,000,000	65,000,000
7	Disney Properties Ltd.	2,660,000	7.00%	26,600,000	26,600,000
8	Md. Tazul Islam	500,000	1.32%	5,000,000	5,000,000
9	Md. Kabiruddin Ahmed	50,000	0.13%	500,000	500,000
10	Md. Hamid Ullah Khan	450,000	1.18%	4,500,000	4,500,000
11	Asif Iqbal Chowdhury	90,000	0.24%	900,000	900,000
12	Hoq Mahbub Morshed	175,000	0.46%	1,750,000	1,750,000
13	Shajeda Begum	450,000	1.18%	4,500,000	4,500,000
14	Hoque Mahtab Morshed	50,000	0.13%	500,000	500,000
15	Md. Sharif Hossain	50,000	0.13%	500,000	500,000
16	Foysal Ahmed	100,000	0.26%	1,000,000	1,000,000
17	A.S.A Muiz	250,000	0.66%	2,500,000	2,500,000
18	Md. Sayadur Rahman	100,000	0.26%	1,000,000	1,000,000
19	Md. Jahangir Alam	100,000	0.26%	1,000,000	1,000,000
20	Ahmed Tawfiqur Rahman	100,000	0.26%	1,000,000	1,000,000
21	ATM Tahmiduzzaman	50,000	0.13%	500,000	500,000
22	Md. Abdus Sultan	50,000	0.13%	500,000	500,000
23	Enter IT (BD) Limited	50,000	0.13%	500,000	500,000
24	Anita Sharmin	10,000	0.03%	100,000	100,000
25	Howa Nur Begum	50,000	0.13%	500,000	500,000
26	Sabrina Shabnam Rabbi	50,000	0.13%	500,000	500,000
27	S.M Iftheker Imam	25,000	0.07%	250,000	250,000
28	Monjur Ahmed	250,000	0.66%	2,500,000	2,500,000
	<b>Total</b>	<b>38,000,000</b>	<b>100%</b>	<b>380,000,000</b>	<b>380,000,000</b>

**29.00 Revaluation Reserve Tk. 145,690,413 Tk. 145,690,413**

Revaluation Reserve has been created out by the amount of revaluation surplus of land and Land Development. Details are presented below. Revaluation was made in December 31,2010.

Land & Land Development	145,690,413	145,690,413
	<b>145,690,413</b>	<b>145,690,413</b>

Pacific Denims Limited

		Amount in Taka	
		June 30, 2016	Dec. 31, 2015
<b>30.00</b>	<b>Tax Holiday Reserve :</b>	Tk. 145,760,152	Tk. 145,760,152
	Tax Holiday Reserve	145,760,152	145,760,152
		<b>145,760,152</b>	<b>145,760,152</b>
	The period of tax holiday of the company expired in March 31, 2011. The company has made Tax Holiday reserve for the period from 01-01-2011 to 31-03-2011@ 40% on net profit during the year 2011.		
<b>31.00</b>	<b>Retained Earnings:</b>	Tk. 387,627,047	Tk. 332,837,020
	This is made up as follows :		
	Opening Balance	332,837,020	232,849,471
	Add: Net Profit for the year	54,790,026	99,987,549
		<b>387,627,047</b>	<b>332,837,020</b>
<b>32.00</b>	<b>Long- Term Borrowings ( Secured) :</b>	Tk. 699,566,425	Tk. 671,810,437
	The break-up of the amount is given below:		
	Long Term Loan from Bank (Note # 32.01)	707,579,726	676,515,114
	Lease Liabilities (Note # 33.02)	110,895,678	114,204,302
		818,475,404	790,719,416
	Less: Long -Term Borrowings-Current portion	118,908,979	118,908,979
	Long- Term Borrowings net off current portion	<b>699,566,425</b>	<b>671,810,437</b>
<b>32.01</b>	<b>Long- Term Bank Loan (Secured):</b>	Tk. 707,579,726	Tk. 676,515,114
	The break-up of the amount is given below:		
	Agrani Bank Principal Branch (Project Loan)	500,341,498	500,341,498
	NCC Bank Ltd Foreign Ex. Branch (Term Loan)	136,083,214	97,040,410
	BRAC Bank Term Loan	27,790,301	27,790,301
	Bank Asia Term Loan	43,364,713	51,342,905
		<b>707,579,726</b>	<b>676,515,114</b>
	This represents the present outstanding balances of the above term loans. The above loans are secured by personal guarantee of the directors of the company, corporate guarantee of Pacific Group and the pari passu sharing agreement between banks on fixed and floating assets of the company. The interest rate of this loans are varying from 13% -16%.		
<b>32.02</b>	<b>Leases :</b>	Tk. 110,895,678	Tk. 114,204,302
	This is made up as follows :		
	IDLC Finance Limited	29,075,775	31,152,625
	IIDFC	37,778,123	33,990,500
	First Lease Finance & Investment Ltd.	44,041,780	49,061,177
		<b>110,895,678</b>	<b>114,204,302</b>
<b>33.00</b>	<b>Deferred Tax Liability</b>	Tk. 51,352,520	Tk. 51,696,731
	WDV of Assets Accounting Base	842,202,028	860,497,363
	WDV of Assets Tax Base	499,851,893	515,852,488
	Temporary Difference	342,350,135	344,644,875
	Tax Rate	15%	15%
	Deferred Tax Liability	<b>51,352,520</b>	<b>51,696,731</b>
<b>34.00</b>	<b>Net Asset Value Per Share (NAVPS)</b>		
	Net Assests	1,059,077,611	1,004,287,586
	No. of Shares	38,000,000	38,000,000
	<b>Net Asset Value Per Share (NAVPS)</b>	<b>27.87</b>	<b>26.43</b>



		Amount in Taka	
		June 30, 2016	June 30, 2015
<b>35.00</b>	<b>Turnover:</b>	<b>Tk. 927,498,195</b>	<b>Tk. 878,477,310</b>
	Export Sales	927,498,195	878,477,310
		<b>927,498,195</b>	<b>878,477,310</b>
<b>36.00</b>	<b>Cost of Sales</b>	<b>Tk. 779,185,755</b>	<b>Tk. 737,864,705</b>
	The break-up of the amount is given below:		
	Raw materials Consumed (Note # 36.01)	715,383,845	689,521,123
	Manufacturing Overhead (Note # 36.03)	89,521,370	80,488,721
	Opening WIP	72,915,206	68,145,052
	Closing WIP	(79,977,574)	(71,564,520)
	<b>Cost of Production</b>	<b>797,842,848</b>	<b>766,590,376</b>
	Finished Goods (Opening)	180,345,568	151,135,869
	Finished Goods (Closing)	(199,002,660)	(179,861,540)
	<b>Cost of Sales</b>	<b>779,185,755</b>	<b>737,864,705</b>
<b>36.01</b>	<b>Raw Material Consumed:</b>	<b>715,383,845</b>	<b>689,521,123</b>
	<b>Opening Stock of Raw Materials</b>	<b>121,155,853</b>	<b>105,547,560</b>
	Raw Materials- Yarn	80,433,796	67,654,963
	Dyes & Chemicals	33,266,246	31,114,588
	Packing Materials	7,455,810	6,778,009
	<b>Add: Raw Material Purchased (Note # 36.02)</b>	<b>738,139,721</b>	<b>705,238,974</b>
	Raw Materials- Yarn	624,262,597	601,093,201
	Dyes & Chemicals	69,137,688	63,766,912
	Packing Materials	44,739,436	40,378,860
	<b>Raw Material available for Consumption</b>	<b>859,295,574</b>	<b>810,786,534</b>
	<b>Less: Closing Stock of Raw Materials</b>	<b>143,911,728</b>	<b>121,265,411</b>
	Raw Materials- Yarn	98,861,307	81,461,530
	Dyes & Chemicals	37,249,011	32,458,210
	Packing Materials	7,801,410	7,345,671
	<b>Raw Material Consumption</b>	<b>715,383,845</b>	<b>689,521,123</b>
<b>36.02</b>	<b>Purchase of Materials:</b>	<b>Tk. 741,198,983</b>	<b>Tk. 708,208,795</b>
	Break up of the above amount is given below:		
	Yarn Purchases	624,262,597	601,093,201
	Dyes & Chemicals	69,137,688	63,766,912
	Packing Materials	44,739,436	40,378,860
	<b>Raw Materials Purchase</b>	<b>738,139,721</b>	<b>705,238,974</b>
	Spares parts	3,059,262	2,969,822
		<b>741,198,983</b>	<b>708,208,795</b>

Pacific Denims Limited

		Amount in Taka	
		June 30, 2016	June 30, 2015
<b>36.03</b>	<b>Manufacturing Overhead:</b>	<b>Tk. 89,521,370</b>	<b>Tk. 80,488,721</b>
	The break-up of the amount is given below:		
	Wages & Allowances	32,203,851	30,450,465
	Festival Bonus	3,602,620	-
	Overtime Expenses	296,495	280,352
	Gas Bill	16,000,698	12,626,124
	Medical Expenses	240,492	227,398
	Insurance Premium	816,799	772,327
	Postage & Stamp	64,225	60,728
	Factory Maintenance	752,759	711,774
	Generator Maintenance & Lubricants	6,593,179	6,234,204
	ETP Expenses	45,459	42,984
	Spare Parts (Note # 36.04)	2,999,232	2,596,149
	Depreciation (Annexure-A)	25,905,563	26,486,216
		<b>89,521,370</b>	<b>80,488,721</b>
<b>36.04</b>	<b>Spares Parts</b>	<b>Tk. 2,999,232</b>	<b>Tk. 2,596,149</b>
	Stock of Spare parts Opening	3,695,934	3,422,161
	Purchase of Spare parts (Note # 36.02)	3,059,262	2,969,822
	Stock of Spare parts - Closing	(3,755,965)	(3,795,834)
	Consumption	<b>2,999,232</b>	<b>2,596,149</b>
<b>37.00</b>	<b>Office &amp; Administrative Expenses:</b>	<b>Tk. 11,796,687</b>	<b>Tk. 11,085,035</b>
	The break-up of the amount is given below:		
	Salary & Allowances	2,924,865	2,811,331
	Car maintenance	435,029	410,553
	Audit Fees	230,000	115,000
	Renewal & registration fees	174,097	164,302
	Repair & Maintenance	89,451	84,418
	Tour & Travels	320,809	302,760
	Donation	137,754	130,004
	Legal & Consultancy fees	49,210	46,442
	Conveyance	87,909	82,963
	Entertainment	59,827	56,461
	Misc. Expenses	90,550	85,456
	Mobile & Telephone bill	504,736	476,339
	Printing & Stationery	567,220	535,307
	Fees & Forms	94,012	88,723
	Charge & Commission (C&F Expenses)	3,325,338	3,232,259
	Office Rent	1,050,000	900,000
	Internet bill	204,594	193,083
	Transportation	1,136,035	1,072,120
	Paper & periodical	15,762	14,876
	Office Maintenance	299,488	282,638
		<b>11,796,687</b>	<b>11,085,035</b>
<b>38.00</b>	<b>Selling &amp; Distribution Expenses</b>	<b>Tk. 2,777,208</b>	<b>Tk. 2,620,958</b>
	The break-up of the amount is given below:		
	Salary & Allowances	1,326,384	1,251,760
	Entertainment	67,165	63,387
	Printing & Stationery	67,634	63,828
	Advertisement	482,722	455,564
	Misc. Expenses	279,148	263,442
	Travelling & Conveyance	202,880	191,466
	Sales promotion Exp.	351,274	331,511
		<b>2,777,208</b>	<b>2,620,958</b>

		Amount in Taka	
		June 30, 2016	June 30, 2015
<b>39.00</b>	<b>Financial Expenses</b>	<b>Tk. 69,774,043</b>	<b>Tk. 65,457,646</b>
	The break-up of the amount is given below:		
	Interest on Project Loan general (Agrani bank)	27,687,711	35,197,610
	Interest on Term (N.C.C Bank)	25,042,805	11,549,004
	Interest on IDLC Finance Limited	2,704,902	3,516,372
	Interest on (IIDFC)	3,351,489	3,650,492
	Interest on First Lease Financing	4,936,271	5,362,293
	Interest on Term Loan (Bank Asia Ltd.)	3,281,808	4,056,291
	Interest on Term Loan (Brac Bank Ltd.)	745,321	246,509
	Interest on LTR	853,950	717,243
	Bank Charge/Bank Misc./Service Charge etc.	1,169,787	1,161,832
		<b>69,774,043</b>	<b>65,457,646</b>
<b>40.00</b>	<b>Other Income</b>	<b>Tk. 1,035,941</b>	<b>Tk. 1,140,385</b>
	This amount consist of		
	Interest Received from FDR	882,821	975,331
	Exchange Gain	153,120	165,054
		<b>1,035,941</b>	<b>1,140,385</b>
<b>41.00</b>	<b>Loss on Fire Accident</b>	<b>Tk. 297,837</b>	<b>-</b>
	Cost	515,692	-
	Less: Accumulated Dep.	217,855	-
		<b>297,837</b>	<b>-</b>
<b>42.00</b>	<b>Current Tax Expenses</b>	<b>Tk. 10,256,790</b>	<b>Tk. 9,618,124</b>
	Profit before Tax	64,702,605	62,589,351
	Less: Other Income considered separately	1,035,941	1,140,385
		63,666,664	61,448,967
	Add: Accounting Depreciation	25,905,563	26,486,216
	Less: Tax Depreciation	(23,610,823)	(26,475,252)
	Taxable Income	<b>65,961,405</b>	<b>61,459,932</b>
	Current tax Expenses on Taxable Income @15%	9,894,211	9,218,990
	Current tax Expenses on other Income @35%	362,579	399,135
	Current Tax Expenses	<b>10,256,790</b>	<b>9,618,124</b>
<b>43.00</b>	<b>Deferred Tax Expenses</b>	<b>(Tk. 344,211)</b>	<b>(Tk. 1,645)</b>
	Balance at June, 2016	51,352,520	51,388,604
	Balance at December 31, 2015	51,696,731	51,390,249
		<b>(344,211)</b>	<b>(1,645)</b>
<b>44.00</b>	<b>Calculation of Basic Earnings Per Share</b>		
	<u>Net Profit After Tax</u>	54,790,026	52,972,872
	Number of Ordinary Shares Outstanding during the year	38,000,000	38,000,000
		<b>1.44</b>	<b>1.39</b>

Pacific Denims Limited

		Amount in Taka	
		June 30, 2016	June 30, 2015
45.00	Net Operating Cash Flow Per Share		
	<u>Net Cash from operating activities</u>	14,181,298	27,457,357
	No. of Shares	38,000,000	38,000,000
	Net Operating Cash Flow Per Share	0.37	0.72
46.00	Other Commitments, Contingencies and relevant information		
46.01	The requirements of Schedule XI, Part II, Para 3, 4, 7 & 8 of the Companies Act. 1994		
	The requirement of schedule XI part-II, Para 3 :		
	Employees		
	Number of employees whose salary was below Tk. 8,250	0	0
	Number of employees whose salary was above Tk. 8,250	414	416
		414	416

The requirement of schedule XI part-II, Para 3 (a) : Turnover

Turnover in BDT.	927,498,195	1,682,536,409
Turnover in Quantity	7,265,350	14,097,721

The requirement of schedule XI part-II, Para 3 (d) (i) : Raw Materials Consumed

Raw Material (Yarn) (Kgs)	2,986,228	5,188,467
Raw Material (Yarn) (Value in BDT.)	605,835,086	1,076,513,861
Dyes & Chemical (Kgs)	707,128	1,331,589
Dyes & Chemical (Value in BDT.)	62,423,290	125,807,866

The requirement of schedule XI part-II, Para 3 (d) (ii) : Goods Produced

Finished Goods

Opening (Yds)	645,068	522,789
Production (Yds)	7,336,663	14,220,000
Closing (Yds)	716,381	645,068

The requirement of schedule XI part-II, Para 4 :

Sl. No	Name	Designation	Nature of Transaction Remuneration, Salary & Allowance/Receivable & Payable	Board Meeting Fee
1	Md. Shadequul Alam (Yeasin)	Chairman	351,000	25,000
2	Md. Shafiqul Azam (Mohsin)	Managing Director	600,000	30,000
3	Md. Sobel Khan	Director	-	20,000
4	Md. Ashfaq Ahmed Khan	Independent Director	-	20,000
5	M.A. Kamal Bhuiyan	Nominee Director (Disney Properties Ltd.)	-	20,000

The requirement of schedule XI part-II, Para 7 : Capacity Utilization

Sl. No	Name of Product	Production Capacity Yds/Six Months	Actual Production Yds	Utilization
1	Denims Fabrics	9,225,000	7,336,663	80%

The requirement of schedule XI part-II, Para 8 :

Particulars	Opening Balane	Total Purchase during the period of Jan 1, 2016 to June 30, 2016	Material Available (Taka)	Material (Taka)	% of Consumption
Raw Material (Yarn)	80,433,796	624,262,597	704,696,393	605,835,086	86%
Dyes & Chemical	33,266,246	69,137,688	102,403,934	65,154,923	64%
Packing Material	7,455,810	44,739,436	52,195,246	44,393,836	85%
Spare Parts	3,695,934	3,059,262	6,755,196	2,999,232	44%

Value of Export:

Particulars

Export of Denims Fabrics (US Dollar)	US \$ 11,891,002	US \$ 11,262,529
Export of Denims Fabrics (BDT.)	927,498,195	878,477,310

#### 47.00 Capital Expenditure Commitment

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

#### 48.00 Contingent Liabilities

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

#### 49.00 Claims Not Acknowledged

There was no claims against the company not acknowledged as debt as on 30.06.2016

#### 50.00 Credit Facilities Not Availed

There was no credit facilities available to the company but not availed of as on 30.06.2016 under any contract other than Trade Credit available in the ordinary course of business.

#### 51.00 Commission Brokerage Or Discount Against Sales

No commission, brokerage or discount was incurred or paid by the Company against sales during the period of January 1, 2016 to June 30, 2016..

#### 52.00 Post Balance Sheet Events

As per our application for capital raise through Initial Public Offer (IPO), The Bangladesh Securities & Exchange Commission (BSEC) has approved the Initial public offer (IPO) on 1st september 2016 on their 582nd commission meeting. We had not get yet formal consent letter from BSEC.

**PACIFIC DENIMS LIMITED**  
Schedule of Property, Plant & Equipment  
For the period of January 1, 2016 to June 30, 2016

Particulars	At Cost			Rate %	Depreciation			W.D. Value Balance as at 30-06-2016	W.D. Value Balance as at 31-12-2015
	Balance as at 01.01.2016	Addition during the year	Adjustment		Balance as at 30-06- 2016	Charge During the Year	Adjustment		
Land	148,310,413	-	-	-	-	-	-	148,310,413	185,018,960
Land Development	36,708,547	-	-	0%	-	-	-	36,708,547	215,386,780
Building & other Construction	251,172,678	-	-	2.50%	251,172,678	2,692,335	38,478,233	212,694,445	16,840,887
Furniture & Fixture	29,219,981	3,168,120	210,692	10%	32,177,409	996,956.58	89,007	18,890,365	26,621,126
Electric Installation	64,772,051	-	-	10%	64,772,051	1,331,056	39,481,982	25,290,069	175,359
Deep-Tube-well	452,632	-	-	10%	452,632	8,768	286,041	166,591	5,159,019
Office Equipment	7,454,461	1,175,845	305,000	10%	8,325,306	311,686	128,848	5,847,026	375,388,722
Plant & Machinery Imported	756,275,615	-	-	10%	756,275,615	18,769,436	399,656,329	356,619,286	32,708,001
Plant & Machinery Local	72,785,243	3,564,100	-	10%	76,349,343	1,635,400	41,712,642	34,636,701	2,136,978
Fire Fighting Equipment	2,475,360	-	-	10%	2,475,360	106,849	445,231	2,030,129	1,061,533
Vehicles & Transport	2,466,002	-	-	10%	2,466,002	1,404,469	1,457,545	1,008,457	860,497,363
<b>Total</b>	<b>1,372,092,983</b>	<b>7,908,065</b>	<b>515,692</b>		<b>1,379,485,356</b>	<b>25,905,563</b>	<b>217,855</b>	<b>842,202,028</b>	

Note : \* Ata Khan & Co. Chartered Accountants have revalued the Land & Land Development of the Company as at 31st December, 2010 following Current cost method showing of Tk.180,000,000 resulting in a valuation surplus of Tk. 145,690,413



**Pacific Denims Ltd**  
**Details Itemwise Inventories list**  
**For the period of January 1, 2016 to June 30, 2016**

Sl.No	Items	As at 30 June 30,2016			As at 31 December,2015		
		Rate TK	Quantity KG	Amount in Taka	Rate TK	Quantity KG	Amount in Taka
<b>1</b>	<b>Yarn</b>						
	Cotton open end	196	142,695	27,985,343	198	110,350	21,862,542
	Cotton OE Slu	199	95,840	19,052,992	203	90,500	18,353,400
	Cotton Ring Slub	238	59,260	14,097,954	241	43,620	10,512,420
	Cotton Elastane	347	45,680	15,864,207	352	29,440	10,371,418
	Polyester Filament	142	64,229	9,133,332	141	55,824	7,871,152
	Poly Elastane	186	68,560	12,727,478	194	59,020	11,462,864
	<b>Total</b>		<b>476,264</b>	<b>98,861,307</b>		<b>388,754</b>	<b>80,433,796</b>
<b>2</b>	<b>Dyes &amp; Chemicals</b>						
	Indigo Dye	443	52,719	23,333,630	445	47,269	21,015,999
	Sulphar Black Dye	149	20,190	3,000,083	145	16,737	2,432,438
	Caustic soda	48	45,821	2,214,069	55	39,300	2,145,778
	Hydrose	120	37,230	4,472,009	122	33,779	4,123,343
	Native Starch	52	19,264	1,006,756	57	16,808	958,077
	Modified Starch	74	10,259	759,175	77	9,802	754,763
	Sodium Sulphide	63	24,491	1,542,925	61	21,141	1,289,593
	Catinic Softener	358	2,571	920,364	358	1,526	546,254
	<b>Total</b>		<b>212,545</b>	<b>37,249,011</b>		<b>186,362</b>	<b>33,266,246</b>
<b>3</b>	<b>Packing Materials</b>			<b>7,801,410</b>			<b>7,455,810</b>
<b>4</b>	<b>Spares &amp; Parts</b>			<b>3,755,965</b>			<b>3,695,934</b>
<b>5</b>	<b>Work-in-process</b>						
	Warping			8,383,364			7,691,160
	Dyeing-Sizing			26,090,458			23,477,484
	Weaving			38,916,916			35,703,593
	Finishing			6,586,836			6,042,968
	<b>Total</b>			<b>79,977,574</b>			<b>72,915,206</b>
<b>6</b>	<b>Finished Goods</b>						
	100% Cotton	246	136,591	33,601,288	249	98,028	24,408,872
	Cotton- Polyester	239	14,763	3,528,429	232	13,313	3,088,686
	Cotton- Elastane	312	164,597	51,354,264	310	139,747	43,321,570
	Cotton- Poly-elastane	276	400,430	110,518,680	278	393,980	109,526,440
	<b>Total</b>		<b>716,381</b>	<b>199,002,660</b>		<b>645,068</b>	<b>180,345,568</b>
	<b>Grand Total</b>			<b>426,647,928</b>			<b>378,112,560</b>
	Yarn			98,861,307			80,433,796
	Dyes & Chemicals			37,249,011			33,266,246
	Packing Materials			7,801,410			7,455,810
	Spares & Parts			3,755,965			3,695,934
	Work-in- process			79,977,574			72,915,206
	Finished Goods			199,002,660			180,345,568
	<b>Total</b>			<b>426,647,928</b>			<b>378,112,560</b>

**Pacific Denims Ltd.**  
**(A) Trade Receivables**  
**For the period of January 1, 2016 to June 30, 2016**

S.I No.	Name of Parties	Address	Balance as at 30.06.16	Balance as at 31.12.15
1	Ayasha and Galeya Fashions Ltd.	24/Ka (6th Floor) Bir Uttam A.W Chowdhury Road, Kallayanpur, Dhaka Bangladesh.	1,467,400	-
2	Natural Denims Ltd.	Plot no. 532, Tongibari, Ashulia, Savar, Dhaka, Bangladesh.	2,065,920	-
3	Stitchwell Designs Ltd.	430/1/A, Tejgaon I/A, Dhaka, Bangladesh.	2,184,400	-
5	Turjo Apparels Ltd.	Avenue -1, Block # B, Plot # 35, Mirpur-10, Dhaka, Bangladesh.	-	4,444,050
6	M- Yew fasion Ltd.	H.S.S Complex (2nd Floor), 52,Shaheed Taj Uddin Saroni (Old : Ka-15/6), Rasulbagh, Mohakhali, Dhaka-1212, Bangladesh.	18,564,305	22,857,374
7	Quality Appearls	63/C-2, Katasur, Mohammadpur, Dhaka-1207, Bangladesh	23,889,888	28,417,292
8	Gemini Garments Ltd.	76, Mohakhali C/A, Dhaka, Bangladesh.	-	12,546,300
9	Liberty Fasion wear Ltd.	Plot # 101, Mouja- Tenguri Zirani Bazar, Dhaka, Bangladesh.	17,536,400	18,536,400
10	Anika Apparels (Pvt) Ltd.	1/1 Gha Part, Section-2, Mirpur, Dhaka-1216,Bangladesh.	-	6,868,945
11	Civic Apparels Ltd.	Plot # 03, Factory Road, Shampur, Kadamtali, Dhaka, Bangladesh.	24,954,560	-
12	Mayc's Garments Ltd.	House # 09(2nd floor),Road # 01,Block # KHA,section # 6, Mirpur, Dhaka, Bangladesh.	20,462,400	30,962,510
13	Centex fasion Ltd.	76, Ibrahimpur, Kafrul, Dhaka-1206, Bangladesh		1,996,840
14	Mellow Fashion Ltd.	524, DT. Road, 3rd Floor, Jan Super Market, Kadamtoli, Chittagong	7,466,400	-
15	Fasionn House(s) Ltd.	Road # 41, House # 7/A,Left # 5, Gulshan-1, Dhaka,Bangladesh.	14,568,000	10,546,546
16	Lynda Fasions Ltd.	Samir Plaza Shopping Complex (5th Floor), Jamgar, Ashulia, Savar, Dhaka, Bangladesh.		7,536,430
17	Chantik Garments Ltd.	Kumkumari, Gouripur, Ashulia, Savar, Dhaka, Bangladesh	17,586,500	28,681,400
18	R- Rahman Knitwear Ltd.	1373, Khandakar Bari More, Vatara , Badda, Dhaka-1212, Bangladesh.	12,831,083	5,985,397
19	Rafi Texmode Ltd.	Plot # 103, Dhaka- Mymansingh Road, Sector # 7, Uttora C/A, Dhaka-1230, Bangladesh.	-	9,836,320
20	Cassiopea Fashion Ltd.	Borkan Monipur, Hotapara, Mirzapur Union, P.S. Joydevpur, Gazipur, Bangladesh.	27,168,000	49,450,440
21	Pole Star Fashions Design Ltd.	Vogra, National University Gazipur Sadar, Gazipur, Bangladesh.	-	27,536,420
22	Progressive Apparels Ltd.	840/838, Dhaniapara (5th Floor), Dhaka Trunk Road, Chittagong-4100, Bangladesh.	25,931,680	23,914,488
23	Sadma Fasions wear Ltd.	Mouchak, Kaliakore, Gazipur, Bangladesh.	15,643,300	12,546,300
24	HRB Apparels Ltd.	Kawran Bazar, Dhaka, Bangladesh.	1,179,080	12,013,564
25	AFCO Abedin Garments Ltd.	House # 84 (4th Floor), New Airport Road, Banani, Dhaka, Bangladesh.	-	5,468,050
26	KRK Garments Ltd.	107, DIT Road, Malibagh, Dhaka-1217, Bangladesh.	12,530,000	7,536,400
27	Alliance Garments Ltd.	House # 8, Road # 3, Section # 07, Mirpur I/A, Dhaka-1216	34,754,916	49,632,648
28	Nofs Garments Ltd.	Plot and Holding No. 01(3rd Floor), Turag Housing Ltd. (ramchandra pur, Beribadh, Mohammadpur, Dhaka.	26,857,973	8,972,234
29	Arrival Fashions Ltd.	Colomeshor, P/O Natoinal University, gazipur, Bangladesh.	24,222,080	11,991,252
30	Shin Shin Apparels Ltd.	Dag No,RS 228, JL No. 73, Gorat, East Norshinghopur, Jirabo, Savar, Dhaka	3,640,400	3,549,390

31	DANA Bottoms Ltd.	77/20, Dagarmora, CRP Road, Savar, Dhaka.	18,228,776	2,173,002
32	Modiste (CEPZ) Ltd.	Plot-33-36, Sector # 7, CEPZ.	3,780,000	8,796,060
33	W Apparels Ltd.	295/JA/4, Rayar Bazar, Dhaka-1209, Bangladesh.	13,546,000	16,895,278
34	Yagi Bangladesh Garmentrs	HP Tower, North Barun, Alia Madrasa, Ashulia Savar, Dhaka.	6,656,960	12,834,042
35	Design and Sources Ltd.	30, Kawran Bazar, C/A, Kawran Bazar, Dhaka.	14,434,176	4,141,410
36	East West Services Ltd.	232-234, Tejgaon Industrial Area, Dhaka-1208	1,926,000	9,566,466
37	Amena (PVT) Ltd.	Abdul Latif Market, Sector # 05, Ahlia, Uttara, Dhaka.	9,845,500	27,448,200
38	Rider Fashions Ltd.	103, Mohakhali I/A, Dhaka	11,564,000	11,967,072
39	Adams Apparels Ltd.	ETDA Bhaban, Block # D, Road # 6, Shahidbagh, Mirpur-12, Dhaka	-	3,746,535
40	Mouli Fashions Ltd.	A-100 (North), BSCIC Industrii Estate, Tongi, Gazipur-1710	5,687,200	2,675,400
41	Atlantic Garments Ltd.	Plot # 4, Road # 7, Block # C, Section # +6, Mirpur, Dhaka-1216	23,562,100	1,456,591
42	Padma Satel Arab Fashions Ltd.	Luna Complex (6th Floor), Joybangla Road, Khaikur, Barobari, Gazipur.	-	670,176
43	Chancellor Garments Ltd.	295/JA/4, Rayar Bazar, Dhaka-1209, Bangladesh.		8,195,460
44	Eton Fashion Ltd.	64, Purana Paltan Lane, Kakrail, Dhaka, Bangladesh.	7,802,347	-
45	Titash Garments Int. Ltd.	H-79,B-D, (5th floor) Bir Uttam Ziaur Rahman Sarak, Chairman Bari, Banani Dhaka, Bangladesh	17,895,200	-
46	Atlantic Garments Ltd.	Plot No. 04, Road No. 07, Block-C, Section No. 06, Mirpur, Dhaka, Bangladesh.	10,393,500	-
47	Bashundhara Garments Ltd.	230-231, Nazim Nagar, Shingair Road, Hrmayetpur, Savar, Dhaka, Bangladesh.	8,623,440	-
48	Tivoli Apparels Ltd.	Plot No. A-102, BSCIC Industrial Estate, Tongi, Gazipur, Bangladesh.	1,879,200	-
49	Arcorp Denim Ltd.	Kumkumari, Gouripur, Ashulia, Savar, Dhaka, Bangladesh	7,514,640	-
50	Torque Fashion Ltd.	Paragram, Ashulia Bazar, Ashulia, Dhaka, Bangladesh.	16,980,400	-
51	Brothers Fashion Ltd.	29, Kawran Bazar Lane, Dhaka, Bangladesh.	6,306,302	-
52	Debonair Limited	Gorat, Ashulia, Savar, Dhaka, Bangladesh	330,480	-
<b>Total</b>			<b>527,761,590</b>	<b>512,392,682</b>

**Pacific Denims Ltd.**  
**(B) Other Receivables**  
**For the period of January 1, 2016 to June 30, 2016**

S.L No.	Name of Parties	Address	Balance as at 30.06.16	Balance as at 31.12.15
1	Pacific Aviation Ltd.	Pacific Group H/Q , Symphony (3rd floor), Symphony (3rd floor), 9,Gulshan South Avenue, Gulshan-1, Dhaka-1212, Bangladesh	1,236,500	2,736,500
2	Pacific Beverage & Food Ltd.	Pacific Group H/Q , Symphony (3rd floor), Symphony (3rd floor), 9,Gulshan South Avenue, Gulshan-1, Dhaka-1212, Bangladesh	4,260,159	10,295,159
3	Pacific Ceramic Ltd.	Pacific Group H/Q , Symphony (3rd floor), Symphony (3rd floor), 9,Gulshan South Avenue, Gulshan-1, Dhaka-1212, Bangladesh	323,490	523,490
4	Pacific Energy Ltd.	Pacific Group H/Q , Symphony (3rd floor), Symphony (3rd floor), 9,Gulshan South Avenue, Gulshan-1, Dhaka-1212, Bangladesh	-	219,125
5	Pacific Shipbuilding Ltd.	Pacific Group H/Q , Symphony (3rd floor), Symphony (3rd floor), 9,Gulshan South Avenue, Gulshan-1, Dhaka-1212, Bangladesh	-	84,295
6	Pacific Steel Mills Ltd.	Pacific Group H/Q , Symphony (3rd floor), Symphony (3rd floor), 9,Gulshan South Avenue, Gulshan-1, Dhaka-1212, Bangladesh	-	9,000
7	Pentex Fashions Ltd	Pacific Group H/Q , Symphony (3rd floor), Symphony (3rd floor), 9,Gulshan South Avenue, Gulshan-1, Dhaka-1212, Bangladesh	-	60,000
8	Symphony Enterprise Ltd.	Pacific Group H/Q , Symphony (3rd floor), Symphony (3rd floor), 9,Gulshan South Avenue, Gulshan-1, Dhaka-1212, Bangladesh	-	99,585
<b>Total</b>			<b>5,820,149</b>	<b>14,027,154</b>

A)Total Trade Receivables  
B)Total Other Receivables  
Trade & Other Receivables

527,761,590	512,392,682
5,820,149	14,027,154
<b>533,581,739</b>	<b>526,419,836</b>

**Pacific Denims Ltd.**

Advance To Supplier & Contractor and Advance against Goods, Machinery, Spare, Services & Others  
For The Period of January 1, 2016 to June 30, 2016

SL. NO.	Parties Name	L/C No. & Date	L/C Value	30% Margin of L/C Value	Mode of Transaction (Advance)	Amount In BDT
1	BASF SE, Singapore	155816010075	\$ 24,960.00	\$ 7,488.00	L/C Margin	599,040
		19.04.2016				-
2	Friends Group Co., Ltd, Vietnam.	155816010076	\$ 58,360.00	\$ 17,508.00	L/C Margin	1,400,640
		19.04.2016				-
3	Archroma Singapore, Pte Ltd, Singapore.	155816010074	\$ 118,630.00	\$ 35,589.00	L/C Margin	2,847,120
		19.04.2016				-
4	Archroma Singapore, Pte Ltd, Singapore.	155816010074	\$ 71,360.00	\$ 21,408.00	L/C Margin	1,712,640
		19.04.2016				-
5	Siam Quality Starch Co. Thailand.	155816010072	\$ 81,725.00	\$ 24,517.50	L/C Margin	1,961,400
		13.04.2016				-
6	Shanghai Nanshi F Eco. Corp. and Trading Co. Ltd. China	155816020005	\$ 121,000.00	\$ 36,300.00	L/C Margin	2,904,000
		28.4.2016				-
7	Seven Colour Int'l China.	155816020004	\$ 57,300.00	\$ 17,190.00	L/C Margin	1,375,200
		27.03.2016				-
8	Antony Industry (Hong Kong) Ltd, Hong Kong.	155816010030	\$ 154,600.00	\$ 46,380.00	L/C Margin	3,710,400
		24.03.2016				-
9	Zhejiang Hengyi Petrochemicals Co., Ltd, China.	155816020023	\$ 84,420.00	\$ 25,326.00	L/C Margin	2,026,080
		26.04.2016				-
10	Tianjin Tiankai Chemical Ind. Imp and Exp. Corp.	155816010086	\$ 81,000.00	\$ 24,300.00	L/C Margin	1,944,000
		26.04.2016				-
11	Seven Colour Int'l China.	155816010087	\$ 155,000.00	\$ 46,500.00	L/C Margin	3,720,000
		27.04.2016				-
12	BASF SE, Singapore	155816010003	\$ 126,880.00	\$ 38,064.00	L/C Margin	3,045,120
		05.04.2016				-
13	Zhejiang Hengyi Petrochemicals Co., Ltd, China.	155816020002	\$ 111,434.00	\$ 33,430.20	L/C Margin	2,674,416
		26.03.2016				-
14	Siam Quality Starch Co. Thailand.	155816010256	\$ 97,350.00	\$ 29,205.00	L/C Margin	2,336,400
		29.04.2016				-
15	Tianjin Tiankai Chemical Ind. Imp and Exp. Corp.	155816010253	\$ 170,346.00	\$ 51,103.80	L/C Margin	4,088,304
		29.04.2016				-
16	Lenze Mechatronics Pte. Co. India	155816010067	\$ 147,050.50	\$ 44,115.15	L/C Margin	3,529,212
		10.04.2016				-
17	Trelieborg Coated System France	155816020020	\$ 176,200.00	\$ 70,480.00	L/C Margin	5,638,400
		10.04.2016				-
18	New Look Chen (Singapore) Ltd. Singapore.	155816010068	\$ 46,800.00	\$ 14,040.00	L/C Margin	1,123,200
		11.04.2016				-
19	Ben Tech Chemical Co. Thailand	155816010069	\$ 45,000.00	\$ 13,500.00	L/C Margin	1,080,000
		11.04.2016				-
20	SK. Industrial Technology Pte. Ltd. Singapore	155816010078	\$ 30,000.00	\$ 9,000.00	L/C Margin	720,000
		19.04.2016				-
21	Shaoxing Hengyi Pterochem Co. Ltd. China	155816020024	\$ 132,360.00	\$ 39,708.00	L/C Margin	3,176,640
		26.04.2016				-
22	Badsha Textiles Ltd.	155816990003	\$ 99,750.00	\$ 29,925.00	L/C Margin	2,394,000
		26.03.2016				-
23	Salek Textiles Ltd.	155816990011	\$ 270,500.00	\$ 81,150.00	L/C Margin	6,492,000
		17.03.2016				-
24	Badsha Textiles Ltd.	155816990005	\$ 135,750.00	\$ 40,725.00	L/C Margin	3,258,000
		17.03.2016				-

Pacific Denims Limited

25	Nassa Spinning Ltd.	155816100001	\$ 95,000.00	\$ 28,500.00	L/C Margin	2,280,000
		26.03.2016				-
26	Colortex Corporation	155816990012	\$ 137,500.00	\$ 41,250.00	L/C Margin	3,300,000
		22.04.2016				-
27	Nassa Spinning Ltd.	155816100002	\$ 132,250.00	\$ 39,675.00	L/C Margin	3,174,000
		11.04.2016				-
28	Nassa Taipei Spinners Ltd.	155816990006	\$ 175,340.00	\$ 52,602.00	L/C Margin	4,208,160
		29.03.2016				
29	Unique Enterprise	155816990014	\$ 190,500.00	\$ 57,150.00	L/C Margin	4,572,000
		08.04.2016				-
30	Nassa Spinning Ltd.	155816100007	\$ 158,000.00	\$ 47,400.00	L/C Margin	3,792,000
		13.03.2016				-
31	Salek Textiles Ltd.	155816990017	\$ 175,400.00	\$ 52,620.00	L/C Margin	4,209,600
		16.05.2016				-
32	NRG Hometex Ltd.	155816990007	\$ 245,933.00	\$ 73,779.90	L/C Margin	5,902,392
		17.02.2016				-
33	Badsha Textiles Ltd.	155816990006	\$ 172,000.00	\$ 51,600.00	L/C Margin	4,128,000
		17.02.2016				-
34	Badsha Textiles Ltd.	155816990008	\$ 186,250.00	\$ 55,875.00	L/C Margin	4,470,000
		18.02.2016				-
35	Salek Textiles Ltd.	155816990018	\$ 168,500.00	\$ 50,550.00	L/C Margin	4,044,000
		06.05.2016				-
36	Salek Textiles Ltd.	155816990021	\$ 165,000.00	\$ 49,500.00	L/C Margin	3,960,000
		10.05.2016				-
37	Badsha Textiles Ltd.	155816990009	\$ 172,500.00	\$ 51,750.00	L/C Margin	4,140,000
		21.09.2015				-
38	Nassa Taipei Spinners Ltd.	155816990023	\$ 148,000.00	\$ 44,400.00	L/C Margin	3,552,000
		21.05.2016				-
39	Nassa Spinning Ltd.	155816100027	\$ 157,000.00	\$ 47,100.00	L/C Margin	3,768,000
		21.05.2016				-
40	Badsha Textiles Ltd.	155816990029	\$ 165,500.00	\$ 49,650.00	L/C Margin	3,972,000
		23.05.2016				-
41	Badsha Textiles Ltd.	155815990058	\$ 153,000.00	\$ 45,900.00	L/C Margin	3,672,000
		23.05.2016				-
42	NRG Hometex Ltd.	155816990010	\$ 261,053.00	\$ 78,315.90	L/C Margin	6,265,272
		24.05.2016				-
43	Badsha Textiles Ltd.	155816990031	\$ 135,400.00	\$ 40,620.00	L/C Margin	3,249,600
		04.06.2016				-
44	Badsha Textiles Ltd.	155816990037	\$ 162,350.00	\$ 48,705.00	L/C Margin	3,896,400
		04.06.2016				-
45	Nassa Spinning Ltd.	155816100002	\$ 232,250.00	\$ 69,675.00	L/C Margin	5,574,000
		11.04.2016				-



46	Badsha Textiles Ltd.	155816990033	\$ 187,500.00	\$ 56,250.00	L/C Margin	4,500,000
		27.05.2016				-
47	Badsha Textiles Ltd.	155816990038	\$ 192,500.00	\$ 57,750.00	L/C Margin	4,620,000
		10.06.2016				-
48	NRG Hometex Ltd.	155816990041	\$ 212,500.00	\$ 63,750.00	L/C Margin	5,100,000
		12.06.2016				-
49	Nassa Spinning Ltd.	155816100042	\$ 197,300.00	\$ 59,190.00	L/C Margin	4,735,200
		13.06.2016				-
50	Badsha Textiles Ltd.	155816990043	\$ 218,700.00	\$ 65,610.00	L/C Margin	5,248,800
		14.06.2016				-
51	NRG Hometex Ltd.	155816990045	\$ 150,000.00	\$ 45,000.00	L/C Margin	3,600,000
		18.06.2016				-
52	Nassa Spinning Ltd.	155816100046	\$ 245,800.00	\$ 73,740.00	L/C Margin	5,899,200
		22.06.2016				-
53	Badsha Textiles Ltd.	155816990048	\$ 251,500.00	\$ 75,450.00	L/C Margin	6,036,000
		27.06.2016				
54	Advance to Port Labor Contractor	-	-	-	-	534,650
	<b>Sub Total</b>					<b>190,159,486</b>
55	Advance against Goods, Spare, Services & Others	-	-	-	-	48,140,157
	<b>Grand Total</b>		<b>\$ 7,069,946.50</b>	<b>\$ 2,138,603.95</b>		<b>238,299,643</b>



# PACIFIC DENIMS LIMITED

Bashoti Aristocrats D-3, (3rd Floor), Plot-6,  
Block # SW (H), Gulshan Avenue, Dhaka-1212.

## PROXY FORM

I/We.....being a member (s) of  
Pacific Denims Limited do hereby appoint Mr/Mr .....  
.....of as my/our proxy  
to attend and vote on behalf of me/us at the 14th Annual General Meeting of the Company to be held on Thursday, the 28th  
December, 2017 at 10.30 AM at the Institute of Engineers, Bangladesh, Ramna, Dhaka-1000 and any adjustment thereof.

As witness my/our hand this.....day of .....2017.

\_\_\_\_\_  
(Signature Shareholder )

Revenue  
Stamp  
Tk. 20

\_\_\_\_\_  
(Signature of Proxy)

BO ID NO.

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No. of Shares

N.B.:This form of proxy, duly completed and signed must be deposited at least 48 hours before the meeting at the Company's  
registered office. Proxy is invalid if not signed and stamped as explained above. Signature of the Shareholder must be inaccord-  
ance with Specimen Signature recorded with the Company.



# PACIFIC DENIMS LIMITED

Bashoti Aristocrats D-3, (3rd Floor), Plot-6,  
Block # SW (H), Gulshan Avenue, Dhaka-1212.

## ATTENDANCE SLIP

I do hereby submit the attendance slip in connection with 14th Annual General Meeting og Pacific Denims Limited held today  
Thursday, the 28th December, 2017 at 10.30 AM at the Institute of Engineers, Bangladesh, Ramna, Dhaka-1000.

Name of the Member/Proxy : .....

BO ID NO.

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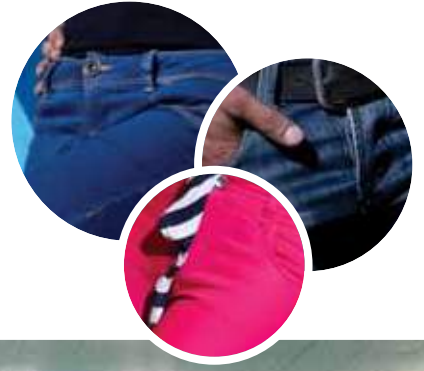
No. of Shares held .....

Dated .....

\_\_\_\_\_  
(Signature of Proxy)

\_\_\_\_\_  
(Signature of the Shareholder)

N.B.: i) Please present this slip duly signed at the entrance of the Meeting Place.  
ii) No gift or benefit in cash or kind shall be paid/offered to the Shareholders as per Circular No. SEC/CMRRCD/2009.193/154 dated 24 October 2013 of  
BSEC for attending the AGM.



## PACIFIC DENIMS LTD.

Plot-6, D-3 (3rd Floor & 2nd Floor), SW(H), Gulshan Avenue Gulshan-1, Dhaka-1212.

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