

ANNUAL REPORT

2017-2018



Lets Begin With
Pacific Denims ...



CONTENTS

OUR VISION, MISSION AND OBJECT	02	
LETTER OF TRANSMITTAL	03	
NOTICE OF THE 15TH ANNUAL GENERAL MEETING	04	
CORPORATE DIRECTORY	05	
FINANCIAL HIGHLIGHTS AT A GLANCE	09	
COMPANY OVERVIEW	10	
BRIEF PROFILE OF BOARD OF DIRECTORS	15	
MESSAGE FROM THE CHAIRMAN	19	
MESSAGE FROM THE MANAGING DIRECTOR	21	
	22	DIRECTOR'S REPORT
	23	OVERVIEW OF INDUSTRY
	24	UTILIZATION OF IPO FUND
	26	SHAREHOLDING PATTERN
	30	MANAGEMENT DISCUSSION AND ANALYSIS ON FINANCIAL POSITION AND PERFORMANCE
	31	FINANCIAL HIGHLIGHTS
	32	MANAGING DIRECTOR'S & CFO'S DECLARATION
	33	CERTIFICATE OF COMPLIANCE ON CORPORATE GOVERNANCE CODE
	34	REPORT OF CORPORATE GOVERNANCE CODE
	47	AUDIT COMMITTEE REPORT
	49	APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND INTERNATIONAL ACCOUNTING STANDARDS (IAS)
	50	INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018		
STATEMENT OF FINANCIAL POSITION	52	
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	53	
STATEMENT OF CHANGES IN EQUITY	54	
STATEMENT OF CASH FLOWS	55	
NOTES TO THE FINANCIAL STATEMENTS	56	
PROXY FORM	85	

OUR VISION

- Become one of the leading denim fabrics manufacturers 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.

OUR OPPURTUNITY

- Meet the increase in demand
- Increase the production facilities
- Explore new markets
- Create new designs

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 30th June, 2018.

Dear Sir,

We are pleased to enclose copy of Annual Report together with the Audited Financial Statements including Statement of Financial Position as at June 30, 2018, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30th June, 2018 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

PACIFIC DENIMS LIMITED

Bashoti Aristocrats, D-3 (3rd Floor), Plot # 6, Block # Sw (H), Gulshan-1, Dhaka-1212,
Factory: Natuncharchashi, Gozaria, Munshiganj, Bangladesh.

NOTICE OF THE 15TH ANNUAL GENERAL MEETING

Notice is hereby given that the 15th Annual General Meeting (AGM) of the shareholders of Pacific Denims Limited will be held on Thursday, December 6, 2018 at 10.00 A.M at Bangladesh Shooting Sport Federation, Shooting Complex, Gulshan-1, Dhaka-1212, Bangladesh to transact the following business:

01. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June 2018, together with the report of the Directors' and Auditors' thereon.
02. To declare dividend as recommended by the Board of Directors.
03. To elect/re-elect Directors as per Articles of Association of the Company.
04. To appoint Statutory Auditors of the Company and fix their remuneration.
05. To appoint professionals for reporting on Corporate Governance Code of the Company and fix their remuneration
06. To transact any other business with the permission of the Chair.

Date: November 14, 2018


By the order of Board

Sd/
Md. Sorhab Ali
Company Secretary

Notes:

1. The record date is 15th November, 2018. Shareholders whose names will appear in the Register of members or in the Depository Register on that date will be eligible to attend the AGM and qualify for Dividend.
2. A member eligible to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote on his/her behalf. The Proxy form duly stamped with a revenue stamp of Tk. 20/- must be deposited at the operational office of the company (Bashoti Aristocrats D-3 (3rd floor), Plot-6, Block # SW(H), Gulshan Avenue, Gulshan-1, Dhaka-1212) not less than 48 hours before the time fixed for the AGM.
3. Admission to the Meeting will be only on production of the attendance slip attached with the Annual Report.
4. The Annual Report Proxy Forms and Attendance Slip are also available in the website at www.pgbd.org
5. No gift or benefit cash or kind shall be paid to the holders of equity securities in terms of Clause(c) of the Notification No. SEC/CMRRCD/2009-193/154 dated 24 October 2013 for attending the AGM of the company.
6. The Concerned brokerage house and merchant bankers are requested to provide us with a statement with the details (shareholders name, BO ID number, e-Tin number, gross dividend receivable, applicable tax rate and net dividend receivable) of their margin loan holders who holds shares of the company as on the record date, along with the name of the contact person in this connection. The brokerage house and merchant bankers are also requested to provide us with their bank account name, number, routing number etc. on or before December 02, 2018.

CORPORATE DIRECTORY

Company Name	: Pacific Denims Limited (PDL)
Company Logo	: 
Status of the Company	: Public Limited Company
Dates of Incorporation	: March 20, 2003
Commencement of its Commercial Operations	: April 01, 2007
Business	: Denim Fabrics Manufacturer
Present Production Capacity	: 18.45 Million Yards Per Year
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.
Authorized Capital	: Tk.2,000,000,000 divided into 200,000,000 Ordinary Share of Tk.10.00 each
Paid up Capital	: Tk. 1,271,250,000 divided into 127,125,000 Ordinary Share of Tk. 10.00 each
Date of Approval for IPO	: November 13, 2016
Date of Listing with DSE	: January 25, 2017
Date of Listing with CSE	: January 25, 2017
Registered Office	: Bashoti Aristocrats D-3, (3rd Floor), Plot-6, Block # SW (H), Gulshan Avenue, Dhaka-1212. Tel: +8802 58817882, 9855523, Fax: +8802 9891710.
Manufacturing Plant	: Natun Charchasi, Gazaria, Munshiganj, Bangladesh.
Website	: www.pgbd.org
E-mail	: sorhab@pacificgroupbd.com
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
Credit Rating Agency	: ARGUS Credit Rating Services Limited
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.afcl.asia
Banker for IPO	: Mutual Trust Bank Limited, Dilkusha Branch
Banker of the Company	: Agrani Bank Limited, Prime Bank Limited and Bank Asia Limited
Compliance Officer	: Md. Sorhab Ali, Company Secretary





Denim Expo-2015
Hotel Radisson Blu



Asia Apparels Expo-2017
Berlin, Germany.

HOHENSTEIN Textile Testing Institute GmbH & Co. KG
Schloss Hohenstein, 74357 Bönnigheim, Germany

OEKO-TEX®
CONFIDENCE IN TEXTILES

CERTIFICATE

The company

Pacific Denims Ltd.
D-3, (3rd floor), Plot-6, Block-SW (H)
Gulshan Avenue
1212 - Dhaka, BANGLADESH

is granted authorisation according to STANDARD 100 by OEKO-TEX® to use the STANDARD 100 by OEKO-TEX® mark, based on our test report **17.0.05195**



for the following articles:

Woven denim fabrics made of 100 % cotton, cotton/elastane, cotton/polyester (polyester part undyed), cotton/polyester/elastane (polyester part undyed) in colour indigo, blue black and black; produced by using material certified according to STANDARD 100 by OEKO-TEX®.


The results of the inspection made according to STANDARD 100 by OEKO-TEX®, Appendix 4, **product class I** have shown that the above mentioned goods meet the human-ecological requirements of the STANDARD 100 by OEKO-TEX® presently established in Appendix 4 for baby articles.

The certified articles fulfil requirements of Annex XVII of REACH (incl. the use of azo colourants, nickel release, etc.) as well as the American requirement regarding total content of lead in children's articles (CPSIA; with the exception of accessories made from glass).

The holder of the certificate, who has issued a conformity declaration according to ISO 17050-1, is under an obligation to use the STANDARD 100 by OEKO-TEX® mark only in conjunction with products that conform with the sample initially tested. The conformity is verified by audits.

The certificate 17.HBD.05195 is valid until 30.11.2018

Boennigheim, 30.11.2017


Dipl.-Ing. (FH) Elisabeth Panian
Head of Certification Body OEKO-TEX®

OEKO-TEX® Association | Genferstrasse 23 | P.O. Box 2006 | CH-8027 Zurich



FINANCIAL HIGHLIGHTS



Company Overview

Since the commencement of its journey in 2007, Pacific Denims Limited (PDL) has been marching forward and now has positioned itself as one of the leading 100% export based denim manufacturers in Bangladesh. From the effort of producing and delivering superior quality denim clothes, PDL is now that much bold and capable to take challenges to compete with other denim manufacturers in Bangladesh. The Company produces denim fabrics weighing from 4oz/yd² to 15oz/yd² for denim jeans. Keeping up with the current craze in denim, the Company is manufacturing and exporting top class products in diverse shade quality, color, weight, and style as buyers' demand.

Our Products and Renowned Buyers

PDL is a trusted source for the world renowned buyers; and in many cases, it is the only nominated supplier for some famous buyers. Currently, PDL manufactures fabrics for the globally reputed brands including Marks & Spencer, George, Polo, Next, Tesco, Mexx, Walmart, JC Penny, Tommy, Gap, Lee Hang Fat, Adams, Wool worth, Gulden Pfenning, Li & Fung etc. Its premium design and enriched diversified product portfolio have made PDL special and distinctive to the customers. Again many such new and unique products are still in the plan to be introduced shortly. The Company exports the products through export oriented RMG. The final destinations of the products are EU, Australia and other.

Current Production Capacity

Present production capacity of the Company is 18.45 million yards per year and it is expected the capacity of the factory to be enhanced after completion of the on going expansion work.

Social Causes Programs

For ensuring maximum security to the lives of common people; since inception, Pacific Denims has been try in to enrich economic and social indicators of the society by supporting the following sectors: Environment Related Issue and contributes in health care support through providing financial assistance to Prime Minister Relief Fund..

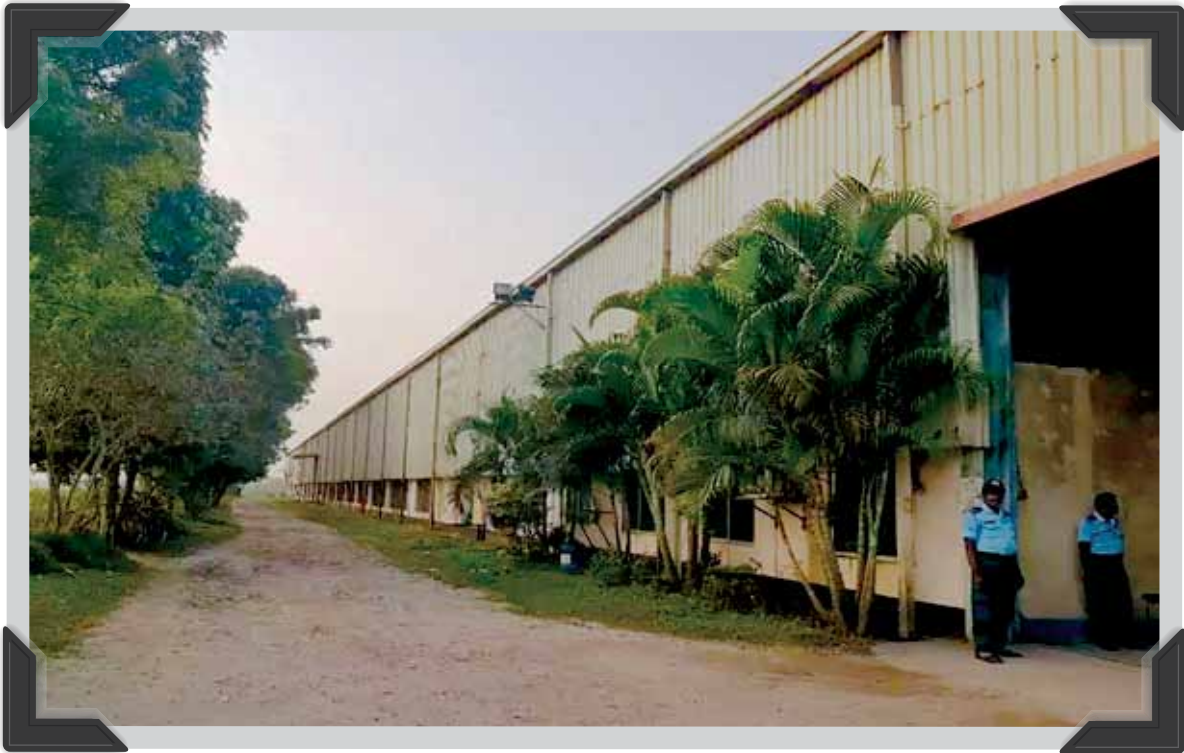
AWARD AND RECOGNITION

PDL has been awarded and achieved a number of prestigious awards several times including national award and recognition from different govt. and private sectors and organizations.

The Company has obtained 12th Bangladesh Business Awards as a best denim fabrics manufacturer 2009-2010 & 14th Bangladesh Business Award 2011 & Arthakantha Business Award 2012. We hope and will make every effort to continue upholding this standard in the future.



FACTORY OUTSIDE PICTURE



FACTORY INSIDE PICTURE



WARPING UNIT



DYEING AND SIZING UNIT



WEAVING UNIT



FINISHING UNIT



FINISH PRODUCT

ONGOING EXPANSION PROJECT



BRIEF PROFILE OF BOARD OF DIRECTORS



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

Mr. Md. Shadequl Alam (Yeastin) is the Chairman of Pacific Denims Limited. He has introduced innovative production management, incentive system and marketing approach to the company. He has 12 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 (Yeastin) 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. ShafiulAzam (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 16 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 16 years of valuable professional experience in the garments 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

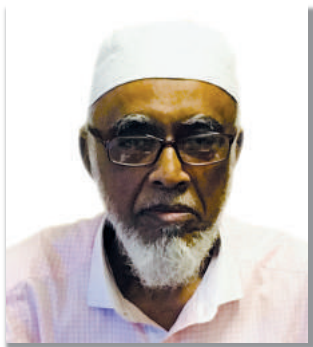
Mr. M. A. Kamal Bhuiyan serves as the Representative Director of Disney Properties Limited. He also Chairman of Pacific Jeans Collection Limited. He obtained his B. Com (Pass) from Comilla Victoria Govt. College in 1980 and M. Com in Management from Chittagong University in 1982. He also completed partly (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



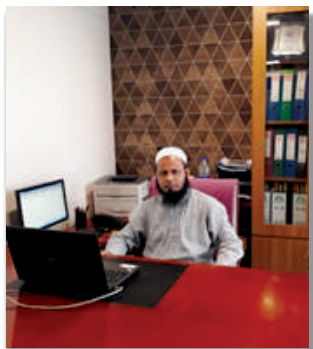
MD. ABDUL MAJID
EXECUTIVE DIRECTOR (Operation)

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. ABDUL HALIM
GM HR & ADMIN

Mr. Md. Abdul Halim has been working in Pacific Denims Limited as General Manager HRM and Admin. 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.



MD. SORHAB ALI
COMPANY SECRETARY

Mr. Md. Sorhab Ali has completed his BBA (Honors) & MBA from University of Chittagong from the Department of Accounting and Information Systems in 1994-95 batch. He has more than 15 years practical experience in the country's largest manufacturing industries in the area of Company's Secretarial Affairs, Internal Audit, Finance and Accounts, Commercial and Taxation. He obtained a wide range experience in different fields of textile sectors. He obtained training on Internal Audit. He joined Pacific Denims Limited in November 2011. Before joining Pacific Denims Limited he worked in many companies such as Siemex Textile Mills Limited, a sister concern of SIEMEX Group, DNS Software Limited a sister concern of DNS Group.



ABDUL JALIL MAJUMDER
CHIEF FINANCIAL OFFICER

Mr. Abdul Jalil Majumder has completed his M. Com (Accounting) from Chittagong Government Commerce College and Completed MBA (Finance) from Uttara University, Dhaka and also completed CA CC from Khan Wahab Shafique Rahman & Co. Chartered Accountants. He passed ITP from NBR and also member of Dhaka Taxes Bar Association. He has more than 18 year's practical experience in Accounts and Finance department. He joined Pacific Denims Ltd. in May 2016. Before joining Pacific Denims Limited he worked as a senior management position in many companies such as DIRD Group, Power Trade Group, APS Group, Mostafa Group and Signet Printing and Packaging Industries Ltd. concern of SIEMEX Group, DNS Software Limited a sister concern of DNS Group.

EVENT HIGHLIGHTS



MESSAGE FROM THE CHAIRMAN

BismillahirRahmanir Rahim

Dear valued shareholders,

Assalamualaikum

It is a great pleasure for me to be here with you at the 15th Annual General Meeting of Pacific Denims Limited (PDL). After IPO, this is the second AGM of our Company. On behalf of the Board of Directors and myself, I express my heartfelt 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, 2018. I would like to take the opportunity to thank the valued Shareholders for joining us to make the event successful.

BUSINESS SITUATION

Despite various adverse business conditions such as a high Bank Interest rate, utility (gas, fuel) cost, higher cost of raw materials, the company achieved an impressive growth in production, export and profitability. Our annual production capacity is (Weaving) 18.45 million yards whereas actual production is 15.07 million yards against this we have achieved 82% capacity utilization. PDL has passed a successful year during the year 2017-2018. 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.

BUSINESS PERFORMANCE

In 2017-2018, 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, 2018 is Tk. 2,126.22 million compare to Tk. 1,900.03 million during financial year 2016-2017 i.e. increased by 11.90%. Net profit after tax is Tk.181.55 million to Tk. 151.70 million i.e. increased by 19.68% as compare with the previous year. Earnings per Share (EPS) and Net Asset Value (NAV) per share have decreased due to increased number of shares from 113,000,000 to 127,125,000. NOCFPS has increased as per normal business activities. EPS and NOCFPS was calculated by applying weighted number of ordinary shares of 127,125,000 for the year ended June 30, 2018 and 87,467,466 ordinary shares for the year ended June 30, 2017. Based on performance and business results the Board has recommended 14% Stock dividend for the year 2017-2018.

FUTURE PROSPECTS

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 very soon.

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.

CONCLUSION

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 Code. 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 (BSEC), Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE), Registrar of Joint Stock Companies (RJSC) and Firms, National Board of Revenue (NBR), Central Depository Bangladesh Limited (CDBL), Bankers and our valued shareholders for their valuable guidance, support and cooperation at the time of our needs.

Sincerely Yours

Sd/-
Md. Shadequul Alam (Yeasin)
Chairman

MESSAGE FROM THE MANAGING DIRECTOR

BismillahirRahmanir Rahim

Dear valued shareholder,

It is a great pleasure and privilege for me to attend this 15th Annual General Meeting of Pacific Denims Limited along with our distinguished shareholders. I am delighted to announce that 2017-2018 has been a successful year for the Company. During this year the Company has also maintained its volume of revenue and profitability under highly competitive industry scenario by means of improvement in the quality of products and customer satisfaction.

I am delighted to announce that 2017-2018 has been a successful year for the Company. During this year the Company has earned the highest revenue and profit in the year 2017-2018 since its inception.

Pacific Denims Limited is a largest denims producer and exporter industry of Bangladesh. We have to ensure perfection in terms of quality, Pricing and Timeliness of our product as before and we are striving to stay likewise in the years ahead.

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.

In the financial year 2017-2018 we have utilized our IPO proceeds. In this regard we have reported to BSEC, DSE and CSE on monthly basis.

I believe that the dedication and commitment of all our employees towards our customers have been the main driving force in our successful performance. Accordingly, I would thank our devoted workforce and would expect their similar dedication in future. At the same time, I would also like to thank the members of the Board of Directors for their continued support to the Management of the Company. I also acknowledge with gratitude the relentless backing and cooperation of our numerous stakeholders and earnestly thank them for their continued trust and confidence on us.

Thanking You

Sd/-

Md. Shafiu Azam (Mohsin)

Managing Director

DIRECTOR'S REPORT

BismillahirRahmanir Rahim

Dear Valued 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, 2018 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 International Accounting Standards (IASs)

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 2,000.00 million and paid up capital 1,271.25 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. 2,126,218,806 during the last financial year.

The operating financial results of the Company for the year 2017-2018 as compared to previous year are summarized hereunder:

Particular	June -30-2018	June-30-2017 (Restated)
Turnover	2,126,218,806	1,900,357,135
Gross Profit	365,648,372	330,426,343
Financial Expenses	124,712,220	128,080,484
Other Income	10,445,511	6,645,429
Net Profit Before Tax (NPBT)	219,056,294	179,246,985
Provision for Taxation	38,791,326	28,127,614
Net Profit After Tax (NPAT)	181,547,462	151,695,394
Gross Margin (Turnover)	17.20%	17.39%
Net Margin Before Tax	10.30%	9.43%
Net Margin After Tax	8.54%	7.98%
Basic Earnings Per Share (EPS) BDT.	1.43	1.73
Diluted Earnings Per Share (EPS) BDT.	1.43	1.73
Number of Shares used to compute EPS	127,125,000	87,467,466

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 labor supply, Bangladesh has 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 83.49% 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\$ 1,751 in 2018. Ready-made 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 \$ 36.66 billion with 5.8% growth in FY'18.

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 labor cost and shift of orders from other countries where cost of production factors are going up, Bangladeshi exporters may still be in favorable 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 at least \$3.5 billion (BDT.24 500 crore) annually to the US and EU and other international markets. Moreover, in recent times, retailers and whole sealers 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 31 huge denim manufacturers around the country. Presently, Denim Industries in Bangladesh Produces 400.40 million yards of denim a year 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.

The Segment wise or Product wise Performance

The Company operates its business in single segment i.e. produced only "Denim" fabrics.

Risk and Concerns

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. Changes in forex rates might also affect the pricing and thereby the profitability of the Company.

The performance of the company may also be affected negatively by the political and economic instability both in Bangladesh and worldwide.

Similarly, risks and concern of the industry depends on the Government policies as well. However, Denims industry being the potential industry have always enjoyed special consideration from all the successive Governments and expectation is that it will continue to enjoy similar care and consideration from policy makers in the future. In the same way sewing thread industry also will enjoy this benefit. Unless any policy change that may negatively and materially affect the industry as a whole, the business of the company is expected not to be affected in the short run.

Discussion on cost of goods sold, gross profit margin and net profit margin is as follows

Profit from Operation	30-June-18		30-June-17	
	Amount	Percentage	Amount	Percentage
Sales	2,126,218,806	100.00	1,900,357,135	100.00
Cost of Goods Sold	1,760,570,434	82.80	1,569,930,792	82.61
Gross Profit	365,648,372	17.20	330,426,343	17.39
Net Profit for the year	181,547,462	8.54	151,695,394	7.98

Discussion on continuity of extra-ordinary gain or loss

Extraordinary gain or loss refers to infrequent and unusual gain or loss and which is not part of the Company's ordinary/day to day operations. During the year no extraordinary gain/ (loss) required.

Related Party Transaction

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 IAS 24 Related Party Disclosures. Details of related party disclosures are showing as follows:

SL.	Related Parties	Relationship	Nature of Transaction	
			Remuneration	Board Meeting Fees
1	Md. Shadequl Alam (Yeasin)	Chairman	702,000	25,000
2	Md. ShafiqulAzam (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

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 30, 2018 the company utilized total Tk. 50.51 crore. PDL paid off partial bank loans of Tk. 25.00 crore, IPO expenses 2.06 crore and made capital investment 23.44 crore including construction of factory buildings. PDL received interest of Tk. 74.02 lac from IPO fund maintained with different banks in FDR & SND accounts.

As per consent letter no. BSEC/CI/IPO/231/2014/632 dated November 10, 2016, we have reported to BSEC, DSE, and CSE on monthly basis till June 30, 2018

Compliance of Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018.

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 code of BSEC, the company has allocated the responsibilities of the officials as follows:

Company Secretary	: Md. Sorhab Ali
Chief Financial Officer	: Abdul Jalil Majumder
Head of Internal Audit	: Md. Abdul Kuddus (Bacchu)

Audit Committee

The Audit Committee, as a sub-committee of the Board has been constituted with the Independent Director as Chairman and two other Directors as members. The Company Secretary acts as Secretary to the Audit Committee. This committee assists the Board of the company 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. The roles and functions of the Audit Committee have been stated in the annual audit committee report and it is annexed herewith.

Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee (NRC), as a sub-committee of the Board of Director has been constituted with three board of directors with one Independent director as a chairman. The company Secretary acts as Secretary to the Committee. The Nomination and Remuneration Committee assists the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive of the company. NRC is responsible to the Board of Directors and its roles and responsibilities are clearly set forth. Since the corporate governance code has been adopted on 03 June, 2018, we have been taking necessary steps to comply with.

External Statutory Auditors

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

Maintaining a website

The company has been maintaining an official website www.pgbd.org which is linked with the website of the stock exchange.

Subsidiary Company

The company has no subsidiary company.

Duties of Managing Director and CFO

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

Reporting and Compliance of Corporate Governance Code

Status of compliance with the conditions imposed by the Commission's Notification No BSEC/CMRRCD /2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969.

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 will retire at the Annual General Meeting.

Mr. Md. Sohel Khan, Director

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 16 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.

Mr. M.A. Kamal Bhuiyan, Nominee Director

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 ICMA, Comilla Branch. He also served as Chief Executive in Mariners Bangladesh Limited (1993-1995) and Production in Charge in Young Ill Mulsun, Kwangju, South Korea (2001-2008).

Shareholding pattern

The shareholding of directors at the end of 30 June, 2018 is shown as below:

Sl/No	Name of Shareholder	Description	Number of Shares	Amount (Taka)	%
a) Parent or Subsidiary or Associated Companies and other related parties;			-	-	-
b) Director, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children;					
1	Md. Shadequl Alam (Yeasin)	Chairman	10,683,225	106,832,250	8.40%
2	Md. Shafiqul Azam (Mohsin)	Managing Director	18,383,568	183,835,680	14.46%
3	Md. Sohel Khan	Director	7,312,500	73,125,000	5.75%
4	M.A. Kamal Bhuiyan	Nominee Director of Disney Properties Ltd.	2,992,500	29,925,000	2.35%
5	Md. Ashfaq Ahmed Khan	Independent Director	-	-	-
6	Md. Abdul Majid	Executive Director	-	-	-
7	Md. Sorhab Ali	Company Secretary	-	-	-
8	Abdul Jalil Majumder	Chief Financial Officer	-	-	-
9	Md. Abdul Kuddus (Bacchu)	Head of Internal Audit	-	-	-
C) Executive (Top five salaried employees)					
16	Md. Abdul Halim	GM HR & Admin	-	-	-
17	Md. Mainuddin	GM (Commercial)	-	-	-
18	Md. Hassan Askari	Head of Weaving	-	-	-
19	Md. Shafiqul Islam (Bablu)	AGM (Mkt.)	-	-	-
20	Md. Rezaul Karim	AGM (Commercial)	-	-	-
d) Shareholders holding 10% or more voting interest in the company			-	-	-

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.	
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

SI/No	Name of Directors	Position	Meeting Held	Attendance
1	Md. Shadequl Alam (Yeasin)	Chairman	5	5
2	Md. Shafiul Azam (Mohsin)	Managing Director	5	5
3	Md. Sohel Khan	Director	5	5
4	Md. Ashfak Ahmed Khan	Independent Director	5	5
5	M.A. Kamal Bhuiyan	Nominee Director (Disney Properties Ltd.)	5	5

Directors Remuneration

SL.	Related Parties	Relationship	Transacted Amount	
			2017-2018	2016-2017
1	Md. Shadequl Alam (Yeasin)	Chairman	702,000	702,000
2	Md. Shafiul Azam (Mohsin)	Managing Director	1,200,000	1,200,000
3	Md. Sohel Khan	Director	-	-
4	Md. Ashfak Ahmed Khan	Independent Director	-	-
5	M.A. Kamal Bhuiyan	Nominee Director (Disney Properties Ltd.)	-	-

Statement of Directors on Financial Reports

In accordance with the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018, the Directors are pleased to confirm the followings:

- a) The financial statements together with notes thereon have been drawn up in conformity with the Companies Act, 1994 and Bangladesh Securities and Exchange Commission Rules, 1987. These statements present fairly the company's state of affairs, the result of its operations, statement of cash flows and changes in equity.
- b) Proper books of accounts have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.
- d) The International Accounting Standards (IASs) or International Financial Reporting Standards (IFRSs) as applicable in Bangladesh, have been followed in preparation of the financial statements.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.
- g) No bonus share or stock dividend has been or shall be declared as interim dividend.

Going Concern

While approving the financial statements, the directors have made appropriate inquiries and analysed the significant financial, operating as well as other indicators for enabling them to understand the ability of the company to continue its operation for a foreseeable year. Directors are convinced and have a reasonable expectation that the company has adequate resources to continue its operation consistently for the foreseeable future. Therefore, the company adopted the going concern basis in preparing the financial statements.

Significant deviation of Operating Result

There is no significant deviation from the last year's operating result of the Company.

Dividend

The Board of Directors has declared 14% stock dividend for the year ended June 30, 2018.

Statutory Auditors

The Auditors of the Company, M/s. Mahfe IHuq & Co., Chartered Accountants, 4th Floor, BGIC Tower 34 Topkhana Road, Dhaka-1000, Bangladesh has carried out the audit of the company for the year ended 30 June 2018. They were appointed as Statutory Auditor in 14th AGM as per regulation 15 (2) & (3) of DSE and CSE (listing) regulations, 2015. They are auditing from very beginning, now Board of directors has decided to appoint new auditor for the year 2018-2019 of the company as per Corporate Governance Code. M/s. Ata Khan & Co., Chartered Accountants, 67 Motijheel C/A, Dhaka-1000, Bangladesh expressing their desire to work with the Company. In this regard the Board of Directors will be proposing the appointment of M/s. Ata Khan & Co., Chartered Accountants, 67 Motijheel C/A, Dhaka-1000, Bangladesh as the statutory Auditor to the Shareholders in the 15th AGM for approval and fix their fees of Tk.3,50,000/= (Taka Three Lac Fifty Thousand Only) including AIT and VAT.

Professionals for Compliance of Corporate Governance Code

The Board has appointed M/s. Mazumdar Sikder and Associates, Cost & Management Accountants, 105/A (3rd Floor), Kakrail, Dhaka-1000 as professional for Report on Compliance Governance Code for the year 2018-2019 of the Company will be placed in the forthcoming 15th AGM for shareholder's approval and fixation of their fees.

Acknowledgment

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 the Bangladesh 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.

Pacific Denims Limited

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 2017-2018 and Directors' Report placed before you.

Thanking you.

On behalf of the Board of Directors

Sd/-

Md. Shadequl Alam (Yeasin)

Chairman

Management Discussion and Analysis on Financial Position and Performance

For last five financial years the company generated moderate growth in sales. In 2014, sales stood Tk. 1,604,853,996 and now in 2018 sales stand Tk. 2,126,218,806. In line with sales, net profit after tax had been increased from around Tk. 96,824,164 in 2014 to Tk. 181,547,462 in 2018. In the last five financial years, net operating cash flow per share was positive. In the backdrop of above scenario, it indicates the company is moving forward and it has good promise in the long run.

Accounting policy and estimation for preparing financial statements have been remained same as it was before. Hence, there is no effect in this regard.

The economic scenario of Bangladesh has been good. In last fiscal year Bangladesh enjoyed 7.86% economic growth. Per capita income has been increased to USD 1,751 in 2017-2018, which was USD 1,610 in FY 2016-2017. We are going to be middle income country by 2027. Export is experiencing mild growth and Forex Reserve around USD 32 billion plus. The world economy has been recovering from economic meltdown of 2008. Global growth for 2018-2019 is projected to remain steady at its 2017 level. Global growth is projected at 3.7 percent for 2018–2019.

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.

Pacific Denims Ltd. have visualized exploring the opportunities and invested in this sector in order to fulfill the increasing demand of denim fabrics in the existing Global Market.

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

FINANCIAL HIGHLIGHTS

Operational Result	Amount in Taka				
	30 June 2018	30 June 2017 (Restated)	30 June 2017 (Six Months)	31 Dec 2015	31 Dec 2014
Turnover	2,126,218,806	1,900,357,135	927,498,195	1,682,536,409	1,604,853,996
Gross Profit	365,648,372	330,426,343	148,312,440	268,151,086	248,747,643
Operating Profit	333,323,003	300,682,040	133,738,545	241,784,560	223,498,120
Net profit before tax	219,056,294	179,246,985	64,702,605	118,164,085	114,122,300
Net Profit after tax	181,547,462	151,695,394	54,790,026	99,987,550	96,824,164
Net Cash Flows From Operation	117,280,119	41,744,653	14,181,298	75,919,868	93,919,256
Financial Position	30 June 2018	30 June 2017 (Restated)	30 June 2017 (Six Months)	31 Dec 2015	31 Dec 2014
Non-Current Assets	1,368,812,324	1,085,672,939	857,437,638	860,497,363	848,396,282
Current Assets	1,666,946,085	1,905,146,777	1,272,070,494	1,208,500,481	108,8864,476
Shareholder's Equity	2,116,300,467	1,934,753,006	1,059,077,612	1,004,287,586	904,300,037
Non-Current Liabilities	567,872,648	688,514,732	750,918,945	723,507,168	673,324,976
Key Financial Ratio	30 June 2018	30 June 2017 (Restated)	30 June 2017 (Six Months)	31 Dec 2015	31 Dec 2014
Current Ratio	4.75	5.18	3.98	3.54	3.03
Quick Ratio	2.23	3.10	1.84	1.72	1.49
Debt to Equity Ratio	0.30	0.35	0.86	0.91	0.96
Net Profit Ratio	8.54	7.98	5.91	5.94	6.03
Return on Equity Ratio	8.58	7.84	5.46	9.96	10.64
EPS (Basic)	1.43	1.73	1.44	2.63	2.55
EPS (Diluted)	1.43	1.73	1.44	2.63	2.55

PACIFIC DENIMS LIMITED 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: Declaration on Financial Statements for year ended June 30, 2018.

Dear Sir,

Pursuant to the condition no.1 (5) (XXV) imposed vide the Commission's notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 under section 2CC of the Securities & Exchange Ordinance 1969, we do hereby declare that:

1. The financial statements of Pacific denims Ltd. for the year ended on June 30, 2018 have been prepared in compliance with International Accounting Standards (IASs) or International financial Reporting Standards (IFRSs), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgements related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the companies state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exist no materials uncertainly related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

In this regard we also certify that:-

We have reviewed the financial statements for the year ended on June 30, 2018 and that to the best of our knowledge and belief;

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

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 code of conduct for the company's board of directors or its members.

Sincerely yours,

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

Sd/-
(Andul Jalil Majumder)
Chief Financial Officer



MAZUMDAR SIKDER AND ASSOCIATES

Cost & Management Accountants

Report to the Shareholders of Simtex Industries Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Pacific Denims Limited** for the year ended on June 30, 2018. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

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

For Mazumdar Sikder and Associates
Cost & Management Accountants

Md. Salauddin Sikder FCMA
Senior Partner

Place -Dhaka.
Date- November 17 , 2018

Annexure-C

Status of Compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance Status (Put \checkmark in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
1	Board of Directors			
1.1	Size of the Board of Directors			
	The total number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty)	\checkmark		
1.2	Independent Directors			
1.2(a)	At least on fifth (1/5) of the total number of directors in the company's board shall be independent directors.	\checkmark		
1.2 (b)	For the purpose of this clause 'independent director' means a director-			
1.2 (b) (i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	\checkmark		
1.2 (b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members shall not hold above mentioned shares in the company;	\checkmark		
1.2 (b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	\checkmark		
1.2 (b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	\checkmark		
1.2 (b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	\checkmark		
1.2 (b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	\checkmark		
1.2 (b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	\checkmark		
1.2 (b)(viii)	who is not independent director in more than 5 (five) listed companies;	\checkmark		

1.2 (b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution(NBFI);	√		
1.2 (b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	√		
1.2 (c)	Independent director shall be appointed by the Board of Directors and approved by the shareholders in the Annual General Meeting (AGM);	√		
1.2 (d)	The post of independent director cannot remain vacant for more than 90 (ninety) days;	√		
1.2 (e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only;	√		
1.3	Qualification of Independent Director(ID)			
1.3 (a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to business;	√		
1.3 (b)	Independent Director shall have following qualifications			
1.3 (b)(i)	Business leader who is or was a promoter or director of an unlisted company having minimum paid up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	√		
1.3(b)(ii)	Corporate leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	-		
1.3(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law;	-		
1.3 (b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	-		
1.3 (b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	-		
1.3 (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1.3 (d)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission;			No such issue arose
1.4	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			

1.4 (a)	The positions of the Chairperson of the Board and the Managing Director and/ or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1.4 (b)	The Managing Director (MD) and/ or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1.4 (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1.4 (d)	The Board shall clearly define respective roles and responsibilities of the chairperson and the Managing Director and/ or Chief Executive Officer;	√		
1.4 (e)	In the absence of the chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1.5	The Directors' Report to Shareholders			
	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the companies Act, 1994 (Act No. XVIII of 1994):-			
1.5 (i)	An industry outlook and possible future developments in the industry;	√		
1.5 (ii)	The Segment-wise or product-wise performance;	√		
1.5 (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin;	√		
1.5 (v)	A discussion on continuity of any Extra-Ordinary gain or loss;	√		
1.5 (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1.5 (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	√		
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.;			No such issue arose
1.5 (ix)	An explanation on any significant variance that occurs between Quarterly Financial performance and Annual Financial statements;			No such matter to explain
1.5 (x)	A statement of remuneration paid to the directors including independent directors	√		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1.5 (xii)	Proper books of account of the issuer company have been maintained;	√		

1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1.5 (xiv)	International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed;	√		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored;	√		
1.5 (xvi)	Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1.5 (xvii)	There are no significant doubts upon the 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 (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;			No such matter to explain
1.5 (xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1.5 (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			The Board declared dividend
1.5 (xxi)	Board statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1.5 (xxii)	The total number of Board meetings held during the year and attendance by each director shall be disclosed;	√		
1.5 (xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
1.5 (xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		
1.5 (xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√		
1.5 (xxiii)(c)	Executives;	√		
1.5 (xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details);	√		
1.5 (xxiv)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:			
1.5 (xxiv)(a)	A brief resume of the director;	√		

1.5 (xxiv)(b)	Nature of his/her expertise in specific functional areas;	√		
1.5 (xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board;	√		
1.5 (xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1.5 (xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1.5 (xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance and financial position as well as cash flows in absolute figure for such changes;	√		
1.5 (xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1.5 (xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1.5 (xxv)(e)	The financial and economic scenario of the country and the globe;	√		
1.5 (xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	√		
1.5 (xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1.5 (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	√		
1.5 (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	√		
1.6	Meetings of the Board of Directors			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB).	√		
1.7	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			

1.7 (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		
1.7 (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behaviour; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.			Will be complied within stipulated time
2	Governance of Board of Directors of Subsidiary Company			
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			N/A
2 (b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			N/A
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			N/A
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			N/A
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).			
3.1	Appointment			
3.1 (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3.1 (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3.1 (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3.1 (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3.1 (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		

3.2	Requirement to attend the Board Meetings			
	The MD or CEO, CS, CFO and HIAC of the companies shall attend the meetings of the Board of Directors provided that the CS, CFO and /or the HIAC 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.	√		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3.3 (a)	The MD or CEO and CFO have reviewed financial statements for the year to the best of their knowledge and belief;	√		
3.3 (a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		
3.3 (a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3.3 (b)	This is also certified that no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3.3 (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	Board of Directors' Committee			
	For ensuring good governance in the company, the Board shall have at least following subcommittees:			
4 (i)	Audit Committee;	√		
4 (ii)	Nomination and Remuneration Committee;	√		
5	Audit Committee			
5.1	Responsibility to the Board of Directors			
5.1 (a)	The company shall have an Audit Committee as a sub-committee of the Board of Directors;	√		
5.1 (b)	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;	√		
5.1 (c)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		
5.2	Constitution of Audit Committee			
5.2 (a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5.2 (b)	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;	√		
5.2 (c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		

5.2 (d)	When the term of service of 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 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;	√		
5.2 (e)	The company secretary shall act as the secretary of the Committee;	√		
5.2 (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5.3	Chairman of the Audit Committee			
5.3 (a)	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;	√		
5.3 (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.			No such incident arose
5.3 (c)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	√		
5.4	Meeting of the Audit Committee			
5.4 (a)	The Audit Committee shall conduct at least its four meetings in a financial year;	√		
5.4 (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5.5	Role of Audit Committee shall include the following:			
5.5 (a)	Oversee the financial reporting process;	√		
5.5 (b)	Monitor choice of accounting policies and principles;	√		
5.5 (c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5.5 (d)	Oversee hiring and performance of external auditors;	√		
5.5 (e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5.5 (f)	Review along with the management, the annual financial statements before submission to the board for approval;	√		
5.5 (g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval;	√		
5.5 (h)	Review the adequacy of internal audit function;	√		

5.5 (i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5.5 (j)	Review statement of significant related party transactions submitted by the management;	√		
5.5 (k)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors;	√		
5.5 (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	√		
5.5 (m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	√		
5.6	Reporting of the Audit Committee			
5.6 (a)	Reporting to the Board of Directors			
5.6 (a)(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
5.6 (a)(ii)	The Audit committee shall immediately report to the Board of Directors on the following findings, if any;			
5.6 (a)(ii)(a)	Report on conflicts of interests;			No such incident arose
5.6 (a) (ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;			No such incident arose
5.6 (a) (ii)(c)	Suspected infringement of laws, including securities related laws, rules and regulations; and			No such incident arose
5.6 (a) (ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately			No such incident arose
5.6 (b)	Reporting to the Authorities			
	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.			No such incident arose
5.7	Reporting to the Shareholders and General Investors			
	Report on activities carried out by Audit Committee, including any report made to the Board of Directors under condition 5(6)(a)(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.	√		
6	Nomination and Remuneration Committee (NRC)			
6.1	Responsibility to the Board of Directors			

6.1 (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	√		
6.1(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6.1(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	√		
6.2	Constitution of the NRC	√		
6.2 (a)	The Committee shall comprise of at least three members including an independent director;	√		
6.2 (b)	All members of the Committee shall be non-executive directors;	√		
6.2 (c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6.2 (d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6.2 (e)	In case of death, resignation, disqualification, or removal of any member of the Committee, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			No such incident arose
6.2 (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			No such incident arose
6.2 (g)	The company secretary shall act as the secretary of the Committee;	√		
6.2 (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6.2 (i)	No member of the NRC shall receive any remuneration for any advisory role or otherwise, other than Director's fees or honorarium from the company;	√		
6.3	Chairperson of the NRC			
6.3 (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6.3 (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			No such incident arose
6.3 (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.			Will attend in upcoming AGM
6.4	Meeting of the NRC			
6.4 (a)	The NRC shall conduct at least one meeting in a financial year;	√		

6.4 (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		
6.4 (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	√		
6.4 (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		
6.5	Role of the NRC			
6.5 (a)	NRC shall be independent and accountable to the Board and shareholders;	√		
6.5 (b)	NRC shall oversee, among others, the following matters:			
6.5 (b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, considering the following:			
6.5 (b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6.5 (b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	√		
6.5 (b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6.5 (b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6.5 (b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6.5 (b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6.5 (b)(v)	Identifying the company's needs for employees at different levels;	√		
6.5 (b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	√		
6.5 (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.			Will be complied within stipulated time
7	External/Statutory Auditors.			
7.1	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7.1 (i)	Appraisal or valuation services or fairness opinions;	√		
7.1 (ii)	Financial information systems design and implementation	√		
7.1 (iii)	Book-keeping or other services related to the accounting records or financial statements;	√		
7.1 (iv)	Broker-dealer services;	√		

7.1 (v)	Actuarial services;	√		
7.1 (vi)	Internal audit services or special audit services;	√		
7.1 (vii)	any service that the Audit Committee determines;	√		
7.1 (viii)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 9 (1);	√		
7.1 (ix)	Any other service that creates conflict of interest;	√		
7.2	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company	√		
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	Maintaining a website by the Company			
8.1	The company shall have an official website linked with the website of the stock exchange;	√		
8.2	The company shall keep the website functional from the date of listing;	√		
8.3	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	Reporting and Compliance of Corporate Governance			
9.1	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting;			Will appoint in the next AGM
9.3	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	√		

Sd/-

Md. Shafiul Azam (Mohsin)

Managing Director



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 (Independent Director)	: Chairman
Md. Sohel Khan (Director)	: Member
Abdul Jalil Majumder (CFO)	: Member
Md. Sorhab Ali (Company Secretary)	: Secretary of the Committee

Meeting and Attendance

During 2017-2018, under review the Audit Committee of Pacific Denims Limited met 4 (four) times on the following date:

1. September 11, 2017
2. November 9, 2017
3. January 6, 2018
4. April 24, 2018

Audit Meeting Attended by Members

Name	Position	Meeting Attended
Md. Ashfak Ahmed Khan Independent Director	Chairman	4
Md. Sohel Khan Director	Member	4
Abdul Jalil Majumder	Member	4

The Role and Responsibilities of the Audit Committee

The Role and Responsibilities of the Audit committee are clearly mentioned in the Compliance of Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3June 2018 condition no 5.5. The key responsibilities of the Audit committee are as follows.

- Oversee the financial reporting process;
- monitor choice of accounting policies and principles;
- monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;
- oversee hiring and performance of external auditors;
- hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;
- review along with the management, the annual financial statements before submission to the Board for approval;
- review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;
- review the adequacy of internal audit function;
- review the Management's Discussion and Analysis before disclosing in the Annual Report;
- review statement of all related party transactions submitted by the management;
- review Management Letters or Letter of Internal Control weakness issued by statutory auditors;
- oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and comments of the Audit Committee.

(m) oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds 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: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.

The Committee during the period under report met four times and its activities includes the followings:

- The financial statements of the quarterly, half yearly and the full year were reviewed by the committee and subsequently recommended to the Board for adoption consideration and circulation as per the requirement of Bangladesh Securities & Exchange Commission.
- The committee also reviewed the audited financial statements of the Company for the year ended June 30, 2018 this reviews incorporated the accounting policies and key judgments and estimates underpinning financial statements as disclosed in Notes to the Accounts.
- The committee also reviewed the work of the internal audit department and made suggestions for improvement.
- The committee reviewed the compliance with existing laws and regulation.
- Approved the internal audit plan.
- Reviewed the effectiveness and independence of the Statuary auditors and recommended re-appointment of external auditors.

Sd/-

Md. Ashfak Ahmed Khan

Chairman

Audit Committee

CREDIT RATING

Pacific Denims Limited has been rated as A- (Pronounced as single A minus) long term credit rating and ST-2 Short term credit rating by ARGUS Credit Rating Services Limited based on audited financial statements up to 30 June, 2017, Bank liability position as on 1 October, 2018 and other available information up to the date of rating declaration. The date of rating was on 16 October, 2018. The outlook on the rating is Stable

Long Term Rating	Short Term Rating	Outlook	Date of Validity
A-	ST-2	Stable	16 October, 2019

ARGUS Credit Rating Services Limited considered financial performance, revenue, receivable, payable, capital base, asset quality, liquidity position, management experience and prospect of the industry while assigning the rating that reflects the strengths of the company which has long operating history, moderate to high revenue growth.

Application of International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS)

Name of the Accounting Standards	Ref. No.	Status of Application
Presentation of Financial Statements	IAS-1	Applied
Inventories	IAS-2	Applied
Statement of Cash Flows	IAS-7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS-8	Applied
Events after the Reporting Period	IAS-10	Applied
Income Taxes	IAS-12	Applied
Property, Plant and Equipment	IAS-16	Applied
Leases	IAS-17	Applied
Employee Benefits	IAS-19	Applied
The effects of Changes in Foreign Exchange Rates	IAS-21	Applied
Borrowing Costs	IAS-23	Applied
Related Party Disclosures	IAS-24	Applied
Financial Instruments: Presentation	IAS-32	Applied
Earnings Per Share	IAS-33	Applied
Impairment of Assets	IAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS-37	Applied
Financial Instruments: Recognition & Measurement	IAS-39	Applied
Financial Instruments : Disclosure	IFRS-7	Applied
Operating Segments	IFRS-8	Applied
Financial Instruments	IFRS-9	Applied
Revenue from Contracts with Customers	IFRS-15	Applied

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 2018 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 International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted in Bangladesh, 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 International Standards on Auditing (ISA) as adopted in Bangladesh. 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 prepared in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) give a true and fair view of the financial position of the company as at 30 June 2018 and of its financial performance and its cash flows for the year then ended and comply with the requirements of 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 # 53 where management has explained that Earnings per Share (EPS) for the current year declined due to increase in weighted number of ordinary shares 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 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 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 company's business.

Dhaka
October 27, 2018

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants

PACIFIC DENIMS LIMITED**Statement of Financial Position**

As at June 30, 2018

Particulars	Notes	June 30, 2018 Amount in Taka	June 30, 2017 Amount in Taka (Re-Stated)
ASSETS			
Non-Current Assets		1,177,012,324	1,085,672,939
Property, Plant & Equipment	17.00	850,798,086	807,036,599
Capital Work-in-Progress	18.00	326,214,238	278,636,340
Current Assets		1,858,746,085	1,905,146,777
Inventories	19.00	529,279,513	488,217,070
Trade & Other Receivables	20.00	659,354,383	609,738,876
Advance, Deposit & Pre-Payments	21.00	544,956,600	278,058,073
Fixed Deposit	22.00	63,691,923	212,889,348
Cash & Cash Equivalents	23.00	61,463,666	316,243,410
Total Assets		3,035,758,409	2,990,819,716
EQUITY AND LIABILITIES			
Shareholders' Equity		2,116,300,467	1,934,753,006
Share capital	24.00	1,271,250,000	1,130,000,000
Revaluation Reserve	25.00	140,290,413	140,290,413
Tax Holiday Reserve	26.00	145,760,152	145,760,152
Retained Earnings	27.00	558,999,902	518,702,441
Non-Current Liabilities		567,872,648	688,514,732
Long Term Borrowings	28.00	512,978,645	632,338,235
Deferred Tax Liability	29.00	54,894,003	56,176,497
Current Liabilities & Provisions		351,585,294	367,551,976
Trade Payables	30.00	13,143,493	11,201,200
Short-Term Borrowings	31.00	73,769,662	123,359,000
Long-Term Borrowings-Current portion		98,508,979	118,908,979
Provision for Income Tax	32.00	132,307,670	100,556,601
Liabilities for Expenses	33.00	33,855,490	13,526,196
Total Equity and Liabilities		3,035,758,409	2,990,819,716
Net Asset Value (NAV) Per Share	34.00	16.65	17.12

These financial statements should be read in conjunction with the annexed notes 1 to 54 and were approved by the Board of Directors and were signed on its behalf by:

Chairman Managing Director Chief Financial Officer Company Secretary

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

Place : Dhaka

Dated : 27 October, 2018

Mahfel Huq & Co.
Chartered Accountants

PACIFIC DENIMS LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2018

Particulars	Notes	June 30, 2018 Amount in Taka	June 30, 2017 Amount in Taka (Re-Stated)
Turnover	36.00	2,126,218,806	1,900,357,135
Cost of Sales	37.00	(1,760,570,434)	(1,569,930,792)
Gross Profit		365,648,372	330,426,343
Operating Expenses:		(32,325,369)	(29,744,303)
Office & Administrative Expenses	38.00	26,392,235	24,139,301
Selling & Distribution Expenses	39.00	5,933,134	5,605,002
Operating Profit		333,323,003	300,682,040
Financial Expenses	40.00	(124,712,220)	(128,080,484)
Other Income	41.00	10,445,511	6,645,429
Net Profit Before Tax		219,056,294	179,246,985
Income Tax Expenses		(37,508,832)	(27,551,591)
Current Income Tax Expenses	42.00	(38,791,326)	(28,127,614)
Deferred Tax Expenses/Income	43.00	1,282,494	576,023
Net Profit for the year		181,547,462	151,695,394
Other Comprehensive Income		-	-
Total Comprehensive Income		181,547,462	151,695,394
Basic Earnings Per Share (EPS)	44.00	1.43	1.73
Diluted Earnings Per Share (EPS)	44.00	1.43	1.73

These financial statements should be read in conjunction with the annexed notes 1 to 54 and were approved by the Board of Directors and were signed on its behalf by:

Chairman Managing Director Chief Financial Officer Company Secretary

This is the statement of profit or loss and other comprehensive income referred to in our report of even date annexed.

Place : Dhaka
Dated : 27 October, 2018

Mahfel Huq & Co.
Chartered Accountants

PACIFIC DENIMS LIMITED**Statement of Changes in Equity
For the year ended June 30, 2018**

Particulars	Share Capital	Revaluation Reserve	Tax Holiday Reserve	Retained Earning	Total Equity
Balance at July 01, 2017	1,130,000,000	140,290,413	145,760,152	518,702,441	1,934,753,006
Stock Dividend 12.50%	141,250,000	-	-	(141,250,000)	-
Net Profit for the year	-	-	-	181,547,462	181,547,462
Balance at June 30, 2018	1,271,250,000	140,290,413	145,760,152	558,999,902	2,116,300,467
Balance at July 01, 2016	380,000,000	140,290,413	145,760,152	387,627,047	1,053,677,612
Addition During the year	750,000,000	-	-	-	750,000,000
Net Profit for the year	-	-	-	151,695,394	151,695,394
Adjustment for IPO Expenses	-	-	-	(20,620,000)	(20,620,000)
Balance at June 30, 2017	1,130,000,000	140,290,413	145,760,152	518,702,441	1,934,753,006

These financial statements should be read in conjunction with the annexed notes 1 to 54 and were approved by the Board of Directors and were signed on its behalf by:

Chairman**Managing Director****Chief Financial Officer****Company Secretary**

This is the Statement of Changes in Equity referred to in our report of even date annexed.

Place : Dhaka

Dated : 27 October, 2018

**Mahfel Huq & Co.
Chartered Accountants**

PACIFIC DENIMS LIMITED**Statement of Cash Flows**

For the year ended June 30, 2018

Particulars	June 30, 2018 Amount in Taka	June 30, 2017 Amount in Taka
A. Cash Flow from Operating activities :		
Cash Received from Customers & Others	2,076,603,299	1,818,379,849
Cash Received from other Income	10,445,511	6,645,429
Cash Paid to Suppliers, Employees and Others	(1,836,019,153)	(1,644,799,659)
Cash Generated from Operations	251,029,657	180,225,619
Interest Paid	(124,712,220)	(128,080,484)
Income Tax Paid	(9,037,318)	(10,400,482)
Net Cash flow from operating activities (Note-35)	117,280,119	41,744,653
B. Cash Flow from Investing activities :		
Acquisition of Property, Plant and Equipment	(92,530,460)	-
Capital Work-in-Progress	(47,577,898)	(278,636,340)
Advance for Machinery, Building and Construction	(191,800,000)	-
Received/(Paid) Fixed Deposit	149,197,425	(165,261,552)
Net Cash used in investing activities	(182,710,933)	(443,897,892)
C. Cash Flow from Financing activities :		
Received/Repaid of share Money Deposit	-	750,000,000
Received/Repaid of Short-term loan	(49,589,338)	29,851,468
Received/Repaid of Long-term loan	(139,759,590)	(67,228,190)
Net Cash used in Financing activities	(189,348,928)	712,623,278
Net Increase/(Decrease) in Cash and Cash Equivalents	(254,779,743)	310,470,039
Cash and Cash Equivalents at Beginning of year	316,243,410	5,773,371
D. Cash and cash equivalents at the end of the year (A+B+C)	61,463,666	316,243,410
Net Operating Cash Flow Per Share (Note-45)	0.92	0.48

These financial statements should be read in conjunction with the annexed notes 1 to 54 and were approved by the Board of Directors and were signed on its behalf by:

Chairman Managing Director Chief Financial Officer Company Secretary

This is the Statement of Cash Flows referred to in our report of even date annexed.

Place : Dhaka
Dated : 27 October, 2018

Mahfel Huq & Co.
Chartered Accountants

PACIFIC DENIMS LIMITED
Notes to the Financial Statements as at and
For the Year Ended June 30, 2018

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

Authorized Share Capital of the Company increased form Tk. 1,200,000,000/- (One Hundred Twenty Core) to Tk. 2,000,000,000/- (Two Hundred Core) as per 2nd Extra-Ordinary General Meeting (EGM) held on December 28, 2017.

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) The financial statements have been 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 International Accounting Standard (IAS) and International Financial Reporting Standards (IFRS) as well as those standards, disclosures recommended by IAS 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 International Accounting Standard (IAS) 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 International Accounting standard (IAS) 1 as adopted by ICAB as IAS 1 "Presentation of Financial Statements" the complete set of financial statements includes the following components:

- i) Statement of Financial Position as at June 30, 2018;
- ii) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2018;
- iii) Statement of Changes in Equity for the year ended June 30, 2018;
- iv) Statement of Cash Flows for the year ended June 30, 2018;
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements for the year ended June 30, 2018.

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 IAS-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 IASs are applicable to the financial statements for the year under review:

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Statement of Cash Flows
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10	Events after the Reporting Period
IAS 12	Income Taxes
IAS 16	Property, Plant And Equipment
IAS 17	Leases
IAS 19	Employee Benefits
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 32	Financial Instruments: Presentation
IAS 33	Earnings Per Share
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 39	Financial Instruments: Recognition and Measurement
IFRS 7	Financial Instruments: Disclosures
IFRS 8	Operating Segments
IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers

8.00 Reporting Period

The period of the financial statements covers from July 1, 2017 to June 30, 2018.

9.00 Provisions

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

- a. when the company has an obligation (legal or constructive) as a result of past events;
- b. when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c. 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 were 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	Nature of Transaction	
			Remuneration	Board Meeting Fees
4	Md. Shadequl Alam (Yeasin)	Chairman	702,000	25,000
5	Md. Shafiul Azam (Mohsin)	Managing Director	1,200,000	30,000
6	Md. Sohel Khan	Director	-	20,000
7	Md. Ashfak Ahmed Khan	Independent Director	-	20,000
8	M.A. Kamal Bhuiyan	Nominee Director (Disney Properties Ltd.)	-	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 Rearrangement Thereof and Re-statement

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.

In accordance with para 37 of IAS-32: Financial Instruments: Presentation, the transaction costs of an equity transaction are accounted for as a deduction from equity to extent they are incremental costs directly attributable to equity transaction that otherwise would have avoided. In the financial year 2016-2017, the company recognized IPO expenses of taka 20,620,000 as revenue expenses in the statement of profit or loss and other comprehensive income under the head of office and administrative expenses. During the year IPO expenses have been deducted as per IAS-32 from retained earnings shown in statement of changes in equity for the year ended 30 June 2017. As a result, Office & administrative expenses for the year ended June 30, 2017 have decreased by Tk. 2,06,20,000, Net Profit before tax increased by Tk. 2,06,20,000, Current tax increased by Tk 30,93,000 and Net Profit after Tax for the year then ended increased by Tk 1,75,27,000. Accordingly Earnings per share increased by Tk. 0.24.

Deferred tax on revaluation of land was not recognized earlier. During the year retrospective treatment has been made as per IAS-8: Accounting Policies, Changes in Accounting Estimates and Errors. As a result, in the financial year 2016-2017 deferred tax liability has increased by TK. 5,400,000 and revaluation reserve reduced by the same amount.

15.00 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 recognized in the profit or loss and other comprehensive income.

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

For a proper understanding of the financial statements, these accounting policies were set out below in one place.

16.01 Recognition of Property, Plant & Equipment

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 Profit or Loss and Other Comprehensive Income which is determined with reference to the net book value of assets and the net sales proceeds.

16.02 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 and Building & Other civil construction. No depreciation is charged on the capital work-in-progress which is in accordance with IAS-16.

16.03 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 IAS-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, 2018	June 30, 2017
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%

16.04 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.

16.05 Revenue Recognition

As per IFRS-15: "Revenue from Contracts form Customers" an entity shall account for a contract with a customer only when all of the following criteria are met:

- (a) The parties to the contract have approved the contract (in writing , orally or in accordance with other customary business practices) and are committed to perform their respective obligations ;
- (b) The entity can identify each party 's rights regarding the goods or services to be transferred ;
- (c) The entity can identify the payment terms for the goods or services to be transferred ;
- (d) The contract has commercial substance (i.e. the risk , timing or amount of the entity `s future cash flows is expected to change as a result of the contract); and
- (e) It is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

16.06 Other Income

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

16.07 Revaluation of Property, Plant and Equipment

The increase value of land and land development arisen due to revaluation of assets as per IAS-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.

16.08 Accrued Expenses and Other Payables

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

16.09 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 has been valued at prime cost basis as required by IAS-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 IAS-2.

16.10 Income Tax-Current

Provision for taxation has been made as per rates prescribed in Finance Act 2018 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(49) Anu-1/2007/317 (2) dated 02.07. 2012 The period of tax holiday of the company expired in 31 March 2011. The company has made Tax Holiday reserve for the period from 01-01-2011 to 31-03-2011@ 40% on net profit during that period.

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 IAS-12 (Income Taxes).

Income Tax Status

Income Tax Assessment was completed up to the year 2007-2008 to 2012-2013 and certificates already collected and for the year 2013-2014 & 2014-2015 by Deputy Commissioner of Taxes against which appeal is pending. The assessment year 2015-2016 & 2016-2017 and 2017-2018 is under process. The company has tax liability of Tk. 132,307,670/- against which advance tax paid Tk. 24,074,098/-.

16.11 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 known amounts of cash, and which are subject to an insignificant risk of changes in value. Considering the provisions of IAS 7 and IAS 1, cash in hand and bank balances have been considered as cash and cash equivalents.

16.12 Statement of Cash Flows

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

16.13 Borrowing Costs

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

16.14 Earnings Per Share

This has been calculated in compliance with the requirements of IAS 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 IAS-33 : Earnings Per Share. Therefore, the total number of shares outstanding at the end of the year multiplied by a time weighting factor which is the number of days the specific shares were outstanding as a proportion of total number of days in the 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.

16.15 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.

16.16 Employee Benefits (IAS 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 IAS 19: Employee Benefits.

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

The company's employee benefits include 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.

16.17 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.

Derivative:

According to IFRS 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 IAS 39 "Financial Instruments: Recognition and Measurement".

16.18 Trade Receivables

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 IAS-21: The Effects of Changes in Foreign Exchange Rates. Uncollectible receivables are charged to statement of profit or loss and comprehensive income as bad debts.

16.19 Segment Reporting

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

16.20 Authorization of Financial Statements:

The Financial Statements have been authorized for issue by the Board of Directors on October 27, 2018

	Amount in Taka	
	June 30, 2018	June 30, 2017
17.00 Property, Plant and Equipments	Tk. 850,798,086	Tk. 807,036,599
This represents the written down value of assets as at 30-06-2018 at historical cost. This has been arrived as under:		
A. Cost		
Opening Balance	1,394,720,966	1,379,485,356
Add: Addition during the year	92,530,460	15,235,610
	1,487,251,426	1,394,720,966
B. Accumulated Depreciation		
Opening Balance	587,684,367	537,283,327
Add: Depreciation Charged during the year	48,768,972	50,401,041
	636,453,340	587,684,367
(A-B) Written down Value	850,798,086	807,036,599
The details of above has been shown in Annexure " A "		
18.00 Capital Work-in-Progress	Tk. 326,214,238	Tk. 278,636,340
Plant & Machinery and Building & Other Construction		
a) Plant & Machinery		
Opening balance:	-	15,235,610
Addition during the year	-	-
Sub total	-	15,235,610
Transfer to Fixed Asset Sch.	-	(15,235,610)
Balance of plant & machinery	-	-
b) Building & Other Construction		
Opening balance:	278,636,340	-
Addition during the year	140,108,358	278,636,340
Sub total	418,744,698	278,636,340
Transfer to Fixed Asset Sch.	(92,530,460)	-
Balance of building & other construction	326,214,238	278,636,340
Total Ending Balance	326,214,238	278,636,340
19.00 Inventories	Tk. 529,279,513	Tk. 488,217,070
The break-up of the amount is given below:		
Yarn	143,301,119	129,567,330
Dyes & Chemicals	54,493,261	41,855,660
Packing Materials	8,820,000	8,778,700
Spares & Parts	3,791,500	3,812,540
Work-in- process	95,339,937	90,015,880
Finished Goods	223,533,696	214,186,960
	529,279,513	488,217,070
The details of above has been shown in annexure "B".		

20.00 Trade and Other Receivables

Tk. 659,354,383

Tk. 609,738,876

This is made-up as follows:

Trade Receivables

659,354,383

609,738,876

Other Receivables

-

-

659,354,383**609,738,876**

The details of above has been shown in annexure "C".

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

Aging of Accounts Receivable:

Less Than Six Months	659,354,383	609,738,876
More Than Six Months	-	-
Total:	659,354,383	609,738,876

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 bellow:

Sl.	Particulars	Amount in Taka	
		June 30, 2018	June 30, 2017
I	Receivables considered good in respect of which the company is fully secured.	659,354,383	609,738,876
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.	-	-
	Total:	659,354,383	609,738,876

20.01 Trade Receivables

Tk. 659,354,383

Tk. 609,738,876

This is made-up as follows:

Opening Balance

609,738,876

527,761,589

Add: Export During the year

2,126,218,806

1,900,357,135

2,735,957,682

2,428,118,724

Less: Realized during the year

(2,076,603,299)

(1,818,379,849)

659,354,383**609,738,876****21.00 Advance, Deposit & Pre-Payments**

Tk. 544,956,600

Tk. 278,058,073

The break-up of the amount is given below:

Advances

(Notes #21.01)

544,054,600

277,156,073

Deposits

(Notes #21.02)

902,000

902,000

544,956,600**278,058,073**

21.01 Advances Tk. 544,054,600 Tk. 277,156,073

The break-up of the amount is given below:

Advance Against Salary	863,290	866,350
Advance for Machinery, Building and Other Construction	191,800,000	-
Advance Against Goods, Spare, Services & Others	50,061,780	50,495,150
Advance to Suppliers & Contractors (Annexure "D")	277,255,432	203,717,535
Advance Income Tax (At Source) (Notes #21.04)	24,074,098	22,077,038
	544,054,600	277,156,073

21.02 Deposits Tk. 902,000 Tk. 902,000

Bank Guarantee	902,000	902,000
	902,000	902,000

21.03 Disclosures as per Schedule-XI, Part-I of the Companies Act, 1994

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	544,054,600	277,156,073
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	-	-
	544,956,600	278,058,073

21.04 Advance Income Tax (At Source) Tk. 24,074,098 Tk. 22,077,038

This is made-up as follows:

Opening Balance	22,077,038	18,413,556
Add: AIT During the year	3,881,577	3,663,482
Tax advance for income year 2011-2012	1,500,000	-
Adjustment of AIT for income year 2012-2013	(3,384,517)	-
Closing Balance	24,074,098	22,077,038

22.00 Fixed Deposit Tk. 63,691,923 Tk. 212,889,348

Fixed Deposit with Prime Bank	-	52,889,348
Fixed Deposit with Meghna Bank	-	160,000,000
Fixed Deposit with Bank Asia	63,691,923	-
	63,691,923	212,889,348

23.00 Cash & Cash Equivalents Tk. 61,463,666 Tk. 316,243,410

The break-up of the amount is given below:

Cash in Hand	2,353,624	1,518,037
Cash at Banks (Note- 23.01)	59,110,042	314,725,373
	61,463,666	316,243,410

23.01 Cash at Bank**Tk. 59,110,042****Tk. 314,725,373**

The break-up of the amount is given below:

Al-Arafa Islami bank Ltd CD A/c No 2121	-	409
BRAC Bank Ltd. Banani A/c No 63001	36,695	16,481,326
Bank Asia Scotia Branch A/c No 03387	213,577	18,644
Meghna Bank Ltd. Principal Branch, A/C: 0558	53,948	46,871,136
Exim bank Ltd Corporate Br. Gulshan A/c 9359	420	7,312
Exim bank Ltd Corporate Br. Gulshan A/c 153791	112	442
Eastern Bank Ltd Banani Br. A/c 2244	24,272	25,422
Farmers Bank Ltd Gulsan Br. A/c 134	7,544	8,694
Islami Bank Bangladesh Ltd. A/c No 17704	162,344	37,670
Jamuna Bank Ltd. Banani Br. A/c 5077	156,380	5,105,440
Janata Bank Local Office A/c NO-59448	6,080	4,305
DBBL, Gulshan Circle-1, CD A/c No 2245	36,384	-
National bank Ltd. Gulshan A/c 1749	87,666	8,916
National bank Ltd. Pragati Sarani Gulshan A/c 5819	3,448	4,598
Prime Bank Ltd Foreign Exchange A/c No 13421	4,499	6,800,594
Social Islami Bank Ltd Gulshan A/c No 4768	3,197	878,333
Social Islami Bank Ltd Banani A/c No 5092	12,077	13,227
Southeast Bank Ltd. Banani Br. A/c No 5020	33,379	34,317
South Bangla Agriculture & Commerce Bank A/C-2369	6,733	7,998
Trust bank Ltd SKB Br. A/c No 1885	14,405	15,555
Woories Bank Ltd Gulsan Br. A/c 8402	36,750	37,325
Mutual Trust Bank Ltd., Dilkusha Br. A/C No. 1552	58,210,132	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
	59,110,042	314,725,373

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

24.00 Share Capital**Tk. 1,271,250,000****Tk. 1,130,000,000****24.01 Authorized Capital**

200,000,000 ordinary shares of tk. 10/- each

2,000,000,000**1,200,000,000**

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

127,125,000 Ordinary Shares of of Tk. 10 each fully paid as follows:

SL No.	Particulars	No. of Shares	% of Shares	June 30, 2018	June 30, 2017
1	Mr. Shafiul Azam (Mohsin)	18,383,568	14.461%	183,835,680	163,409,500
2	Mr. Shadequul Alam (Yasin)	10,683,225	8.404%	106,832,250	94,962,000
3	Shahida Khanom (Swarna)	1,068	0.001%	10,680	9,500
4	Md. Moazzam khan	1,068	0.001%	10,680	9,500
5	Md. Yunus Ali	1,068	0.001%	10,680	9,500
6	Md. Sohel Khan	7,312,500	5.752%	73,125,000	65,000,000
7	Disney Properties Ltd.	2,992,500	2.354%	29,925,000	26,600,000
8	Institution	24,806,841	22.404%	248,068,410	217,482,290
9	Foreign	14,860	0.022%	148,600	182,090
10	Public	62,928,302	46.601%	629,283,020	562,335,620
	Total	127,125,000	100%	1,271,250,000	1,130,000,000

24.03 Classification of Shareholders by range of number of Shares held.

The distribution schedule showing the number of shareholders and their shareholding in percentage has been disclosed below as a requirement of " Listing Regulations of Dhaka and Chittagong Stock Exchanges."

Shareholding range in number of Shares	Number of Shareholders		Number of Shares		% of Shareholding	
	2018	2017	2018	2017	2018	2017
1 to 499	2,282	2,525	437,578	555,399	0.34%	0.49%
500 to 5,000	8,474	13,373	10,578,099	14,710,018	8.32%	13.02%
5,001 to 10,000	1,030	1,054	7,321,758	8,173,032	5.76%	7.23%
10,001 to 20,000	693	568	9,604,914	8,354,322	7.56%	7.39%
20,001 to 30,000	182	202	4,423,822	5,055,793	3.48%	4.47%
30,001 to 40,000	87	90	3,038,647	3,177,206	2.39%	2.81%
40,001 to 50,000	68	56	3,083,523	2,653,980	2.43%	2.35%
50001 to 100,000	115	102	7,663,471	7,528,155	6.03%	6.66%
100,001 to 1,000,000	75	69	18,268,734	15,340,950	14.37%	13.58%
Over 1,000,000	11	8	62,704,454	47,451,145	49.33%	41.99%
Total	13,017	18,047	127,125,000	113,000,000	100%	100%

25.00 Revaluation Reserve**Tk. 140,290,413****Tk. 140,290,413**

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

Name of Assets	June 30, 2018	June 30, 2017
Land	145,690,413	145,690,413
Less: Deferred Tax	5,400,000	5,400,000
Total	140,290,413	140,290,413

29.01 Deferred tax liability on Revaluation

Land and land development	180,000,000	180,000,000
Tax Rate	3%	3%
	<u>5,400,000</u>	<u>5,400,000</u>

30.00 Trade Payables

The break-up of the amount is given below:

Acceptance Liabilities	<u>13,143,493</u>	<u>11,201,200</u>
	<u>13,143,493</u>	<u>11,201,200</u>

31.00 Short-Term Bank Borrowings

The break-up of the amount is given below:

Again Bank Ltd C.C Hypothecation Loan	-	49,300,000
Prime Bank Ltd (LTR)	73,769,662	74,059,000
	<u>73,769,662</u>	<u>123,359,000</u>

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 pair passé sharing agreement between banks on fixed and floating assets of the company. The interest rate of this loans is varying from 13% -15%.

32.00 Provision for Income Tax

Tk. 132,307,670

Re-Stated

Tk. 100,556,601

The break-up of the amount is given below:

Opening Balance	100,556,601	79,165,987
Add: During the Year	38,791,326	28,127,614
Less: Adjustment for income year 2012-2013	(7,040,258)	(6,737,000)
	<u>132,307,670</u>	<u>100,556,601</u>

33.00 Liabilities for Expenses

Tk. 33,855,490

Tk. 13,526,196

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	985,417	847,948
Salary & Wages	5,493,778	5,562,691
Telephone bill	7,087	6,199
Mobile bill	61,910	61,580
Gas bill	5,371,142	6,645,278
Vat on Office Rent	2,950	-
Interest payable	21,530,706	-
Audit fee	402,500	402,500
	<u>33,855,490</u>	<u>13,526,196</u>

34.00 Net Asset Value (NAV) Per Share

Net Assets	2,116,300,467	1,934,753,006
No. of Shares	127,125,000	113,000,000
Net Asset Value (NAV) Per Share	<u>16.65</u>	<u>17.12</u>

35.00 Reconciliation of Net Profit with cash flows from Operating Activities:

Profit before Tax	219,056,294	179,246,985
Adjustment for:		
Depreciation on property, plant and equipment	48,768,972	50,401,041
	267,825,266	229,648,026
Less: Increase in Trade & Other Receivables	(49,615,507)	(76,157,138)
Less: Increase in Inventories	(41,062,443)	(61,569,142)
Add: Increase in Trade Payables	1,942,293	(4,777,078)
Add: Increase in Liabilities for Expenses	20,329,294	1,575,397
Less Decrease in Office & Admin Expenses	-	(20,620,000)
Less: Increase in Advance, Deposit & Prepayments	(73,101,467)	(15,954,930)
Less AIT at source on export realization	(3,881,577)	(3,663,482)
Less: Income Tax Paid	(5,155,741)	(6,737,000)
Net cash flow from operating activities	117,280,119	41,744,653

	Amount in Taka	
	June 30, 2018	June 30, 2017
36.00 Turnover	Tk. 2,126,218,806	Tk. 1,900,357,135
Export Sales	2,126,218,806	1,900,357,135
	2,126,218,806	1,900,357,135
37.00 Cost of Sales	Tk. 1,760,570,434	Tk. 1,569,930,792
The break-up of the amount is given below:		
Raw materials Consumed (Note # 37.01)	1,598,922,076	1,421,217,390
Manufacturing Overhead (Note # 37.02)	176,319,151	173,936,007
Opening WIP	90,015,880	79,977,574
Closing WIP	(95,339,937)	(90,015,880)
Cost of Production	1,769,917,170	1,585,115,092
Finished Goods (Opening)	214,186,960	199,002,660
Finished Goods (Closing)	(223,533,696)	(214,186,960)
Cost of Sales	1,760,570,434	1,569,930,792
37.01 Raw Material Consumed	1,598,922,076	1,421,217,390
Opening Stock of Raw Materials	180,201,690	143,911,728
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
Add: Raw Material Purchased	1,625,334,766	1,457,507,352
Raw Materials- Yarn	1,369,419,957	1,217,581,328
Dyes & Chemicals	154,163,449	145,996,679
Packing Materials	101,751,360	93,929,345
Raw Material available for Consumption	1,805,536,456	1,601,419,080
Less: Closing Stock of Raw Materials	206,614,380	180,201,690
Raw Materials- Yarn	143,301,119	129,567,330
Dyes & Chemicals	54,493,261	41,855,660
Packing Materials	8,820,000	8,778,700
Raw Material Consumption	1,598,922,076	1,421,217,390
37.02 Manufacturing Overhead	Tk. 176,319,151	Tk. 173,936,007
The break-up of the amount is given below:		
Wages & Allowances	65,208,340	64,329,267
Festival Bonus	13,371,736	10,836,619
Overtime Expenses	499,595	592,267
Gas Bill	24,137,819	24,587,614
Medical Expenses	421,882	480,398
Insurance Premium	1,535,606	1,631,608
Postage & Stamp	115,507	128,294
Factory Maintenance	1,945,557	1,503,685
Generator Maintenance & Lubricants	13,735,701	13,170,299
ETP Expenses	101,970	95,806
Spare Parts (Note # 37.03)	6,476,466	6,179,109
Depreciation	48,768,972	50,401,041
	176,319,151	173,936,007

37.03 Spares Parts	Tk. 6,476,466	Tk. 6,179,109
Stock of Spare parts Opening	3,812,540	3,755,965
Purchase of Spare parts	6,455,426	6,235,684
Stock of Spare parts - Closing	(3,791,500)	(3,812,540)
Consumption	6,476,466	6,179,109
38.00 Office & Administrative Expenses	Tk. 26,392,235	Tk. 24,139,301
The break-up of the amount is given below:		Re-Stated
Salary & Allowances	4,728,404	4,047,206
Remuneration (Chairman)	702,000	702,000
Remuneration (MD)	1,200,000	1,200,000
Board Meeting Fees	115,000	115,000
Car maintenance	951,618	894,263
Audit Fees	402,500	402,500
Renewal & registration fees	2,103,340	327,662
Repair & Maintenance	160,473	183,878
Tour & Travels	642,360	659,467
Donation	282,649	283,172
Legal & Consultancy fees	87,803	101,158
Conveyance	203,832	180,709
Entertainment	283,880	122,983
Misc. Expenses	232,111	186,138
Mobile & Telephone bill	937,322	1,037,554
Printing & Stationery	1,065,805	1,165,999
Fees & Forms	187,035	193,255
Charge & Commission (C&F Expenses)	6,296,468	6,682,468
Office Rent	2,400,000	2,250,000
Vat on Office Rent	321,750	-
Internet bill	335,319	420,572
Transportation	2,040,194	2,335,278
Paper & periodical	31,034	32,401
Office Maintenance	681,337	615,640
	26,392,235	24,139,301
39.00 Selling & Distribution Expenses	Tk. 5,933,134	Tk. 5,605,002
The break-up of the amount is given below:		
Salary & Allowances	2,760,723	2,676,929
Entertainment	133,225	135,553
Printing & Stationery	134,615	136,500
Advertisement	1,004,566	974,237
Misc. Expenses	679,755	563,381
Travelling & Conveyance	426,728	409,456
Sales promotion Exp.	793,521	708,947
	5,933,134	5,605,002
40.00 Financial Expenses	Tk. 124,712,220	Tk. 128,080,484
The break-up of the amount is given below:		
Interest on Project Loan general (Agrani bank)	66,262,041	66,845,596
Interest on Term (N.C.C Bank)	23,653,702	32,135,169
Interest on IDLC Finance Limited	3,000,270	3,982,251
Interest on (IIDFC)	3,930,610	5,682,866
Interest on First Lease Financing	6,537,594	8,586,073
Interest on Term Loan (Bank Asia Ltd.)	4,737,825	5,776,375
Interest on Term Loan (Brac Bank Ltd.)	2,271,411	1,308,046
Interest on LTR	12,880,205	1,346,829
Bank Charge/Bank Misc./Service Charge etc.	1,438,563	2,417,278
	124,712,220	128,080,484

Pacific Denims Limited

41.00 Other Income		Tk. 10,445,511	Tk. 6,645,429
This amount consist of			
Interest Received from FDR & IPO Fund		10,120,667	6,380,374
Exchange Gain		324,845	265,054
		10,445,511	6,645,429
42.00 Current Tax Expenses			
		Tk. 38,791,326	Re-Styled Tk. 28,127,614
Profit before Tax		219,056,294	179,246,985
Less: Other Income considered separately		10,445,511	6,645,429
		208,610,782	172,601,556
Add: Accounting Depreciation		48,768,972	50,401,041
Less: Tax Depreciation		(40,219,012)	(46,560,886)
Taxable Income		217,160,743	176,441,711
Current tax Expenses on Taxable Income @15%		32,574,111	26,466,257
Current tax Expenses on other Income @25%		2,611,378	1,661,357
Expenses for additional assessment income year 2012-2013		3,605,837	-
Current Tax Expenses		38,791,326	28,127,614
43.00 Deferred Tax Expenses/Income			
		(Tk. 1,282,494)	(Tk. 576,023)
Closing		49,494,003	50,776,497
Beginning		50,776,497	51,352,520
		(1,282,494)	(576,023)
44.00 Earnings Per Share (EPS)			
	<u>Net Profit After Tax</u>	181,547,462	151,695,394
	Weighted Number of Ordinary Shares during the year	127,125,000	87,467,466
		1.43	1.73
Basic Earnings Per Share (EPS)			
	<u>Net Profit After Tax</u>	181,547,462	151,695,394
	Weighted Number of Ordinary Shares during the year	127,125,000	87,467,466
		1.43	1.73
Diluted Earnings Per Share (EPS)			
Weighted Average number of Ordinary Shares			
Opening		113,000,000	38,000,000
New Share Issue Through IPO	75,000,000	-	35,342,466
Issuance of Stock Dividend (12.50 %)	14,125,000	14,125,000	14,125,000
		127,125,000	87,467,466
45.00 Net Operating Cash Flow Per Share			
	<u>Net Cash flows from operating activities</u>	117,280,119	41,744,653
	No. of Shares	127,125,000	87,467,466
	Net Operating Cash Flow Per Share	0.92	0.48

46.00 Utilization of IPO Fund

Utilization position of IPO proceeds up to 30 June 2018 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	234,495,577	63,878,146
Partial Bank Loan Pay off	250,000,000	250,000,000	-
IPO Expenses	20,620,000	20,620,000	-
Total	750,000,000	505,115,577	244,884,423

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 company utilized Tk. 23,44,95,577 for the purpose of construction of building, Tk. 250,000,000 for partial bank loan pay off, and Tk. 20,620,000 for IPO expenses up to June 30, 2018 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 # 18, and the IPO expenses has been deducted as equity expenses from retained earnings in note # 27 to the financial statements.

In respect of the above partial bank loan pay off, the company repaid Tk. 100,000,000 to Agrani Bank Ltd., Tk. 120,000,000 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.

47.00 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

-	-
424	420
424	420

48.00 Additional Information**The requirement of schedule XI part-II, Para 3 (a) : Turn Over**

Turnover in BDT.	2,126,218,806	1,900,357,135
Turnover in Quantity (Yds)	14,246,022	14,846,540

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

Raw Material (Yarn) (Kgs)	7,351,877	5,846,676
Raw Material (Yarn) (Value in BDT.)	1,355,686,168	1,186,875,305
Dyes & Chemical (Kgs)	1,023,325	1,597,627
Dyes & Chemical (Value in BDT.)	141,525,848	141,390,030

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

Opening (Yds)	791,088	741,855
Production (Yds)	15,071,230	14,895,772
Closing (Yds)	1,616,296	791,088

The requirement of schedule XI part-II, Para 4

Sl. No	Name	Designation	Nature of Transaction	
			Remuneration	Board Meeting Fee
1	Md. Shadequl Alam (Yeasin)	Chairman	702,000	25,000
2	Md. Shafiqul Azam (Mohsin)	Managing Director	1,200,000	30,000
3	Md. Sohel 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/Year	Actual Production Yds	Utilization
1	Denims Fabrics	18,450,000	15,071,230	82%

The requirement of schedule XI part-II, Para 8

Particulars	Opening Balance	Total Purchase year ended June 30, 2018	Material Available (Taka)	Material Consumption (Taka)	% of Consumption
Raw Material (Yarn)	129,567,330	1,369,419,957	1,498,987,287	1,355,686,168	84.45%
Dyes & Chemical	41,855,660	154,163,449	196,019,109	141,525,848	8 82%
Packing Material	8,778,700	101,751,360	110,530,060	101,710,060	6 34%
Spare Parts	3,812,540	6,455,426	10,267,966	6,476,466	0 40%
Total	184,014,230	1,631,790,192	1,815,804,422	1,605,398,542	100.00%

Value of Export on FOB Basis:**Particulars**

Export of Denims Fabrics (US Dollar)	US \$ 25366485	US \$ 23618657
Export of Denims Fabrics (BDT.)	2,126,218,806	1,900,357,135

49.00 Contingent Liabilities

There was no sum for which the company is contingently liable as on 30.06.2018

50.00 Claims Not Acknowledged

There was no claims against the company not acknowledged as debt as on 30.06.2018

51.00 Commission Brokerage Or Discount Against Sales

No commission, brokerage or discount was incurred or paid by the Company against sales during the year of July 1, 2017 to June 30, 2018.

52.00 Events after the Reporting Period

The Board of Directors meeting of Pacific Denims Ltd., held on 27 October 2018, recommended 14% Stock dividend for all shareholders of the paid-up capital for the year ended 30 June 2018. These dividends is subject to final approval by the shareholders at the forthcoming Annual General Meeting (AGM) of the company.

53.00 Significant Deviation

During the year Sales and Net profit after Tax increased in comparison with previous year ended on 30 June 2017. In the current year Earnings per share (EPS) declined due to increase in weighted number of Ordinary Shares from 73,342,466 to 127,125,000. NOCFPS is increased as per normal business operating activities.

54.00 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 2018 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.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Finaancial Officer

Sd/-
Company Secretary

PACIFIC DENIMS LIMITED
Schedule of Property, Plant & Equipment
As at June 30, 2018

Particulars	At Cost			Rate %	Balance as at 30-06-2018	Depreciation			W.D. Value Balance as at 30-06-2018	W.D. Value Balance as at 30-06-2017
	Balance as at 01.07.2017	Addition during the year	Adjustment			Balance as at 01.07.2017	Charge During the Year	Adjustment		
Land	148,310,413	-	-	0%	148,310,413	-	-	-	148,310,413	148,310,413
Land Development	36,708,547	-	-	0%	36,708,547	-	-	-	36,708,547	36,708,547
Building & other Construction	251,172,678	92,530,460	-	2.50%	343,703,138	7,304,917	-	51,100,511	292,602,627	207,377,084
Furniture & Fixture	32,177,409	-	-	10%	32,177,409	1,700,133	-	16,876,213	15,301,196	17,001,329
Electric Installation	64,772,051	-	-	10%	64,772,051	2,276,106	-	44,287,095	20,484,956	22,761,062
Deep-Tube-well	452,632	-	-	10%	452,632	14,993	-	317,693	134,939	149,932
Office Equipment	8,325,306	-	-	10%	8,325,306	526,232	-	3,589,215	4,736,091	5,262,324
Plant & Machinery Imported	771,511,225	-	-	10%	771,511,225	33,555,815	-	469,508,889	302,002,336	335,558,151
Plant & Machinery Local	76,349,343	-	-	10%	76,349,343	3,117,303	-	48,293,616	28,055,727	31,173,030
Fire Fighting Equipment	2,475,360	-	-	10%	2,475,360	182,712	-	830,956	1,644,404	1,827,116
Vehicles & Transport	2,466,002	-	-	10%	2,466,002	90,761	-	1,649,152	816,850	907,611
Total	1,394,720,966	92,530,460	-		1,487,251,426	48,768,972	-	636,453,340	850,798,086	807,036,599

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

Annexure " B"

Pacific Denims Ltd
Details Item wise Inventories list
For the year ended June 30, 2018

Sl. No	Items	As at 30 June, 2018			As at 30 June, 2017		
		Rate TK	Quantity KG	Amount in Taka	Rate TK	Quantity KG	Amount in Taka
1	Yarn						
	Cotton open end	230	190,925	43,912,850	198	188,275	37,301,043
	Cotton OE Slu	218	147,495	32,153,910	200	149,595	29,919,000
	Cotton Ring Slub	310	70,026	21,708,060	240	69,939	16,785,360
	Cotton Elastane	348	54,882	19,098,936	348	55,182	19,203,336
	Polyester Filament	145	78,532	11,387,140	145	78,446	11,374,657
	Poly Elastane	187	80,429	15,040,223	187	80,128	14,983,934
	Total		622,289	143,301,119		621,565	129,567,330
2	Dyes & Chemicals						
	Indigo Dye	630	57,585	36,278,550	444	58,087	25,767,595
	Sulphar Black Dye	150	21,779	3,266,826	150	21,573	3,246,578
	Caustic soda	67	47,444	3,178,748	49	46,982	2,317,151
	Hydrose	138	41,314	5,701,332	121	41,639	5,043,257
	Native Starch	54	22,120	1,194,480	54	22,004	1,193,957
	Modified Starch	100	12,190	1,219,000	75	11,730	879,759
	Sodium Sulphide	65	25,781	1,675,765	65	25,501	1,657,550
	Cationic Softener	360	5,496	1,978,560	360	4,861	1,749,816
	Total		233,709	54,493,261		232,377	41,855,660
3	Packing Materials			8,820,000			8,778,700
4	Spares & Parts			3,791,500			3,812,540
5	Work-in-process						
	Warping			10,295,389			10,195,292
	Dyeing-Sizing			29,052,030			28,726,688
	Weaving			42,829,900			43,155,503
	Finishing			13,162,618			7,938,397
	Total			95,339,937			90,015,880
6	Finished Goods						
	100% Cotton	248	295,237	73,218,776	248	150,791	37,396,069
	Cotton- Polyester	250	387,473	96,868,250	242	20,058	4,854,109
	Cotton- Elastane	315	89,132	28,076,580	315	184,776	58,204,591
	Cotton- Poly-elastane	310	81,839	25,370,090	278	409,109	113,732,191
	Total		853,681	223,533,696		764,734	214,186,960
	Grand Total			529,279,513			488,217,070
	Yarn			143,301,119			129,567,330
	Dyes & Chemicals			54,493,261			41,855,660
	Packing Materials			8,820,000			8,778,700
	Spares & Parts			3,791,500			3,812,540
	Work-in- process			95,339,937			90,015,880
	Finished Goods			223,533,696			214,186,960
	Total			529,279,513			488,217,070

Annexure "C"

PACIFIC DENIMS LIMITED
Trade Receivables
For the year ended June 30, 2018

SI No.	Buyer's Name	Bill No.	Doc Value	Amount In BDT
1	Western Dresses Ltd.	07-LDBC-17-0835	\$ 174,404.75	13,952,380
2	Progressive Apparels Ind. Ltd.	07-LDBC-17-0809	\$ 62,427.75	4,994,220
3	Basundhara Garments Ltd.	07-LDBC-17-0707	\$ 138,115.00	11,049,200
4	Chancellor Garments Ltd.	07-LDBC-17-0902	\$ 54,400.00	4,352,000
5	Cassiopea Fashion Ltd.	07-LDBC-17-1151	\$ 80,520.00	6,441,600
6	Meridien Apparels Ltd.	07-LDBC-17-0770	\$ 126,400.00	10,112,000
7	Mayc's Garments Ltd.	07-LDBC-17-1288	\$ 49,368.00	3,949,440
8	Arrival Fashion Ltd.	07-LDBC-18-0310	\$ 42,853.72	3,428,298
9	Progreessive Apparels Ind. Ltd.	07-LDBC-17-0836	\$ 120,651.55	9,652,124
10	Progreessive Apparels Ind. Ltd.	07-LDBC-17-0834	\$ 127,285.30	10,182,824
11	Powertex Fashions Ltd.	07-LDBC-18-0397	\$ 47,529.60	3,802,368
12	Progreessive Apparels Ind. Ltd.	07-LDBC-18-0395	\$ 65,158.10	5,212,648
13	Arrival Fashion Ltd.	07-LDBC-17-0846	\$ 135,640.00	10,851,200
14	Nofs Garments Ltd.	07-LDBC-17-0906	\$ 30,766.50	2,461,320
15	SterIng Styles Ltd.	07-LDBC-17-0905	\$ 117,170.00	9,373,600
16	Basundhara Garments Ltd.	07-LDBC-17-0907	\$ 110,270.50	8,821,640
17	A.J Super Garments Ltd.	07-LDBC-17-0967	\$ 106,372.00	8,509,760
18	Arrival Fashion Ltd.	07-LDBC-17-1367	\$ 71,305.20	5,704,416
19	Centex Textile & Apparels Ltd.	07-LDBC-17-1171	\$ 123,921.00	9,913,680
20	Quality Apparels	07-LDBC-17-1286	\$ 118,002.50	9,440,200
21	Arrival Fashion Ltd.	07-LDBC-18-0315	\$ 41,650.00	3,332,000
22	Chantik Garments Ltd.	07-LDBC-17-0908	\$ 29,610.00	2,368,800
23	Nofs Garments Ltd.	07-LDBC-17-1054	\$ 110,084.50	8,806,760
24	Arrival Fashion Ltd.	07-LDBC-17-0932	\$ 119,770.25	9,581,620
25	Civic Apparels Ltd.	07-LDBC-17-1368	\$ 112,750.00	9,020,000
26	Mayc's Garments Ltd.	07-LDBC-18-0002	\$ 117,290.00	9,383,200
27	Progreessive Apparels Ind. Ltd.	07LDBC180411	\$ 34,296.00	2,743,680
28	Torque Fashions Ltd.	07-LDBC-18-0557	\$ 118,200.00	9,456,000
29	Bovs Apparels Ltd.	07-LDBC-18-0499	\$ 121,762.00	9,740,960
30	Galpex Ltd.	07-LDBC-18-0777	\$ 68,565.00	5,485,200
31	Jamuna Fashion Wears Ltd.	07-LDBC-18-0778	\$ 222,908.00	17,832,640
32	Rafi Texmode Ltd.	LDBC3085173930	\$ 115,750.00	9,260,000
33	The Need Apparels (Pvt) Ltd.	LDBC3085173931	\$ 113,995.00	9,119,600
34	TM Fashions Ltd.	LDBC3085175947	\$ 114,950.00	9,196,000
35	Arrival Fashion Ltd.	07-LDBC-17-1018	\$ 222,212.96	17,777,037
36	Sadat Apparels Ltd.	LDBC3085181944	\$ 28,332.92	2,266,634
37	Nofs Garments Ltd.	LDBC3085183011	\$ 30,922.50	2,473,800
38	Natural Denims Ltd.	1741170400429	\$ 119,190.00	9,535,200
39	Galpex Ltd.	07-LDBC-18-0309	\$ 130,305.00	10,424,400
40	Arrival Fashion Ltd.	07LDBC180410	\$ 56,510.28	4,520,822
41	Cassiopea Fashion Ltd.	1351-17-04-1035	\$ 108,978.70	8,718,296
42	Shin Shin Apparels Ltd.	101917040120	\$ 127,900.00	10,232,000

43	Cassiopea Fashion Ltd.	1351-17-04-0356	\$ 121,280.00	9,702,400
44	Mayc's Garments Ltd.	1210160400266	\$ 231,140.00	18,491,200
45	Chantik Garments Ltd.	1761160400301	\$ 113,490.00	9,079,200
46	Civic Apparels Ltd.	0000194516044067	\$ 119,250.00	9,540,000
47	Spotfame Apparels Ltd.	1741170401678	\$ 113,200.00	9,056,000
48	A.M, Fashion	0968170400100	\$ 110,640.00	8,851,200
49	Tivoli Apparels Ltd.	209017040542	\$ 113,007.40	9,040,592
50	Quality Apparels	096616040005	\$ 87,265.00	6,981,200
51	Rafi Texmode Ltd.	0004170400071	\$ 105,750.00	8,460,000
52	The Need Apparels (Pvt) Ltd.	1341/17/04/0470	\$ 113,995.00	9,119,600
53	TM Fashions Ltd.	1082170402676	\$ 114,950.00	9,196,000
54	Sadat Apparels Ltd.	1079160401403	\$ 118,045.50	9,443,640
55	Tivoli Apparels Ltd.	209016041121	\$ 133,496.50	10,679,720
56	Mayc's Garments Ltd.	1210160400445	\$ 126,270.00	10,101,600
57	A.M, Fashion	0968160400476	\$ 109,408.00	8,752,640
58	Natural Denims Ltd.	1741160400799	\$ 110,830.00	8,866,400
59	Chantik Garments Ltd.	1761160400778	\$ 108,840.00	8,707,200
60	Cassiopea Fashion Ltd	1351-17-04-0086	\$ 111,210.00	8,896,800
61	Meridien Apparels Ltd	086216046718	\$ 130,373.00	10,429,840
62	Sterling Styles Ltd.	141616042015	\$ 146,504.80	11,720,384
63	Yagi Bagladesh Garments Ltd.	0000194517040257	\$ 43,769.00	3,501,520
64	Arrival Fashion Ltd.	1760170400017	\$ 152,460.00	12,196,800
65	Tivoli Apparels Ltd.	209016042555	\$ 33,098.00	2,647,840
66	Basundhara Garments Ltd.	ILC0807160324044	\$ 226,465.00	18,117,200
67	Cassiopea Fashion Ltd.	1351-17-04-0085	\$ 231,520.00	18,521,600
68	Nofs Garments Ltd.	2285170400039	\$ 129,506.50	10,360,520
69	Progressive Apparels Ltd.	1273170400020	\$ 78,345.00	6,267,600
70	Basundhara Garments Ltd.	ILC0807170303046	\$ 48,269.00	3,861,520
71	A.M Fashion	0968170400024	\$ 121,045.00	9,683,600
72	Cassiopea Apparels Ltd.	ILC0796170400346	\$ 130,140.00	10,411,200
73	Anika Apparels (Pvt) Ltd.	174217030002	\$ 210,380.00	16,830,400
74	Radisson Apparels Ltd.	0686160419490	\$ 113,912.50	9,113,000
75	Naab Fashions Ltd.	ILC0818160414253	\$ 115,580.00	9,246,400
Total				659,354,382

PACIFIC DENIMS LIMITED
Advance To Supplier & Contractor and Advance against Goods, Spare, Services & Others
For the year ended June 30, 2018

Sl No.	Buyer's Name	Bill No.	Doc Value	30% Margin of L/C	Amount In Taka
1	Zhejiang Hengyi Petrochemicals	3053-16-01-0302	\$ 156,440.80	\$ 46,932.24	3,754,579
2	BASF South East Asia Pte Ltd	3053-16-01-0315	\$ 124,576.00	\$ 37,372.80	2,989,824
3	Seven Colour Int'l Ltd,	3053-16-01-0316	\$ 255,000.00	\$ 76,500.00	6,120,000
4	Siam Quality Starch Co., Ltd,	3053-16-01-0317	\$ 111,375.00	\$ 33,412.50	2,673,000
5	Mastone Group Ltd,	3053-16-01-0318	\$ 238,000.00	\$ 71,400.00	5,712,000
6	Antory Industry (HK) Ltd,	3053-16-01-0321	\$ 116,150.00	\$ 34,845.00	2,787,600
7	Mastone Group Ltd,	3053-16-01-0324	\$ 112,960.00	\$ 33,888.00	2,711,040
8	BTO Singapore Pte Ltd.	3053-16-01-0422	\$ 152,749.00	\$ 45,824.70	3,665,976
9	BASF South East Asia Pte Ltd	3053-16-01-0420	\$ 124,000.00	\$ 37,200.00	2,976,000
10	Friends Group Co., Ltd,	3053-16-01-0421	\$ 218,360.00	\$ 65,508.00	5,240,640
11	Zhejiang Hengyi Petrochemicals	3053-16-02-0093	\$ 254,270.00	\$ 76,281.00	6,102,480
12	Partex Rotor Spinning Mills Ltd.	3053-16-99-0020	\$ 219,740.00	\$ 65,922.00	5,273,760
13	Indigo Spinning Ltd.	3053-16-99-0019	\$ 119,300.00	\$ 35,790.00	2,863,200
14	NRG Hometex Ltd,	3053-16-99-0022	\$ 127,855.60	\$ 38,356.68	3,068,534
15	Badsha Textiles Ltd.	3053-16-99-0021	\$ 163,450.00	\$ 49,035.00	3,922,800
16	Antory Industry (HK) Ltd,	3053-16-01-0469	\$ 222,446.00	\$ 66,733.80	5,338,704
17	Seven Colour Int'l Ltd,	3053-16-01-0471	\$ 155,000.00	\$ 46,500.00	3,720,000
18	Siam Quality Starch Co., Ltd,	3053-16-01-0470	\$ 111,375.00	\$ 33,412.50	2,673,000
19	Indigo Spinning	0093160402239	\$ 228,500.00	\$ 68,550.00	5,484,000
20	Badsha Textiles Ltd.	0093160402275	\$ 191,550.00	\$ 57,465.00	4,597,200
21	Indigo Spinning Ltd.	0093160402276	\$ 148,000.00	\$ 44,400.00	3,552,000
22	Argon Spinning Ltd.	0093160402537	\$ 142,000.00	\$ 42,600.00	3,408,000
23	Badsha Textiles Ltd.	0093160402538	\$ 256,800.00	\$ 77,040.00	6,163,200
24	Uniqe Enterprise	0093160402753	\$ 110,000.00	\$ 33,000.00	2,640,000
25	Badsha Textiles Ltd.	0093160402829	\$ 144,902.00	\$ 43,470.60	3,477,648
26	Indigo Spinning Ltd.	0093160402847	\$ 257,000.00	\$ 77,100.00	6,168,000
27	NRG Hometex Ltd.	0093160402851	\$ 116,012.00	\$ 34,803.60	2,784,288
28	Quest Accessories BD Ltd.	009316120391	\$ 124,304.84	\$ 37,291.45	2,983,316
29	Indigo Spinning Ltd.	0093160402945	\$ 238,015.00	\$ 71,404.50	5,712,360
30	Nassa Spinning Ltd.	009316120377	\$ 110,982.40	\$ 33,294.72	2,663,578
31	Partex Rotor Spinning Mills Ltd.	0093160403101	\$ 234,650.00	\$ 70,395.00	5,631,600
32	Badsha Textiles Ltd.	0093160403033	\$ 148,960.00	\$ 44,688.00	3,575,040
33	Nassa Spinning Ltd.	009316120404	\$ 219,760.00	\$ 65,928.00	5,274,240
34	AA Synthetic Fibers Ltd.	0093160403131	\$ 230,000.00	\$ 69,000.00	5,520,000
35	Indigo Spinning Ltd.	0093160403155	\$ 115,385.00	\$ 34,615.50	2,769,240
36	NRG Hometex Ltd.	0093160403261	\$ 228,557.00	\$ 68,567.10	5,485,368
37	Indigo Spinning Ltd.	0093160403262	\$ 139,950.00	\$ 41,985.00	3,358,800
38	AA Synthetic Fibers Ltd.	0093160403263	\$ 230,000.00	\$ 69,000.00	5,520,000
39	Quest Accessories (BD) Ltd.	009316120428	\$ 112,026.00	\$ 33,607.80	2,688,624
40	AA Synthetic Fibers Ltd.	0093160403411	\$ 237,800.00	\$ 71,340.00	5,707,200
41	Indigo Spinning Ltd.	0093160403412	\$ 119,000.00	\$ 35,700.00	2,856,000
42	Badsha Textiles Ltd.	0093160403431	\$ 215,369.00	\$ 64,610.70	5,168,856
43	Indigo Spinning Ltd.	0093160403433	\$ 132,100.00	\$ 39,630.00	3,170,400
44	Badsha Textiles Ltd.	0093160403581	\$ 163,432.00	\$ 49,029.60	3,922,368
45	Indigo Spinning Ltd.	0093160403582	\$ 136,300.00	\$ 40,890.00	3,271,200

46	NRG Hometex Ltd.	0093160403583	\$ 128,557.00	\$ 38,567.10	3,085,368
47	Badsha Textiles Ltd.	0093160403584	\$ 120,016.00	\$ 36,004.80	2,880,384
48	Partex Rotor Mills Ltd.	0093160403718	\$ 228,200.00	\$ 68,460.00	5,476,800
49	Badsha Textils Ltd.	0093160403717	\$ 151,911.00	\$ 45,573.30	3,645,864
50	Indigo Spinning Ltd.	0093160403824	\$ 219,402.50	\$ 65,820.75	5,265,660
51	Indigo Spinning Ltd.	0093160403823	\$ 134,513.50	\$ 40,354.05	3,228,324
52	Badsha Textiles Ltd.	0093170400027	\$ 122,983.00	\$ 36,894.90	2,951,592
53	Indigo Spinning Ltd.	0093170400153	\$ 218,530.00	\$ 65,559.00	5,244,720
54	Badsha Textiles Ltd.	0093170400154	\$ 116,274.00	\$ 34,882.20	2,790,576
55	Unique Enterprise	0093170400245	\$ 110,000.00	\$ 33,000.00	2,640,000
56	Partex Rotor Mills Ltd.	0093170400244	\$ 113,800.00	\$ 34,140.00	2,731,200
57	NRG Hometex Ltd.	0093170400282	\$ 213,851.00	\$ 64,155.30	5,132,424
58	Indigo Spinning Ltd.	0093170400280	\$ 134,497.50	\$ 40,349.25	3,227,940
59	Badsha Textiles Ltd.	0093170400283	\$ 152,491.50	\$ 45,747.45	3,659,796
60	NRG Hometex Limited	0093170400374	\$ 220,530.93	\$ 66,159.28	5,292,742
61	Badsha Textiles Ltd.	0093170400411	\$ 130,597.00	\$ 39,179.10	3,134,328
62	Indigo Spinning Ltd.	0093170400500	\$ 144,199.00	\$ 43,259.70	3,460,776
63	Thermax Spinning Ltd.	0093170400522	\$ 113,140.00	\$ 33,942.00	2,715,360
64	Badsha Textiles Ltd.	0093170400541	\$ 157,528.00	\$ 47,258.40	3,780,672
65	Indigo Spinning Ltd.	0093170400542	\$ 158,847.60	\$ 47,654.28	3,812,342
66	Badsha Textiles Ltd.	0093170400592	\$ 133,211.50	\$ 39,963.45	3,197,076
67	Indigo Spinning Ltd.	0093170400589	\$ 134,600.00	\$ 40,380.00	3,230,400
68	Badsha Textiles Ltd.	0093170400744	\$ 217,130.00	\$ 65,139.00	5,211,120
69	Indigo Spinning Ltd.	0093170400743	\$ 143,750.00	\$ 43,125.00	3,450,000
70	Badsha Textiles Ltd.	0093170401054	\$ 119,346.00	\$ 35,803.80	2,864,304
	Sub Total				277,255,432



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 15th Annual General Meeting of the Company to be held on Thursday, the 06th
December, 2018 at 10.00 AM at Bangladesh Shooting Sports Federation, Gulshan-1, Dhaka-1212 and any adjournment thereof.
As witness my/our hand this.....day of2018.

(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 in accordance 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 15th Annual General Meeting of Pacific Denims Limited held today Thursday, the 06th December, 2018 at 10.00 AM Bangladesh Shooting Sports Federation, Gulshan-1, Dhaka-1212 and any adjournment thereof.

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.



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