



*Annual* REPORT

2022-2023



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## TRANSMITTAL LETTER

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

**Subject: Annual Report for the year ended 30<sup>th</sup> June, 2023.**

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, 2023, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30<sup>th</sup> June, 2023 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 20<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given to all shareholders of Pacific Denims Limited that the 20th ANNUAL GENERAL MEETING of Pacific Denims Limited will be held on Sunday, December 31, 2023 at 11:00 am at virtually by using Digital Platform as per BSEC order SEC/SRMRC/04/231/25 July 08, 2020 through the link <https://www.digitalagmbd.net/pdlagm2023> to transact the following business:

### AGENDA

01. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June 2023, 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/re-appoint Independent Director.
05. To appoint Statutory Auditors of the Company and fix their remuneration.
06. To appoint professionals for reporting on Corporate Governance Code
07. To transact any other business with the permission of the Chair.

Date: December 10, 2023

By the Order of Board  
Sd/-  
Md. Sorhab Ali  
Company Secretary

### Notes:

1. November 21, 2023 is scheduled as Record Date for the 20th AGM of the company. Shareholders whose name will appear on the Register of Members/CDS record on the Record Date will be eligible to attend the meeting and entitled for dividend.
2. A member entitled to attend and vote at the 20th Annual General Meeting can appoint a proxy to attend the meeting and vote on his/her behalf. The proxy form duly stamped with revenue stamp of Taka 10.00 must be send at the share department of the company at (Bashati Aristocrats D-3 (3rd floor), Plot-6, Block # SW(H), Gulshan Avenue, Gulshan-1, Dhaka-1212) or through e-mail: [sorhab@pacificgroupbd.com](mailto:sorhab@pacificgroupbd.com) not later than 48 hours before the appointed time of the meeting.
3. Written queries, if any, expected to be replied at the 20th Annual General Meeting on the Directors' and Auditors' Reports and Audited Accounts for the year ended June 30, 2023 should reach at the share department of the company at least 3 days before the meeting for the sake of convenience of appropriate explanation.
4. The shareholders will join the Virtual AGM of PDL through the link prior to 24 hours of the meeting. The shareholders will be able to registration, comments and vote before commencement of the AGM and during the AGM.
5. As per notification of BSEC, the soft copy of Annual Report will be sent to the shareholders' e-mail address available in their BO Accounts maintained by the Depository Participant (DP). The soft copy of Annual Report FY 2022-23 and Proxy Form will also be available in the company's website at [www.pgbd.org](http://www.pgbd.org). The shareholders may also collect the printed copy of Annual Report FY 2022-23 from the share department of the company.
6. Depository Participants/Stock Brokers are requested to send the list of margin account holders based on record date i.e. 21/11/2023. If any, within the December 17, 2023 to the company through hard copy or e-mail: [sorhab@pacificgroupbd.com](mailto:sorhab@pacificgroupbd.com), otherwise, the dividend will be paid to the shareholders whose names appeared in the Member/Depository Register on the "Record Date".





## CORPORATE DIRECTORY

### Board of Directors

Md. Shadequl Alam (Yeastin)	Chairman
Md. Shafiul Azam (Mohsin)	Managing Director
Md. Sohel Khan	Director
Md. Shafiul Azam (Mohsin)	Nominee Director (Disney Properties Ltd.)
Md. Belayet Hossain, Advocate	Independent Director

### Audit Committee

Md. Belayet Hossain, Advocate	Chairman
Md. Shafiul Azam (Mohsin)	Member
Md. Sohel Khan	Member
Md. Sorhab Ali	Secretary

### Nomination and Remuneration Committee (NRC)

Md. Belayet Hossain, Advocate	Chairman
Md. Shafiul Azam (Mohsin)	Member
Md. Sohel Khan	Member
Md. Sorhab Ali	Secretary

### Company Secretary

Md. Sorhab Ali

### Chief Financial Officer

Faruk Hossein


### Head of Internal Audit

Mr. Sumon Sarker

### Management Team

Md. Shafiul Azam (Mohsin)	Managing Director
Md. Sorhab Ali	Company Secretary
Faruk Hossein	Chief Financial Officer
Md. Main Uddin Rubel	GM (Dev. & COM)
Hassan Askari Kafi	DGM (Operation)

## CORPORATE DIRECTORY

Company Name	: Pacific Denims Limited (PDL)
Company Logo	: 
Status of the Company	: Public Limited Company
Date 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.1,835,501,432 divided into 183,550,143 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	: <a href="http://www.pgbd.org">www.pgbd.org</a>
E-mail	: <a href="mailto:sorhab@pacificgroupbd.com">sorhab@pacificgroupbd.com</a>
Board of Directors	: 5 Directors.
Statutory Auditor	: Kazi Zahir Khan & Co. Chartered Accountants Home Town Apartment, (Flat-C, Level-15, Flat-B, Level-13), 87, New Eskaton Road, Dhaka-1000. Tel: 09613820099, Email: <a href="mailto:team@kzkc.org">team@kzkc.org</a> , <a href="mailto:enam.kzkc@gmail.com">enam.kzkc@gmail.com</a>
Corporate Governances Code Compliances Auditor	: Mujibur Rahman & Co., Cost & Management Accountants
Associates Member	: Bangladesh Textile Mills Association (BTMA)
Associates Member	: Bangladesh Association of Publicly Listed Company (BAPLC)
Banker of the Company	: Agrani Bank Limited, Prime Bank Limited and BRAC Bank Ltd.
Compliance Officer	: Md. Sorhab Ali, Company Secretary

#### **OUR VISION**

- Seek to attain a position of leadership in each category of its business.
- 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.
- Provide products and services of high and consistent quality, ensuring value for money to its customers.
- Encourage and assist in the qualitative improvement of the services of its suppliers and distributors.
- Establish harmonious relationship with the community and promote greater environmental responsibility within its sphere of influence.

#### **OUR MISSION**

- To enrich and ensure the quality of life of people through responsible application of knowledge, skills and technology.
- 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 Fabrics.
- 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**

- To meet the increase in demand.
- To increase the production facilities.
- To explore new markets.
- To create new designs.







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



Hohenstein Textile Testing Institute  
GmbH & Co. KG  
74357 Bönningheim  
Germany

# Certificate

## OEKO-TEX® STANDARD 100

Pacific Denims Limited

is granted the OEKO-TEX® STANDARD 100 certification  
and the right to use the trademark.

### SCOPE

Sewing, embroidery and filament thread made of 100 % polyester and 100 % polyamide, white, disperse and acid dyed (including neon green); partly produced by using material certified according to OEKO-TEX® STANDARD 100.

### PRODUCT CLASS

Denims Fabrics



This certificate 07.KA.53099 is valid until  
31.10.2024.

### SUPPORTING DOCUMENTS

- ✓ Test report : 23.1054587
- ✓ Declaration of conformity in accordance with EN ISO 17050-1 as required by OEKO-TEX®
- ✓ OEKO-TEX® Terms of Use (ToU)

Dipl.-Ing. (FH) Ivonne Schramm  
Head of Certification Body OEKO-TEX®

Further compliance information (REACH, SVHC, POP, GB18401 etc.) can be found on [oeko-tex.com/en/faq](http://oeko-tex.com/en/faq).

The certificate is based on the test methods and requirements of the OEKO-TEX® STANDARD 100 that were in force at the time of evaluation.

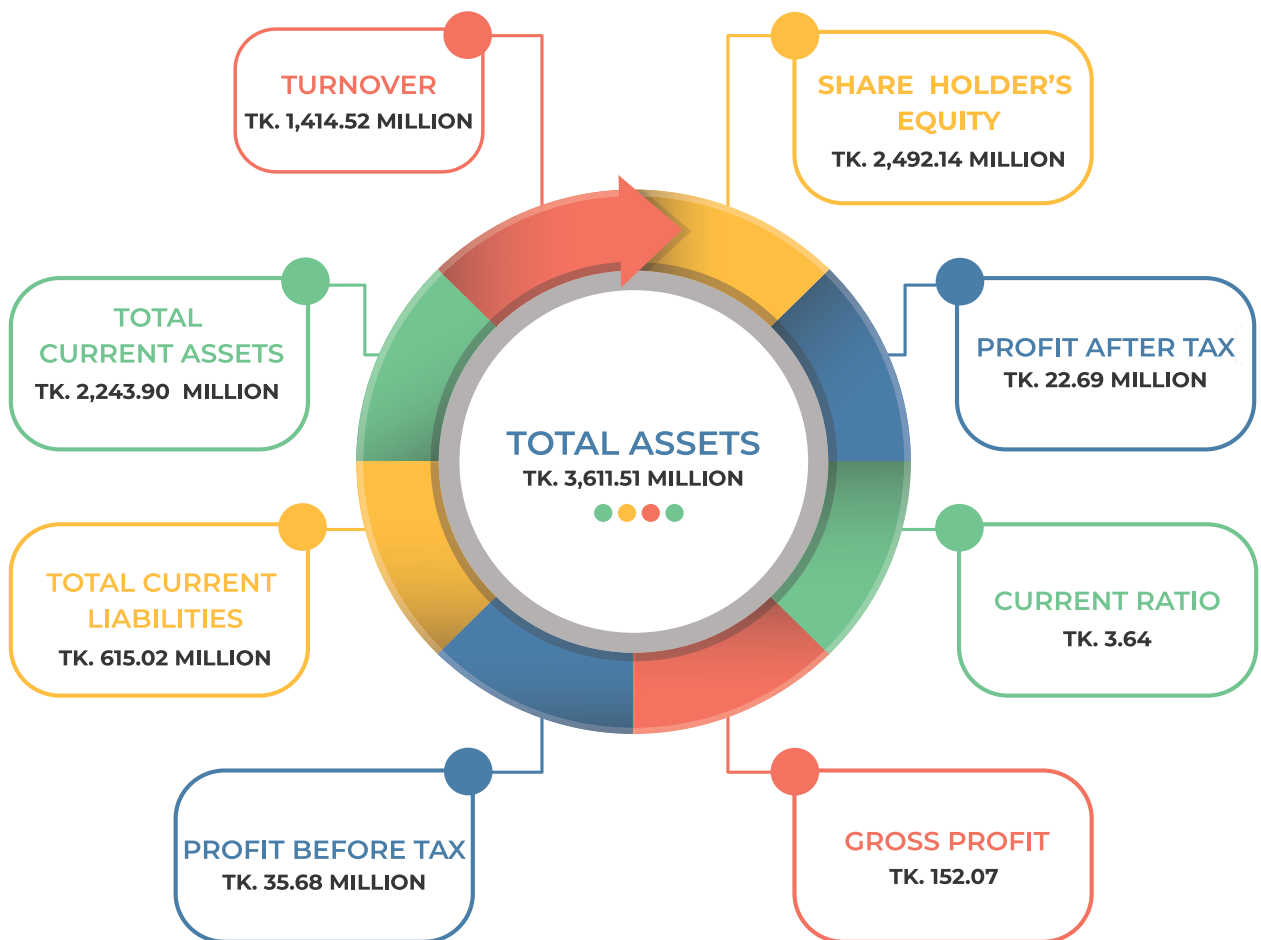
Boennigheim, 2023-11-08

OEKO-TEX Service GmbH Genferstrasse 23, CH-8002 Zurich





## FINANCIAL HIGHLIGHTS



## COMPANY PROFILE

Pacific Denims Limited (PDL) was incorporated as a private Limited Company on 20th March 2003 having a vide Registration No. C-48649(633)/2003 and subsequently converted in to a Public Limited Company on 12th January 2011 with Register Joint Stock Companies and Firms (RJSC) in Bangladesh under the Companies Act, 1994. 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/yd<sup>2</sup> to 15oz/yd<sup>2</sup> 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, Woolworth, 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 others.

### **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 recovery of present globally downward economic situation.

### **Social Causes Programs**

For ensuring maximum security to the lives of common people; since inception, Pacific Denims has been trying 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





## BRIEF PROFILE OF BOARD OF DIRECTORS



**MD. SHADEQUL ALAM (YEASIN)**  
**CHAIRMAN**

Mr. Md. Shadequl Alam (Yasin) is the Chairman of Pacific Denims Limited. He has introduced innovative production management, incentive system and marketing approach to the company. He has 17 years of valuable business experience in the existing space of garments sector. He obtained Textile Engineering graduation from Adword University, Dhaka campus. Mr. Shadequl Alam (Yasin) also serves as the Chairman of Pacific Co. (BD) Limited, Disney Properties Limited and Pacific Beverage & Food Limited.



**MD. SHAFIUL AZAM (MOHSIN)**  
**MANAGING DIRECTOR**

Mr. Md. Shafiul Azam (Mohsin) is the Managing Director of Pacific Denims Ltd. He was born in 1977 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**

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 21 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. BELAYET HOSSAIN, ADVOCATE  
INDEPENDENT DIRECTOR**

Mr. Md. Belayet Hossain, Advocate, Supreme Court, serve as the Independent Director of Pacific Denims Ltd. Mr. Hossain has completed his LL.B.(Hon's) & LL.M. from the University of Rajshahi. He is well experienced in Civil, Criminal, Writ, Customs and Company matters. He was enrolled as an advocate under the 'Bangladesh Bar Council' in 1998. He is a member of 'Dhaka Bar Association' and 'Bangladesh Supreme Court Bar Association' since 1998 and 2003 respectively. Mr. Hossain is a regular practitioner of both the Divisions (High Court Division and Appellate Division) of the Hon'ble Supreme Court of Bangladesh. He is the head of the Law Chamber namely "Belayet & Associates" having its address-Room No. 4 (4th floor), Eastern Trade Center, 56, Purana Paltan Lane, VIP Road, Dhaka-1000. He is also maintaining another Chamber at the Court premises having its address-Room No. 5018 (4th floor), Old Annex Bhaban, Supreme Court Bar Association Building, Shahbagh, Dhaka-1000.



**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. He has more than 20 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.



**FARUK HOSSEIN  
CHIEF FINANCIAL OFFICER**

Mr. Faruk Hossein has completed his Bachelor of Commerce (B. Com) from Dhaka City College and he also completed his Article Ship (CA.CC) under CA Firm M/S Ahsan Manzur & Co. from the Institute of Chartered Accountants Bangladesh (ICAB). He has more than 26 years practical experience in the country's largest manufacturing industries in the area of Accounts & Finance Department. He joined Pacific Group in May 21, 1999. Before joining Pacific Group he worked at Far-East Property Development Ltd., RSRM Steel Re-Rolling Mills Ltd., and Trends Setters Trims Industries Ltd.



## KEY SENIOR PERSONNEL



**MD. MAIN UDDIN RUBEL**  
**GM (DEVELOPMENT & COMMERCIAL)**

Mr. Md. Main Uddin Rubel has completed his MBA from Dhaka International University from the Department of Finance & Banking and B. Com (Honors) & M. Com from University of Jagannath from the Department of Management. He has more than 23 years practical experience in the country's largest Bank & manufacturing industries in the area of Export Import & Credit Department as well as Development and Commercial Department. He obtained a wide range experience in Export, Import and project development. He obtained training on banking credit department (BIBM). He joined Pacific Denims Limited in April 2014. Before joining Pacific Denims Limited, he worked in many companies such as Islami Bank Bangladesh Ltd., Al Arafa Islami Bank Ltd., EXIM Bank Ltd., Fahami Group of Industries, Ansha Group of Industries, NASSA Group, Noman Group, AKH Group.



**HASAN ASKARI KAFI**  
**DEPUTY GENERAL MANAGER (OPERATION)**

Mr. Hasan Askari Kafi joined Pacific Denims Limited in May 2014. He obtained his B. A from National University. He obtained special course on Textile Management, ISO and Labor Law. He has more than 23 years practical experience in the country's largest manufacturing industries in the area of production. Before joining Pacific Denims Limited, he worked with many companies in senior management position like MAB Denims Limited, Bengal Denims Ltd., Deep Textile Limited, Jamuna Denims Limited a sister concern of Jamuna Group.

## EVENT HIGHLIGHTS



## MESSAGE FROM THE CHAIRMAN

Bismillahir Rahmanir Rahim

Dear valued shareholders,

Assalamualaikum

It is a great pleasure for me to be here with you at the 20th Annual General Meeting of Pacific Denims Limited (PDL). After IPO, this is the Seventh 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, 2023. I would like to take the opportunity to thank the valued Shareholders for joining us to make the event successful.

### **BUSINESS SITUATION**

2022 was supposed to be the year we try to recover from the damage caused by the Covid-19 pandemic, unfortunately in the middle of our struggle to achieve this, we were forced to face new challenges such as geopolitical tensions, a downward global economy, fears of another recession, etc. Now in this new year 2023, PDL once again has to combat both local and global challenges to maintain the growth momentum we have achieved and excel even further. In the backdrop of various adverse business conditions as well as Ukraine-Russia war, increased utility (gas, fuel) cost, higher cost of raw materials, insufficient supply of gas, the company could not maintain an impressive growth in production, export and profitability. Our annual production capacity was (Weaving) 18.45 million yards whereas actual production is 8.76 million yards. This accounted for 47.47% capacity utilization. PDL has passed a surviving year during the year 2022-2023. We believe that our endeavours and teamwork have enabled the Company to maintain its profitability under competitive industry scenario and downward global economy as well as Ukraine-Russia war.

### **BUSINESS PERFORMANCE**

At Present, geopolitical tensions, a downward global economy, fears of another recession and the Russia-Ukraine war and consumers are feeling the pinch of higher inflation. "Consumers are buying denim items considering their durability. The company's revenue for the year ended June 30, 2023 is Tk. 1,414.52 million comparing to Tk. 1,580.52 million during financial year 2021-2022, i.e. decreased by roughly 10.50%. Net profit after tax stood Tk. 22.69 million comparing to Tk. 34.95 million in last year, i.e. decreased by around 35.08% as compared with the previous year. Earnings per Share (EPS) have decreased due to increase of raw material costing and others overhead increase as well as insufficient supply of gas as a result profit decrease from comparative year. EPS and NOCFPS was calculated by applying weighted number of ordinary shares of 183,550,143 for the year ended June 30, 2023 and 183,550,143 ordinary shares for the year ended June 30, 2022. Based on performance and business results the Board has recommended 1% Cash (Except Director and Sponsor Shareholders) for the year 2022-2023.

### **FUTURE PROSPECTS**

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.

## CONCLUSION

I would like to thank the employees and without their effort and commitment we would not be able to hold such a defensive position under this globally downward economic situation. Meanwhile, Bangladesh Securities and Exchange Commission (BSEC) has introduced new guidelines on Corporate Governance Code as mandatory. 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.

I would like to conclude by thanking the Management of the company and the Board of Directors for what has made me most proud during this globally downward economic as well as Ukraine-Russia war. Across Bangladesh, many major companies have failed to pay their employees. As a result, many have been released from their jobs and many others are still employed without being paid. It is a massive tribute to not only the operational efficiency of the company but also to the integrity and loyalty of the management that Pacific Denims Limited has not laid off a single employee due to the current economic situation and impact of Ukraine-Russia war as well as currency crisis.

I am confident that in the future, the company will be rewarded for its unwavering integrity and commitment to its staff.

Sincerely Yours

Sd/-

**Md. Shadequul Alam (Yeasin)**

Chairman



## MESSAGE FROM THE MANAGING DIRECTOR



Bismillahir Rahmanir Rahim

Dear valued shareholder,

It is a great pleasure and privilege for me to attend this 20th Annual General Meeting of Pacific Denims Limited along with our distinguished shareholders. The main objective of our company is to maximize shareholders' wealth by making profit. From the very beginning, our management has been committed to maintaining sustainable growth and stable profit of the company. The management of the Company is committed to delivering a sustainable shareholders' return vis-à-vis contribution to the national exchequer.

The Bangladesh Textile Manufacturing Market size is expected to grow from USD 17.99 billion in 2023 to USD 23.86 billion by 2028, at a CAGR of 5.81% during the forecast period (2023-2028).

COVID-19 had a severe impact on the textile manufacturing industry. In the first half of 2020, the industry faced a shortage of labor supply and logistics difficulty due to the country's lockdown. COVID-19 also impacted the sales of textiles due to the closure of supermarkets and other physical retail stores as per the government's strict restrictions. However, the COVID-19 crisis accelerated e-commerce sales in the market studied. Still, in FY 2020-21, Bangladesh's ready-made garment (RMG) exports grew by 12.55% to USD 31.46 billion (out of USD 38.76 billion in total exports) as demand in major markets in Europe and North America began to recover from the COVID-19 pandemic.

The textile sector contributes more than 13% of Bangladesh's GDP. Over 84% of the export earnings come from textiles and textile-related products. The country invested around USD 15 billion in the primary textile sector. The Primary Textile Sector (PTS) meets approximately 85-90% of the yarn demand for knit RMG and 35-40% for woven RMG.

The demand for local fabric and yarn for handlooms is also met by the Primary Textile Sector (PTS). The Bangladesh Textile Mills Association (BTMA) is the national trade organization representing yarn and fabric manufacturers and textile product processors in the country in the private sector. The BTMA has 510 yarn manufacturing mills, 901 fabric manufacturing mills and 317 dyeing, printing and finishing mills as members, totaling 1,728 member mills.

According to statistics from the Export Promotion Bureau of the Government of Bangladesh, RMG exports were up by 13.4% from July to September 2022, at USD 10.27 billion from USD 9.06 billion a year earlier. The figure beat Bangladesh's export target of USD 10.02 billion for the quarter. Knitwear exports were up by 9.4% to reach USD 5.65 billion from USD 5.16 billion, beating a target of USD 5.5 billion. Exports of woven garments jumped by nearly 19% to reach USD 4.62 billion, up from USD 3.9 billion a year earlier. This trend greatly benefited the textile manufacturing sector in the country. However, Bangladesh RMG exporters are facing hurdles with declining shipments to and payments from Russia due to the ongoing Russia-Ukraine war.

Many garment suppliers are not receiving export receipts as several Russian banks have been banned from using SWIFT, the global payments messaging network. Around 150 apparel exporters from Bangladesh have been keenly tapping the emerging Russian market. Bangladesh-Russia trade is valued at more than USD 1 billion and is growing. Many exporters stated that their goods are stuck at Chattogram port because shipping lines are not ready to take them on board. Others have reported that their documents have been sent back from Hungary due to the SWIFT ban. These factors are negatively affecting the market.

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 that the production capacity of the Company will be further increased when the world will get rid of the impact of Ukraine-Russia war as well as globally downward economic.

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 BSEC, DSE, CSE and Bankers and earnestly thank them for their continued trust and confidence on us.

I will conclude by expressing my personal gratitude and appreciation to our Board of Directors, the management and all employees of Pacific Denims Limited for their hard work, especially in COVID-19 as well as Ukraine-Russia war situation and dedication to achieve our objectives and ambitions. A special mention must go to our factory workers and our sales team. Last but not the least; I would like to thank our honourable shareholders for their continued support and co-operation.

Thanking You

Sd/-

**Md. Shafiul Azam (Mohsin)**

Managing Director

# BANGLADESH TEXTILE MILLS ASSOCIATION (BTMA)

## বাংলাদেশ টেক্সটাইল মিলস এসোসিয়েশন (বিটিএমএ)

Unique Trade Centre (Level 8), 8, Panthapath, Karwan Bazar, Dhaka-1215, Bangladesh, Phone : 9101508, 48116358, 58156619  
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### MEMBERSHIP CERTIFICATE

Membership No : 003-0027-0481

Date : 17-12-2023

Pacific Denims Ltd.

We are pleased to admit *MS*

of *Symphony (Level-3) 9, Gulshan Av. (S), Gulshan-1, Dhaka-1212*

as a General an Associate member of this registered Trade Association in the category of *C-Textile Product Processor*

The member-mill possesses 0 spindles & 0 Rotors for yarn productions, 120 number of Shuttleless Loom,

0 No of Shuttle loom & 0 Knitting machines for fabric production. The annual capacity of the mill in

(i) Cotton/Polyester/Texturised Yarn/Wool/strylic wool manufacturing is 0 kgs.

(ii) Woven/Knit / Towel / Garments/Fabric / Ticks/Sweater manufacturing is 16459200 metres

0 kgs. 16459200 metres

(iii) Dyeing/printing/finishing is 16459200 kgs. 0 metres

Rs. 16459200

January-December ,2023

This certificate shall remain valid up to

*16/12/23*  
Additional Director & CEO (In Charge)



# DIRECTOR'S REPORT

Bismillahir Rahmanir Rahim

## Dear Shareholders

Assalamualaikum

It is our immense pleasure to present Annual Report along with Audited Financial Statements and Auditors Report for the year ended June 30, 2023 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 the International Financial Reporting Standards (IFRSs)

## 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 Authorized capital of the company is TK 2,000.00 million and paid-up capital 1,835.50 million. 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 on 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 on both Stock Exchange.

## Overview of Business

The main activities of the Company are manufacturing, dyeing, weaving & finishing of 100% export-oriented denim fabrics. 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 in the overseas market. Pacific Denims Limited ultimately produces denim fabrics for world renowned brand names such 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

The company is 100% export oriented and the principal activities of the company are to produce a single product of 'Denim Fabrics' of various specifications, compositions, color and qualities. The sale proceeds stood at Tk. 1,414,525,199 during the last financial year.

The operating financial results of the Company for the year 2022-2023 as compared with previous year are summarized hereunder:

Particular	June -30-2023	June-30-2022
Turnover	1,414,525,199	1,580,523,111
Gross Profit	152,070,953	224,516,053
Net Profit (Before Tax)	35,684,716	50,390,340
Provision for Taxation	12,996,089	15,437,838
Net Profit (After Tax)	22,688,628	34,952,503
Gross Margin (Turnover)	10.75%	14.20%
Net Margin (Before Tax)	2.52%	3.19%
Net Margin (After Tax)	1.60%	2.21%
Earnings Per Share (EPS) (Tk.)	0.12	0.19



## **Overview of Industry**

The Bangladesh Textile Industry is a dynamic and rapidly growing sector with a rich history of textile production. With over 80% of its total exports attributed to the industry, it is no surprise that Bangladesh has become a significant player in the global textile market.

This is will take a comprehensive look at the Bangladesh Textile Industry and explore its strengths, challenges, and prospects. From the diverse range of products, it offers to the skilled labor force and supportive government policies, we will delve into the details of what makes the Bangladesh Textile Industry unique and successful.

Whether you are an industry professional, a curious observer, or just looking for information on the topic, this article will provide an in-depth overview of the Bangladesh Textile Industry. Let's learn more about Bangladesh's Textile Industry.

## **Bangladesh's Global Chain and Garment Industry**

Bangladesh's garment sector significantly contributes to its economy, accounting for over 80% of its total exports. The country has become a hub for global fashion brands' low-cost, labor-intensive garment production due to its cheap labor costs, duty-free access to major markets, and growing pool of skilled workers. In recent years, Bangladesh has faced challenges in maintaining its competitiveness in the global garment market. The rise of new low-cost production centers, such as Vietnam and Cambodia, has pressured Bangladesh to improve its working conditions, wages, and efficiency. Despite these challenges, Bangladesh's garment sector continues to grow and remains an essential part of the global supply chain. Many multinational corporations have established a presence in Bangladesh to take advantage of its low labor costs and proximity to major markets. These companies have invested in improving working conditions and environmental standards in their Bangladesh-based operations, helping to raise the country's garment industry profile. Bangladesh's garment sector is a critical component of the global fashion supply chain, providing low-cost labor to multinational corporations while facing challenges related to working conditions and competitiveness. Nevertheless, the industry continues to grow and evolve, with international corporations and organizations working to improve standards and ensure workers' well-being.

## **Bangladesh Textile Manufacturing Market Analysis**

The Bangladesh Textile Industry is a crucial component of the country's economy, generating over 80% of its total exports and employing millions of workers. The industry is well known for producing a wide range of textiles, including cotton and synthetic fabrics, readymade garments, and home textiles. An extensive overview of the Bangladesh Textile Manufacturing Market is provided below:

### **Market Size and Growth**

In recent years, the Bangladesh Textile Industry has experienced substantial growth, estimated at \$40 billion in 2022. The industry has grown at around 10% per year, driven by increasing demand for Bangladesh's textiles in domestic and international markets.

### **Skilled Labor Force**

Bangladesh has a large pool of skilled and unskilled workers who play a vital role in the country's textile industry. The government has significantly invested in vocational training and education, ensuring the industry has access to a well-trained workforce.

### **Government Support**

Bangladesh's government has supported the textile industry, implementing favorable trade policies and providing incentives for investment. The Bangladesh Investment Development Authority (BIDA) has been instrumental in attracting foreign investment to the sector.

### **Product Range**

Bangladesh is well known for producing a wide range of textiles, including cotton and synthetic fabrics, readymade garments, and home textiles. The country has a strong tradition of textile production, with a rich history that dates back several centuries.

### **Challenges**

Despite its growth and success, the Bangladesh Textile Industry faces several challenges, including power outages, inadequate infrastructure, and low productivity. The industry is also subject to intense competition from other textile-producing countries, and manufacturers must continuously innovate to remain competitive.

### **Future Prospects**

Despite the challenges, the future of the Bangladesh Textile Industry looks bright, with the government and industry leaders investing in modernizing the sector. The country's favorable location and well-developed transportation network make it an attractive destination for investment. Additionally, the increasing demand for sustainable and ethical clothing is expected to drive further growth in the industry.

The Bangladesh Textile Industry is a dynamic and rapidly growing sector that plays a vital role in the country's economy. With a well-trained workforce, supportive government policies, and a diverse range of products, the sector is in a strong position to experience more success and expansion in the years to come.

### **Bangladesh Textile Manufacturing Market Competitor Analysis**

Bangladesh's textile manufacturing market faces competition from other low-cost production centres, such as China, Vietnam, and Cambodia. The competitiveness of the Bangladesh market is affected by several factors, including labour costs, infrastructure, and production efficiency.

Bangladesh has an advantage over other nations in the region regarding labour expenses because of its low wages. However, there have been efforts in recent years to increase the minimum wage for workers, which could affect the country's competitiveness in the future. Additionally, Bangladesh's infrastructure is still developing, with some challenges related to transportation, power supply, and port facilities.

Despite these challenges, Bangladesh has several strengths that help it compete in the global textile market. For example, the country has a large pool of skilled workers and a growing middle class, which provides an increasing demand for the domestic consumption of textiles. Additionally, Bangladesh has favourable duty-free access to major markets, such as the European Union, which helps to reduce the cost of exports and increase competitiveness.

Bangladesh's textile manufacturing market faces competition from other low-cost production centres but has several strengths that help it maintain its competitiveness. To continue to grow and succeed in the global market, Bangladesh will need to focus on improving its infrastructure and efficiency while also addressing challenges related to labour costs and working conditions.

### **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**

Particulars	30-June-23		30-June-22	
	Amount	%	Amount	%
Sales	1,414,525,199	100.00	1,580,523,111	100.00
Cost of Goods Sold	1,262,454,246	89.24	1,356,007,058	85.80
Gross Profit	152,070,953	10.75	224,516,053	14.21
Net Profit for the year	22,688,628	1.60	34,952,503	2.21

**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) incurred.

**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	-	36,000
2	Md. Shafiul Azam (Mohsin)	Managing Director	1,200,000	36,000
3	Md. Sohel Khan	Director	-	30,000
4	Md. Belayet Hossain, Advocate	Independent Director	-	30,000
5	Md. Shafiul Azam (Mohsin)	Nominee Director (Disney Properties Ltd.)	-	-

**Significant deviation of Operating Result**

During the year Sales, Net profit after Tax and Earning per Share (EPS) are decreased in comparison with previous year ended on 30 June 2022 due to increase of raw material costing and others overhead increase as well as insufficient supply of gas as a result profit decrease from comparative year.

**Basis for Qualified Opinion**

1. The company has disclosed in Note-27 & 30 that the Long-Term Bank Loan & Short-Term Bank Borrowings are secured by the personal guarantee of the directors, corporate guarantee of Pacific Group, and a pair pass sharing agreement between banks on fixed and floating assets of the company. However, during the audit, we did not receive any documents regarding the bank guarantee. Additionally, it was observed that the company is in default of the loan payments. The only documentation provided was an online copy of the bank statement, and no bank balance confirmation was obtained and we also observed that the company reported in Note-41 an interest expense of Tk. 66,069,506, which was estimated due to their status as loan defaulters. The loan interest is not charged directly, and the company also made an interest provision to address this issue;
2. The company reported in Note-37 as Revenue Tk. 1,414,525,199 and Note-38.01 as Raw Materials Purchase Tk. 1,063,328,239 which the management provided zero VAT Return 9.1 and also could not provide related documents properly. This lack of compliance with IFRS-15: Revenue from contracts with customers and the Value Added Tax and Supplementary Duty Act-2012, as well as the Value Added Tax and Supplementary Duty Rules-2016, made it impossible for us to determine whether any adjustments were necessary for this revenue amount;

**Emphasis of Matter**

- a) The company reported in Note-22 as Cash in hand of Tk. 123,568,341 and they could not provide third party physical verification report. As our audit appointment was post-dated and due to this reason, we also could not verify physical this Cash in Hand at the closing of the business as on the date;

- b) We noted that the company's Note-22.01 indicates the existence of 14 bank accounts, while only 7 bank statements were provided during the audit process. Following communication with the management, it was confirmed that the additional bank statements were dormant, as no transactions had occurred in those accounts;
- c) The company reported in note-31 a Workers Profit Participation Fund of Tk. 15,039,076 and disclosed in Note-16.15 that the company regularly allocates 5% of the net profit before tax to this fund. However, it was observed that the payment has not been made to the workers in accordance with the provisions of the Bangladesh Labour Act, 2006 (Amended 2018). Additionally, the government's portion of the WPPF has not been made in accordance with the regulations;
- d) We draw attention to Note No. 33: Provision for income tax amount in Tk. 203,961,594. The said figure is the accumulation of provision for tax for the last few year. The matter of attention is here that the management of the said company did not provide any disclosure on last assessment and also did not provide us the last assessment related documents;
- e) In our audit period we observed that the company partially deposit the TDS and VDS on many applicable sectors which is non-compliance of IAS-12: Income Tax, Income Tax Act 2023, Value Added Tax and Supplementary Duty Act-2012 and Value Added Tax and Supplementary Duty Rules-2016;
- f) The company maintain most of the transactions through cash channel which are non-compliance in align with provision of Income Tax Act;
- g) The company did not comply with IFRS-16: Lease;

## REPORT ON CORPORATE GOVERNANCE GUIDELINE

### 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. Belayet Hossain, Advocate

Mr. Md. Belayet Hossain, Advocate, Supreme Court, serve as the Independent Director of Pacific Denims Ltd. Mr. Hossain has completed his LL.B.(Hon's) & LL.M. from the University of Rajshahi. He is well experienced in Civil, Criminal, Writ, Customs and Company matters. He was enrolled as an advocate under the 'Bangladesh Bar Council' in 1998. He is a member of 'Dhaka Bar Association' and 'Bangladesh Supreme Court Bar Association' since 1998 and 2003 respectively. Mr. Hossain is a regular practitioner of both the Divisions (High Court Division and Appellate Division) of the Hon'ble Supreme Court of Bangladesh. He is the head of the Law Chamber namely "Belayet & Associates" having its address-Room No. 4 (4th floor), Eastern Trade Centre, 56, Purana Paltan Lane, VIP Road, Dhaka-1000. He is also maintaining another Chamber at the Court premises having its address-Room No. 5018 (4th floor), Old Annex Bhaban, Supreme Court Bar Association Building, Shahbagh, Dhaka-1000.

### Qualification of Independence Director

Mr. Md. Belayet Hossain is well experienced in Civil, Criminal, Writ, Customs and Company matters. He was enrolled as an advocate under the 'Bangladesh Bar Council' in 1998. He is a member of 'Dhaka Bar Association' and 'Bangladesh Supreme Court Bar Association' since 1998 and 2003 respectively.

### 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	: Faruk Hossein
Head of Internal Audit	: Mr. Sumon Sarker



**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.

**Report on the Nomination and Remuneration Committee (NRC)**

This Nomination and Remuneration Policy is being formulated in compliance with Notification No. BSEC/CMRR D/2006-158/207/Admin/80, Date: June 03, 2018 on Corporate Governance Code of Bangladesh Securities & Exchange Commission (BSEC). This policy on nomination and remuneration of Directors and top-level executives of the company has been formulated by the Nomination and Remuneration Committee (NRC) and has been approved by the Board of Directors. This is a sub-committee of the Board. The Nomination and Remuneration Committee (NRC) of PACIFIC DENIMS LIMITED is Comprised of the following members:

Name	Designation	Position
Mr. Md. Belayet Hossain, Advocate	Independent Director	Chairman
Mr. Md. Shafiul Azam (Mohsin)	Nominee Director (Disney Properties Ltd.)	Member
Mr. Md. Sohel Khan	Director	Member
Mr. Md. Sorhab Ali	Company Secretary	Secretary

**Terms of Reference:**

The terms of reference of the Nomination and Remuneration Committee (NRC) have been determined by the Board as per BSEC notification. The NRC 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 policy for formal process of considering remuneration of director, top level executive.

**Role of the NRC:**

- NRC Shall be independent and responsible or accountable to the Board and to the shareholders;
- To oversee, among others, the following matters and make report with recommendation to the Board:
  - (i) formulation the criteria for determining qualification, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:
    - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
    - (b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
    - (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;
  - (ii) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background.
  - (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;
  - (iv) formulating the criteria for evaluation of performance of independent director (s) and the Board;
  - (v) identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
  - (vi) developing, recommending and reviewing annually the Company's human resources and training policies;

### **Meeting of NRC:**

The Nomination and Remuneration Committee met on June 25, 2023 of Pacific Denims Limited ensured/observed the following activities:

1. Set up an organization structure where reporting line is clearly defined for the directors and top management team along with standard manpower planning exercise for each and every position for identifying the total requirement.
2. Set up standard pay structure for each job level based on education, experience and competency.
3. A target based on-line performance Management System to evaluate performance of employees. This KPI based PMS leads to Yearly Increment, Promotion of individual.
4. Employee Benefit policy to attract the job seekers and retain internal talents. Succession planning of the company to have our future leaders ready according to the requirements. Ensuring extensive training and development plan for the individual or group of people.
5. A transparent recruitment and selection policy where competent candidates get hired.
6. Practicing a clear career path system for employees which reflect in organization structure

### **Objective and Policy of the NRC**

#### **Objective:**

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors/top management team required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, top level executives reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

### **Appointment and Removal of Director, Top Level Executives and Senior Management**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, top level executives or at Senior Management level and recommend his/ her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient /satisfactory for the position.

### **Term /Tenure of Independent Director**

All companies shall have effective representation of independent directors on their Boards. At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors. Qualifications, experience and position of Independent Director shall be as per notification on Corporate Governance Code of Bangladesh Securities & Exchange Commission. The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM). The post of independent director (s) cannot remain vacant for more than 90 (ninety) days and the tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only. Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years] :

### **Evaluation**

The Committee shall carry out evaluation of performance of Director and top-level executives yearly or at such intervals as may be considered necessary.

### **Removal**

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).

**Retirement**

The Director or top-level executives shall retire as per policy of the Company. The Board will have the discretion to retain the Director of any top-level executive even after attaining the retirement age, for the benefit of the Company.

**Policy for Remuneration to Directors/Top Level Executives:**

- a) The Remuneration to be paid to Managing Director/Other directors as approved by the NRC Committee.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director and other Directors.
- c) The Non-Executive/Independent Director may receive meeting fees and such other remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- d) The remuneration to top level executives shall be fixed consideration their performances and in accordance with the Company's Policy.

**Implementation**

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this Policy as considered appropriate.

On behalf of the Nomination & Remuneration Committee

Sd/-

**Md. Belayet Hossain, Advocate**

Chairman

Nomination & Remuneration Committee (NRC)

#### **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](http://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 and re-appointment at the Annual General Meeting.

#### **Mr. Md. Shadaqul Alam (Yeasin)**

##### **Chairman**

Mr. Md. Shadaqul Alam (Yeasin) serves as the Chairman of Pacific Denims Limited. He has introduced innovative production management, incentive system and marketing approach to the company. He has 17 years of valuable business experience in the existing space of garments sector. He obtained Textile Engineering graduation from Adword University, Dhaka campus. Mr. Shadaqul Alam (Yeasin) also serves as the Chairman of Pacific Co. (BD) Limited, Disney Properties Limited and Pacific Beverage & Food Limited.

#### **Mr. Md. Shafiul Azam (Mohsin)**

##### **Managing Director**

Mr. Md. Shafiul Azam (Mohsin) is the Managing Director of Pacific Denims Ltd. He was born in 1977 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.

#### **Mr. Md. Belayet Hossain, Advocate**

##### **Independent Director**

Mr. Md. Belayet Hossain, Advocate an Independent Director of Pacific Denims Ltd., his appointment will be expired on July 18, 2023. He is expressing his desire to re-appointment as an independent Director for another one tenure. The Board of Directors has recommended and re-appointed of Mr. Md Belayet Hossain, Advocate as an Independent Director of Pacific Denims Ltd. for another one tenure from the Board of Director Meeting held on July 12, 2023. Mr. Hossain has completed his LL.B.(Hon's) & LL.M. from the University of Rajshahi. He is well experienced in Civil, Criminal, Writ, Customs and Company matters. He was enrolled as an advocate under the 'Bangladesh Bar Council' in 1998. He is a member of 'Dhaka Bar Association' and 'Bangladesh Supreme Court Bar Association' since 1998 and 2003 respectively. Mr. Hossain is a regular practitioner of both the Divisions (High Court Division and Appellate Division) of the Hon'ble Supreme Court of Bangladesh. He is the head of the Law Chamber namely "Belayet & Associates" having its address-Room No. 4 (4th floor), Eastern Trade Center, 56, Purana Paltan Lane, VIP Road, Dhaka-1000. He is also maintaining another Chamber at the Court premises having its address-Room No. 5018 (4th floor), Old Annex Bhaban, Supreme Court Bar Association Building, Shahbagh, Dhaka-1000. Re-appointment of the independent Director will be placed before the general shareholders for approval in the 20th AGM.



**Shareholding pattern**

The shareholding of directors at the end of 30 June, 2023 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;		Nil	Nil	Nil
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	14,879,632	148,796,320	8.11%
2	Md. Shafiul Azam (Mohsin)	Managing Director	25,684,716	256,847,160	13.99%
3	Md. Sohel Khan	Director	10,558,193	105,581,930	5.75%
4	Md. Shafiul Azam (Mohsin)	Nominee Director of Disney Properties Ltd.	4,159,137	41,591,370	2.27%
5	Md. Belayet Hossain, Advocate	Independent Director	-	-	-
6	Md. Sorhab Ali	Company Secretary	-	-	-
7	Faruk Hossein	Chief Financial Officer	-	-	-
8	Mr. Sumon Sarker	Head of Internal Audit	-	-	-
C)	Executive (Top five salaried employees)				
9	Md. Abdul Alim	GM HR & Admin	-	-	-
10	Md. Main Uddin Rubel	GM (Development & Commercial)	-	-	-
11	Md. Nazrul Islam	GM (Commercial)	-	-	-
12	Md. Hassan Askari	DGM (Operation)	-	-	-
13	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. Disney Properties Ltd. Pacific Beverage & Food Ltd. Pacific Automobiles Ltd.	Director
2	Md. Shafiul Azam (Mohsin)	Managing Director	Pacific Co. (BD) Ltd. Disney Properties Ltd. Pacific Beverage & Food Ltd. Pacific Automobiles Ltd. Wilson Cold Storage Ltd.	Managing Director
3	Md. Sohel Khan	Director	-	-
4	Disney Properties Ltd. Re-present By Md. Shafiul Azam (Mohsin)	Director	-	-
5	Md. Belayet Hossain, Advocate	Independent Director	-	-

**Board Meeting and Attendance**

Sl/No	Name of Directors	Position	Meeting Held	Attendance
1	Md. Shadequl Alam (Yeasin)	Chairman	6	6
2	Md. Shafiul Azam (Mohsin)	Managing Director	6	6
3	Md. Sohel Khan	Director	6	6
4	Md. Belayet Hossain, Advocate	Independent Director	6	6
5	Md. Shafiul Azam (Mohsin)	Nominee Director (Disney Properties Ltd.)	6	6

**Directors Remuneration**

SL.	Related Parties	Relationship	Transacted Amount	
			2022-2023	2021-2022
1	Md. Shadequl Alam (Yeasin)	Chairman	-	-
2	Md. Shafiul Azam (Mohsin)	Managing Director	1,200,000	1,200,000
3	Md. Sohel Khan	Director	-	-
4	Md. Belayet Hossain, Advocate	Independent Director	-	-
5	Md. Shafiul Azam (Mohsin)	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:

- 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.
- Proper books of accounts have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.
- The International Accounting Standards (IASs) or International Financial Reporting Standards (IFRSs) as applicable in Bangladesh, have been followed in preparation of the financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- 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.
- 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.

**Dividend**

The Board of Directors has declared 1% Cash (Except Director and Sponsor Shareholders) dividend for the year ended June 30, 2023.

**Unclaimed or Undistributed or Unsettle Dividend**

Bangladesh Securities and Exchange Commission issued a directive no. BSEC/CMRRCD/2021-386/03 dated 14 January, 2021 and Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021 to transfer unclaimed or undistributed dividend to the capital market stabilization fund. In compliance with the circular, Pacific Denims Ltd. has deposited unclaimed IPO subscription amount to the 'Capital Market Stabilization Fund. Remaining unclaimed dividend of BDT. 6,405,923 from 2020-2021 to 2021-2022 is kept with the Company. Details break up of unclaimed/unpaid dividend including name and BO wise shareholders list are given in Pacific Denims Ltd., website.

**Statutory Auditors**

The Auditors of the Company, M/S. Kazi Zahir Khan & Co., Chartered Accountants, Home Town Apartment, Flat-C, Level-15 & Flat-B, Level-13), 87, New Eskaton Road, Dhaka-1000. Bangladesh has carried out the audit of the

company for the year ended 30 June 2023. They were appointed as Statutory Auditor in the board meeting held on June 25, 2023 which will be present for upcoming 20th AGM as per regulation 15 (2) & (3) of DSE and CSE (listing) regulations, 2015. The Board of directors has recommended & appointed of M/S. Kazi Zahir Khan & Co., Chartered Accountants, Home Town Apartment, Flat-C, Level-15 & Flat-B, Level-13), 87, New Eskaton Road, Dhaka-1000. Bangladesh as auditor for the year 2023-2024 of the company as per Corporate Governance Code. M/S. Kazi Zahir Khan & Co., Chartered Accountants, expressing their desire to work with the Company. In this regard the Board of Directors will be proposing the appointment of M/S. Kazi Zahir Khan & Co., Chartered Accountants, Home Town Apartment, Flat-C, Level-15 & Flat-B, Level-13), 87, New Eskaton Road, Dhaka-1000. Bangladesh as the statutory Auditor to the Shareholders in the 20th AGM for approval and fix their fees of Tk.4,00,000/=(Taka Four Lac Only) including AIT.

#### **Professionals for Compliance of Corporate Governance Code**

The professionals for compliance of Corporate Governance code M/s. Mujibur Rahman & Co., Cost & Management Accountants, 17/19, Tajmahal Road (3rd Floor), Mohammadpur, Dhaka-1207 has carried report on compliance of corporate governance code for the year ended June 30, 2023. The Board has reappointed M/s. Mujibur Rahman & Co., Cost & Management Accountants, 17/19, Tajmahal Road (3rd Floor), Mohammadpur, Dhaka-1207 as professional for Report on Compliance Governance Code for the year 2023-2024 of the Company will be placed in the forthcoming 20th AGM for shareholder's approval and fixation of their fees.

#### **Management Discussion and Analysis on Financial Position and Performance**

For last three financial years the company sales decreased due to overall business impacted by COVID-19 pandemics as well as Ukraine-Russia war. In 2020-2021, sales stood Tk. 1,667,552,693 and now in 2022-2023 sales stand Tk. 1,414,525,199. In line with sales, net profit after tax had been decreased from around Tk. 40,090,128 in 2020-2021 to Tk. 22,688,628 in 2022-2023. 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 backward due to overall company business impacted by Covid-19 pandemics and Ukraine-Russia war. Currently, the globally downward economic situation is not in good shape and consumers are feeling the pinch of higher inflation. The improvement in workplace safety following the implementation of recommendations as per Accord and Alliance suggestions has brightened the image of the sector and the country.

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

This year's expected global slowdown could hit Bangladesh's key garment industry hard. We see the sector's export growth falling by roughly 3 percentage points in 2023 as world demand for clothing slows. This will add pressure on already-dwindling foreign exchange reserves and weigh on GDP. The damage could also be worse if persistent power outages at the country's factories cause overseas buyers to shift orders elsewhere. Growth in Bangladesh's garments exports falls by 4 percentage points for every 1 ppt that global growth slows, according to our calculations. In 2023, this should mean growth in apparel shipments decelerates to 24.4% from 27.6% a year earlier. The slowdown implies \$1.5 billion less revenue than if shipments maintained last year's pace. The garment industry is key to the overall economy. It accounted for about 9.3% of GDP in the fiscal year through June 2022. The sector also made up 82% of total exports last calendar year, earning \$45.7 billion, an amount exceeding the country's FX reserves of \$34 billion at the end of 2022. The slowdown in clothing shipments will be the largest drag on the expansion in 2023, shaving an estimated 0.8 ppt from GDP growth. Overall growth will likely fall to 6.1% from 6.9% in 2022. The damage could also be worse. Competitors like Vietnam could take market share. There is a heightened risk that overseas retailers will cancel existing orders with Bangladesh's firms' given power outages that have plagued the industry due to fuel shortages.

Our analysis only quantifies the impact of the expected slowdown in global growth falling to 2.4% in 2023 from 3.2% in 2022 and doesn't account for these other risks.

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

Pacific Denims Limited

**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.

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 2022-2023 and Directors' Report placed before you.

Thanking you.

On behalf of the Board of Directors

Sd/-

**Md. Shadequul Alam (Yeasin)**

Chairman



## FINANCIAL HIGHLIGHTS

Operational Result	Amount in Taka				
	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
Turnover	1,414,525,199	1,580,523,111	1,667,552,693	1,941,900,340	2,281,904,042
Gross Profit	152,070,953	224,516,053	242,430,084	285,748,258	383,759,802
Operating Profit	119,713,764	190,055,989	206,955,642	250,332,113	347,308,311
Net profit before tax	35,684,716	50,390,340	57,833,081	104,354,362	252,265,888
Net Profit after tax	22,688,628	34,952,503	40,090,128	88,403,377	214,046,786
Net Cash Flows from Operation	82,846,671	70,419,672	36,206,716	29,520,017	243,507,236
Financial Position	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
Non-Current Assets	1,367,609,513	1,429,229,398	1,495,906,731	1,567,848,481	1,378,374,835
Current Assets	2,243,890,636	2,065,440,652	1,971,171,291	1,847,212,877	1,905,017,964
Shareholder's Equity	2,492,140,403	2,482,278,160	2,459,870,047	2,419,779,919	2,330,347,254
Non-Current Liabilities	504,344,054	499,854,116	536,459,284	568,733,025	571,503,163
Key Financial Ratio	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
Current Ratio	3.64	4.03	4.19	4.33	4.99
Quick Ratio	2.50	2.70	1.87	1.97	2.09
Debt to Equity Ratio	0.45	0.40	0.41	0.41	0.29
Net Profit Ratio	1.60	2.21	2.40	4.55	9.38
Return on Equity Ratio	0.91	1.40	1.62	3.65	9.19
EPS (Basic)	0.12	0.19	0.22	0.49	1.30

## **PACIFIC DENIMS LIMITED**

# **MANAGING DIRECTOR'S & CFO'S DECLARATION**

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

**Subject: Declaration on Financial Statements for the year ended June 30, 2023.**

Dear Sir's

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, 2023 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 Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there 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:-

- i. We have reviewed the financial statements for the year ended on June 30, 2023 and that to the best of our knowledge and belief;
  - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws;
- ii. There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or 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/-  
**Faruk Hossein**  
Chief Financial Officer



## Mujibur Rahman & Co. Cost & Management Accountants

### Report to the Shareholders of Pacific Denims 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, 2023. 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 except condition no. 5(2)b, 6(2)b that Mr. Md. Shafiul Azam (Mohsin), Managing Director is the member of Audit Committee and NRC who is getting remunerations from the company.
- (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.

Place: Dhaka  
Dated: December 17, 2023

For Mujibur Rahman & Co.

Mohammad Mujibur Rahman FCMA  
Cost & Management Accountants

**Office:**

Saj Bhaban Suite # C-30(15th floor), 27, Bijoy Nagar, Dhaka-1000  
Cell # 01716-635751, E-mail: mujibcma2005@yahoo.com, mujibcma2005@gmail.com, Web: www.taxlabbd.com

## 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	<b>Board of Directors</b>			
1.1	<b>Size of the Board of Directors</b>			
	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	<b>Independent Directors</b>			
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;	√		
<b>1.3</b>	<b>Qualification of Independent Director (ID)</b>			
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
<b>1.4</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>			

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.			No Such incidence arose
<b>1.5</b>	<b>The Directors' Report to Shareholders</b>			
	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, where applicable;	√		
1.5 (v)	A discussion on continuity of any Extra-Ordinary activities and their implecations (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;	√		
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 there from has been adequately disclosed;	√		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored;	√		
1.5 (xvi)	Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1.5 (xvii)	There are no significant doubts upon the 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;	√		Matter relating to significant deviation disclosed in not 57.00 of the Financial Statements
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;	√		BOD declared 1% Cash Dividend (Except Director and Sponsor Shareholders) for the year ended June 30, 2023 which is subject to approval of shareholders in upcoming AGM.
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;	√		
1.5 (xxiii)	<b>A report on the pattern of shareholding disclosing the aggregate number of shares (along with name wise details where stated below) held by:-</b>			
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; and	√		
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;	√		
<b>1.5 (xxv)</b>	<b>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:</b>			
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.	√		
<b>1.6</b>	<b>Meetings of the Board of Directors</b>			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this code.	√		
<b>1.7</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			



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.	√		
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company</b>			
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
<b>3</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).</b>			
<b>3.1</b>	<b>Appointment</b>			
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).	√		

<b>3.2</b>	<b>Requirement to attend the Board Meetings</b>			
	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.	√		
<b>3.3</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
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; and	√		
3.3 (a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3.3 (b)	The MD or CEO and CFO shall also certified that there are, to the best of knowledge and belief no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3.3 (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
<b>4</b>	<b>Board of Directors' Committee</b>			
	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;	√		
<b>5</b>	<b>Audit Committee</b>			
<b>5.1</b>	<b>Responsibility to the Board of Directors</b>			
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.	√		
<b>5.2</b>	<b>Constitution of Audit Committee</b>			
5.2 (a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5.2 (b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		
5.2 (c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		

5.2 (d)	When the term of service of 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 shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			No Such incidence arose
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.	√		
<b>5.3</b>	<b>Chairperson of the Audit Committee</b>			
5.3 (a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5.3 (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such incident arose
5.3 (c)	Chairperson of the audit committee shall remain present in the Annual General Meeting (AGM).	√		
<b>5.4</b>	<b>Meeting of the Audit Committee</b>			
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.	√		
<b>5.5</b>	<b>Role of Audit Committee shall include the following:</b>			
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;	√		
<b>5.6</b>	<b>Reporting of the Audit Committee</b>			
<b>5.6 (a)</b>	<b>Reporting to the Board of Directors</b>			
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 identified in the internal audit and compliance process or in the financial statements;			No such incident arose
5.6 (a) (ii)(c)	Suspected infringement of laws, regulatory compliance including securities related laws, rules and regulations; and			No such incident arose
5.6 (a) (ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately			No such incident arose
<b>5.6 (b)</b>	<b>Reporting to the Authorities</b>			
	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.			No such incident arose
<b>5.7</b>	<b>Reporting to the Shareholders and General Investors</b>			
	Report on activities carried out by Audit Committee, including any report made to the Board of Directors under condition 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.			No report has been made under code 5 (6) (a) (ii)
<b>6</b>	<b>Nomination and Remuneration Committee (NRC)</b>			
<b>6.1</b>	<b>Responsibility to the Board of Directors</b>			

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).	√		
<b>6.2</b>	<b>Constitution of the NRC</b>			
6.2 (a)	The Committee shall comprise of at least three members including an independent director;	√		
6.2 (b)	All members of the Committee shall be non-executive directors;	√		
6.2 (c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6.2 (d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6.2 (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			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 either directly or indirectly any remuneration for any advisory role or otherwise, other than Director's fees or honorarium from the company;	√		
<b>6.3</b>	<b>Chairperson of the NRC</b>			
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.	√		
<b>6.4</b>	<b>Meeting of the NRC</b>			
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;			No such meetings conveyed by the chairman 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.	√		
<b>6.5</b>	<b>Role of the NRC</b>			
6.5 (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6.5 (b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6.5 (b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board relating to the remuneration of the directors, top level executive, considering the following:			
6.5 (b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6.5 (b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	√		
6.5 (b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6.5 (b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6.5 (b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6.5 (b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6.5 (b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	√		
6.5 (b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	√		
6.5 (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
<b>7</b>	<b>External/Statutory Auditors.</b>			
7.1	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			

7.1 (i)	Appraisal or valuation services or fairness opinions;	√		
7.1 (ii)	Financial information systems design and implementation	√		
7.1 (iii)	Book-keeping or other services related to the accounting records or financial statements;	√		
7.1 (iv)	Broker-dealer services;	√		
7.1 (v)	Actuarial services;	√		
7.1 (vi)	Internal audit services or special audit services;	√		
7.1 (vii)	Any service that the Audit Committee determines;	√		
7.1 (viii)	Audit or certification services on compliance of corporate governance as required under 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.	√		
<b>8</b>	<b>Maintaining a website by the Company</b>			
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).	√		
<b>9</b>	<b>Reporting and Compliance of Corporate Governance</b>			
9.1	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9.3	The directors of the company shall state, in accordance with the Annexure-C, in the directors' report whether the company has complied with these conditions or not.	√		

# BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2023/301



Date of issue : December 14, 2023

## Renewed Certificate

*This is to certify that*

**PACIFIC DENIMS LIMITED**

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

*This certificate remains current until 31<sup>st</sup> December 2023.*



  
Secretary General

## 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:

Name	Designation	Position
Md. Belayet Hossain, Advocate	Independent Director	Chairman
Md. Shafiul Azam (Mohsin)	Nominee Director (Disney Properties Ltd.)	Member
Md. Sohel Khan	Director	Member
Md. Sorhab Ali	Company Secretary	Secretary of the Committee

### Meeting and Attendance

During 2022-2023, under review the Audit Committee of Pacific Denims Limited met 4 (four) times on the following date:

1. October 27, 2022
2. November 14, 2022
3. January 30, 2023
4. April 30, 2023

### Audit Meeting Attended by Members

Name	Designation	Position	Meeting Attended
Md. Belayet Hossain, Advocate	Independent Director	Chairman	4
Md. Shafiul Azam (Mohsin)	Nominee Director (Disney Properties Ltd.)	Member	4
Md. Sohel Khan	Director	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 3 June 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

(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, 2023 these 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. Belayet Hossain, Advocate**

Chairman

Audit Committee



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

<b>Name of the Accounting Standards</b>	<b>Ref. No.</b>	<b>Status of Application</b>
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
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: 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 Audit of the Financial Statements**

**Qualified Opinion**

We have audited the financial statements of PACIFIC DENIMS LIMITED which comprise the Statement of Financial Position as at 30 June 2023, 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion and Material Uncertainty Related to Going Concern section of our report, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Company as of 30 June 2023, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and the Securities and Exchange Rules 2020 and other applicable laws and regulations.

**Basis for Qualified Opinion**

- i. The company has disclosed in Note-27 & 30 that the Long-Term Bank Loan & Short-Term Bank Borrowings are secured by the personal guarantee of the directors, corporate guarantee of Pacific Group, and a pair pass sharing agreement between banks on fixed and floating assets of the company. However, during the audit, we did not receive any documents regarding the bank guarantee. Additionally, it was observed that the company is in default of the loan payments. The only documentation provided was an online copy of the bank statement, and no bank balance confirmation was obtained and we also observed that the company reported in Note-41 an interest expense of Tk. 66,069,506, which was estimated due to their status as loan defaulters. The loan interest is not charged directly, and the company also made an interest provision to address this issue;
- ii. The company reported in Note-37 as Revenue Tk. 1,414,525,199 and Note-38.01 as Raw Materials Purchase Tk. 1,063,328,239 which the management provided zero VAT Return 9.1 and also could not provide related documents properly. This lack of compliance with IFRS-15: Revenue from contracts with customers and the Value Added Tax and Supplementary Duty Act-2012, as well as the Value Added Tax and Supplementary Duty Rules-2016, made it impossible for us to determine whether any adjustments were necessary for this revenue amount;

**Emphasis of Matter**

- i. The company reported in Note-22 as Cash in hand of Tk. 123,568,341 and they could not provide third party physical verification report. As our audit appointment was postdated and due to this reason, we also could not verify physical this Cash in Hand at the closing of the business as on the date;
- ii. We noted that the company's Note-22.01 indicates the existence of 14 bank accounts, while only 7 bank statements were provided during the audit process. Following communication with the management, it was confirmed that the additional bank statements were dormant, as no transactions had occurred in those accounts;
- iii. The company reported in note-31 a Workers Profit Participation Fund of Tk. 15,039,076 and disclosed in Note-16.15 that the company regularly allocates 5% of the net profit before tax to this fund. However, it was observed that the payment has not been made to the workers in accordance with the provisions of the Bangladesh Labour Act, 2006 (Amended 2018). Additionally, the government's portion of the WPPF has not been made in accordance with the regulations;
- iv. We draw attention to Note No. 33: Provision for income tax amount in Tk. 203,961,594. The said figure is the accumulation of provision for tax for the last few year. The matter of attention is here that the management of the said company did not provide any disclosure on last assessment and also did not provide us the last assessment related documents;

- v. In our audit period we observed that the company partially deposit the TDS and VDS on many applicable sectors which is non-compliance of IAS-12: Income Tax, Income Tax Act 2023, Value Added Tax and Supplementary Duty Act-2012 and Value Added Tax and Supplementary Duty Rules-2016;
- vi. The company maintain most of the transactions through cash channel which are non-compliance in align with provision of Income Tax Act;
- vii. The company did not comply with IFRS-16: Lease;

**Material uncertainty related to going concern.**

We are required to report if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of the financial statements. The company has going concern threat as - defaulter of the long-term borrowings and short-term loans and Lower capacity utilization. However, management has disclosed their basis for preparing the financial statement in going concern basis in note no. 6.00. We described the events or matters that may cast significant doubt on the company's ability to continue as going concern.

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

**Key Audit Matters**

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

Description of key audit matters	Our response to key audit matters
<p><b>Revenue recognition</b></p> <p>At the year end the company reported total revenue of Tk. 1,414,525,199/- for the year ended on 30 June 2023.</p> <p>ISAs require that, as part of our overall response to the risk of fraud, when identifying and assessing the risks of material misstatement due to fraud, we evaluate which types of revenue or revenue transactions might give rise to potential fraud risks. The Company were concentrated in Manufacturing, dyeing, weaving &amp; finishing of denim fabric and exporting the same We have specifically focused this key audit matter to cut- off and occurrence for revenue recorded within June 2023. Pressures to meet stakeholders' expectations could provide incentives to record revenues where controls of the goods have not passed.</p>	<p><b>Audit procedures performed</b></p> <p>We performed walkthroughs of the revenue cycle at significant components to have an understanding of when the revenue should be recognized, to map out the relevant controls end to end and the processes in place. We assessed the design and implementation of these controls. We tested a sample of individual sales transactions and traced to dispatch notes and subsequent cash receipt or other supporting documents.</p> <p>We performed analytical reviews to identify any unusual or one-off material revenue transactions. We identified and considered the impact of any credit notes or inventory returns occurring after year-end, including evaluating the impact of any material overdue debts from customers.</p> <p>With regard to the implementation of IFRS 15 "Revenue from Contract with Customers", we verified management's conclusion from assessing different</p>

	types of contracts and the accuracy of the revised accounting policies in light of the industry's specific circumstances and our understanding of the business. We tested the appropriateness of the accounting treatment on a sample basis. In addition, we verified the accuracy of IFRS 15 related disclosures.
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Description of key audit matters	Our response to key audit matters
<p><b>Inventory</b></p> <p>At the reporting date, the carrying value of inventory amounted to Taka 705,769,136 which is 20% of total assets. Inventories were considered as a key audit matter due to the size of the balance and because inventory valuation involves management judgement.</p> <p>Inventory valuation and existence was an audit focus area because of the number of locations/stores that inventory was held at, and the judgement applied in the valuation of inventory to incorporate inventory shrinkage.</p> <p>According to the Company's accounting policy, inventories are measured at the lower of cost or net realizable value. The Company has specific procedures for identifying risk for obsolete items and measuring inventories at the lower of cost and net realizable value.</p>	<p><b>Audit procedures performed</b></p> <ul style="list-style-type: none"> <li>➤ Assessing the compliance of company's accounting policies over inventory with applicable accounting standards.</li> <li>➤ Assessing the inventory valuation process and practices. On major locations, we tested the effectiveness of the key controls.</li> <li>➤ Assessing the analyses made by management with respect to slow moving and obsolete stock.</li> <li>➤ Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories.</li> <li>➤ Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year.</li> <li>➤ Evaluating the correctness of the valuation of raw materials and packing material as per FIFO method.</li> <li>➤ Reviewing the calculation of standard labor hours and their regular comparison with actual labor hours of production; and reviewing the process of valuing work-in-progress.</li> </ul>
<p><b>Property, plant and equipment</b></p> <p>At the reporting date, the carrying value of the Company's property, plant and equipment amounted to Taka 1,367,609,513 The valuation of property, plant, and equipment was identified as a key audit matter due to the significance of this balance to the financial statements, as well as the significance of management's judgements in determining its valuation.</p> <p>In considering the valuation of property, plant, and equipment, we focused on the assessment of the followings:</p> <ul style="list-style-type: none"> <li>➤ Inherent risks associated with property, plant and equipment.</li> <li>➤ Potential misstatements in property, plant, and equipment on account of frauds and errors.</li> <li>➤ Assessment of useful lives of assets.</li> </ul>	<p><b>Audit procedures performed</b></p> <ul style="list-style-type: none"> <li>➤ We obtained an understanding of the client and its environment to consider inherent risk related to property, plant, and equipment. Our understanding includes:</li> <li>➤ Obtaining an understanding of the internal control over property, plant, and equipment.</li> <li>➤ Assessing the risks of material misstatement and designing tests of controls and substantive procedures that cover the following aspects:</li> <li>➤ Substantiate the existence of property, plant, and equipment.</li> <li>➤ Establish the completeness of recorded property, plant, and equipment.</li> <li>➤ Verify the cut-off of transactions affecting property, plant, and equipment.</li> </ul>

<p><b>Property, plant and equipment</b></p> <ul style="list-style-type: none"> <li>➤ Assessment of impairment of assets. Inherent risks associated with property, plant and equipment</li> <li>➤ Property, plant and equipment may include assets that should have been derecognized following sale, other transfer of rights or abandonment.</li> <li>➤ Expenditure that should have been recognized as property, plant and equipment but has not been so recognized, including capitalized finance costs.</li> <li>➤ Depreciation may have been incorrectly calculated. Potential misstatements in property, plant, and equipment on account of frauds and errors</li> <li>➤ Purchase of an asset at an inflated price especially from a related party.</li> <li>➤ Wrong write-off of the asset as scrap, obsolescence, missing, donated or destroyed.</li> <li>➤ Expenditures for repairs and maintenance recorded as property, plant and equipment or vice versa.</li> <li>➤ Capitalization of expenditure which are not normally attributable to the cost of the property, plant and equipment</li> <li>➤ Recording of an asset purchased, which in effect has not actually been received by the entity at all.</li> </ul> <p><b>Assessment of useful lives of assets</b> Management applies estimates and judgements in its determination of useful lives of assets and reviews the useful lives of assets at each financial year end and adjusts for changes, where appropriate.</p> <p><b>Impairment of assessment</b> At the end of each reporting period, management assesses whether there is any indication that an asset may be impaired. If any such indication exists, management estimates the recoverable amount of the asset. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.</p>	<p><b>Audit procedures performed</b></p> <ul style="list-style-type: none"> <li>➤ Establish the proper valuation or allocation of property, plant, and equipment and the accuracy of transactions affecting property, plant and equipment.</li> <li>➤ Determine the correctness and appropriateness of classification of property, plant and equipment.</li> <li>➤ We obtained an understanding of the potential misstatements in property, plant, and equipment on account of frauds and errors.</li> <li>➤ We evaluated the assumptions made by management in the determination of useful lives to ensure that these are consistent with the principles of IAS 16. "Property, Plant and Equipment".</li> <li>➤ We compared the useful lives of each class of asset in the current year to the prior year to determine whether there were any significant changes in the useful lives of assets, and considered the reasonableness of changes based on our knowledge of the business and the industry.</li> <li>➤ We assessed whether there are circumstances that indicate a possible impairment of property, plant and equipment and if such circumstances exist, how the same have been dealt with by the entity.</li> </ul>
<p><b>Long Term Borrowings &amp; Short-Term Borrowings</b></p> <p>As at 30 June 2023, the reported amount of total long-term borrowings Tk. 421,786,297 short term borrowings Tk. 32,491,061 and Current portion of Long term borrowing is Tk. 98,508,979. The company borrowed fund from various Bank &amp; Non-banking financial institutions for the purpose of acquisition of non-current assets and working capital as well.</p> <p>The company may face difficulties due to unfavorable movement in interest rate, monetary policy and adverse</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>➤ Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that the proper use of loan.</li> <li>➤ We verified sanction letter, loan schedule and bank statements to confirm the loan outstanding and found that the balance had been reported in the financial statements accurately. We also submit the balance confirmation to the respective banks and financial institutions.</li> </ul>



<b>Long Term Borrowings &amp; Short-Term Borrowings</b>	
adverse variance between import & export that may result in short-term cash flow crisis.	<ul style="list-style-type: none"> <li>➤ We also checked the financial expenses and classification of loan and repayment schedule as well.</li> <li>➤ We had checked the recording date of transactions and found the recording date is in line with the loan disbursement date. We also confirmed that the company had paid its installments within due time.</li> </ul>
<b>Deferred Tax Liability</b>	
<p>As per IAS 12 Income Taxes, the two components of the company's estimated tax is Current Tax &amp; Deferred Tax. There is a deferred tax liability of Tk. 82,557,757/- which is almost equivalent to 2% compared to total assets of the company. In SPLOCI there is a reported deferred tax expense of Tk. 4,489,938/- which is 20% of the reported profit for the year (other than OCI).</p> <p>The temporary difference of deferred tax consists critical calculation and forecast. The uncertainty in forecasting or lack of expertise may results in material misstatements, which may have an impact on corporate tax.</p>	<ul style="list-style-type: none"> <li>➤ We verified that right opening balances are carried forward in deferred tax account.</li> <li>➤ We made sure that, the tax base is according to 3rd schedule of ITO 1984 and the accountant of the company have clear understanding of posting the associated journal entries.</li> <li>➤ We recalculated the figures presented in the financial statements and made sure they are in agreement with general ledger.</li> <li>➤ We examine the procedure of arriving at temporary difference in case of lease liability and ROU asset</li> <li>➤ We reviewed the amount of provision created for Deferred Tax in current year and the relevant adjustment against revaluation reserve.</li> <li>➤ We ensure that the correct rate of Tax is used to calculate the provisions for deferred tax.</li> <li>➤ We evaluated the adequacy of financial statement disclosures including key assumptions, judgments and sensitivities.</li> </ul>

#### **Other information**

Management is responsible for the other information. The other information comprises all of the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the company's financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other Legal and Regulatory Requirements:**

In accordance with the Companies Act, 1994 and relevant notifications issued by, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been not kept by the Company so far as it appeared from our examinations of those books;
- c) The Financial Statements of the company together with the annexed notes dealt with by the report are in agreement with the books of account and returns.

**Use of our report:**

This report is made solely to the company's members, as a body, in accordance with Paragraph 210 of Part 4 of the Companies Act 1994. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Place: Dhaka  
Dated: 07 December 2023

Sd/-  
**Mohammed Enamul Haque Khan FCA**  
Enrolment No: 1567  
Partner  
Kazi Zahir Khan & Co.  
Chartered Accountants  
DVC: 2312071567AS558833

**PACIFIC DENIMS LIMITED**  
**Statement of Financial Position**  
As at June 30, 2023

Particulars	Notes	June 30, 2023 Amount in Taka	June 30, 2022 Amount in Taka
<b>ASSETS</b>			
<b>Non-Current Assets</b>		<b>1,367,609,513</b>	<b>1,429,229,399</b>
Property, Plant & Equipment	17.00	1,367,609,513	1,429,229,399
<b>Current Assets</b>		<b>2,243,899,636</b>	<b>2,065,440,651</b>
Inventories	18.00	705,769,136	686,690,200
Trade & Other Receivables	19.00	921,046,614	863,347,238
Advance, Deposit & Pre-Payments	20.00	492,937,163	467,394,323
Fixed Deposit	21.00	-	30,000,000
Cash & Cash Equivalents	22.00	124,146,723	18,008,890
<b>Total Assets</b>		<b>3,611,509,150</b>	<b>3,494,670,050</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>		<b>2,492,140,403</b>	<b>2,482,278,160</b>
Share capital	23.00	1,835,501,432	1,835,501,432
Revaluation Reserve	24.00	141,319,701	141,319,701
Tax Holiday Reserve	25.00	145,760,152	145,760,152
Retained Earnings	26.00	369,559,119	359,696,875
<b>Non-Current Liabilities</b>		<b>504,344,054</b>	<b>499,854,116</b>
Long Term Borrowings	27.00	421,786,297	421,786,297
Deferred Tax Liability	28.00	82,557,757	78,067,819
<b>Current Liabilities &amp; Provisions</b>		<b>615,024,692</b>	<b>512,537,774</b>
Trade Payables	29.00	9,125,450	9,457,521
Short-Term Borrowings	30.00	32,491,061	32,491,061
Long-Term Borrowings-Current portion		98,508,979	98,508,979
Provision for Workers Profit Participation Fund	31.00	15,039,076	12,333,794
Provision for Trade Receivable	32.00	52,519,028	34,098,096
Provision for Income Tax	33.00	203,961,594	195,455,443
Liabilities and Provision for Expenses	34.00	196,973,581	129,904,503
Unclaimed/Unpaid Dividends	35.00	6,405,923	288,377
<b>Total Equity and Liabilities</b>		<b>3,611,509,150</b>	<b>3,494,670,050</b>
<b>Net Asset Value (NAV) Per Share</b>	36.00	<b>13.58</b>	<b>13.52</b>

These financial statements should be read in conjunction with the annexed notes 1 to 58 and were approved by the Board of Directors and were signed on its behalf by:

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Chief Financial Officer

Sd/-  
Company Secretary

Signed in terms of our annexed report of even date

Place: Dhaka  
Dated: 07 December 2023

Sd/-  
**Mohammed Enamul Haque Khan FCA**  
Enrolment No: 1567  
Partner  
Kazi Zahir Khan & Co.  
Chartered Accountants  
DVC: 2312071567AS558833

**PACIFIC DENIMS LIMITED**  
**Statement of Profit or Loss and Other Comprehensive Income**  
For the year ended June 30, 2023

Particulars	Notes	2022-2023	2021-2022
<b>Turnover</b>	37.00	1,414,525,199	1,580,523,111
Cost of Sales	38.00	(1,262,454,246)	(1,356,007,058)
<b>Gross Profit</b>		<b>152,070,953</b>	<b>224,516,053</b>
<b>Operating Expenses:</b>		<b>(32,357,189)</b>	<b>(34,460,063)</b>
Office & Administrative Expenses	39.00	25,936,280	27,546,863
Selling & Distribution Expenses	40.00	6,420,909	6,913,200
<b>Operating Profit</b>		<b>119,713,764</b>	<b>190,055,989</b>
<b>Financial Expenses</b>	41.00	(66,069,506)	(122,326,966)
<b>Other Income</b>	42.00	3,166,673	3,311,126
<b>Net Profit/Loss Before WPPF</b>		56,810,931	71,040,149
<b>Less: Provision for WPPF</b>		2,705,282	3,382,864
<b>Less: Provision for Trade Receivable</b>		18,420,932	17,266,945
<b>Net Profit Before Tax</b>		<b>35,684,716</b>	<b>50,390,340</b>
<b>Income Tax Expenses</b>		<b>(12,996,089)</b>	<b>(15,437,838)</b>
Current Income Tax Expenses	43.00	(8,506,151)	(9,503,005)
(Deferred Tax Expenses)/Income	44.00	(4,489,938)	(5,934,833)
<b>Net Profit for the year</b>		<b>22,688,628</b>	<b>34,952,503</b>
<b>Total Comprehensive Income</b>		<b>22,688,628</b>	<b>34,952,503</b>
<b>Earnings Per Share (EPS)</b>	45.00	<b>0.12</b>	<b>0.19</b>

These financial statements should be read in conjunction with the annexed notes 1 to 58 and were approved by the Board of Directors and were signed on its behalf by:

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Chief Financial Officer

Sd/-  
Company Secretary

Signed in terms of our annexed report of even date

Place: Dhaka  
Dated: 07 December 2023

Sd/-  
**Mohammed Enamul Haque Khan FCA**  
Enrolment No: 1567  
Partner  
Kazi Zahir Khan & Co.  
Chartered Accountants  
DVC: 2312071567AS558833



**PACIFIC DENIMS LIMITED**  
**Statement of Changes in Equity**  
For the year ended June 30, 2023

Particulars	Share Capital	Revaluation Reserve	Tax Holiday Reserve	Retained Earning	Total Equity
<b>Balance at July 01, 2022</b>	<b>1,835,501,432</b>	<b>141,319,701</b>	<b>145,760,152</b>	<b>359,696,875</b>	<b>2,482,278,160</b>
Cash Dividend 1.00%	-	-	-	(12,826,385)	(12,826,385)
Net Profit for the Year	-	-	-	22,688,628	22,688,628
<b>Balance at June 30, 2023</b>	<b>1,835,501,432</b>	<b>141,319,701</b>	<b>145,760,152</b>	<b>369,559,118</b>	<b>2,492,140,403</b>

**For the year ended June 30, 2022**

Particulars	Share Capital	Revaluation Reserve	Tax Holiday Reserve	Retained Earning	Total Equity
<b>Balance at July 01, 2021</b>	<b>1,817,328,150</b>	<b>141,319,701</b>	<b>145,760,152</b>	<b>355,462,044</b>	<b>2,459,870,047</b>
Stock Dividend 1.00%	18,173,282	-	-	(18,173,282)	-
Cash Dividend 1.00%				(12,544,390)	(12,544,390)
Net Profit for the Year	-	-	-	34,952,503	34,952,503
<b>Balance at June 30, 2022</b>	<b>1,835,501,432</b>	<b>141,319,701</b>	<b>145,760,152</b>	<b>359,696,875</b>	<b>2,482,278,160</b>

These financial statements should be read in conjunction with the annexed notes 1 to 58 and were approved by the Board of Directors and were signed on its behalf by:

Sd/- Chairman                      Sd/- Managing Director                      Sd/- Director                      Sd/- Chief Financial Officer                      Sd/- Company Secretary

Place: Dhaka  
Dated: 07 December 2023

**PACIFIC DENIMS LIMITED**  
**Statement of Cash Flows**  
For the year ended June 30, 2023

Particulars	Notes	2022-2023	2021-2022
<b>A. Cash Flow from Operating activities :</b>			
Cash Received from Customers & Others	19.01	1,356,825,823	1,558,733,418
Cash Received from other Income	42.00	3,166,673	3,311,126
Cash Paid to Suppliers, Employees and Others	46.00	(1,276,125,743)	(1,381,426,392)
<b>Cash Generated from Operations</b>		<b>83,866,753</b>	<b>180,618,152</b>
Interest Paid	47.00	(1,020,082)	(101,873,099)
Income Tax Paid	48.00	-	(8,325,381)
<b>Net Cash flow from operating activities</b>	49.00	<b>82,846,671</b>	<b>70,419,672</b>
<b>B. Cash Flow from Investing activities :</b>			
Received/(Paid) Fixed Deposit	21.00	30,000,000	-
<b>Net Cash used in investing activities</b>		<b>30,000,000</b>	-
<b>C. Cash Flow from Financing activities :</b>			
Received/Repaid of Short-term loan	30.00	-	(8,750,000)
Received/Repaid of Long-term loan	27.00	-	(42,540,000)
Cash Dividend Paid	34.02	(6,708,838)	(12,256,013)
<b>Net Cash used in Financing activities</b>		<b>(6,708,838)</b>	<b>(63,546,013)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents		106,137,833	6,873,659
Cash and Cash Equivalents at Beginning of year		18,008,890	11,135,231
<b>D. Cash and cash equivalents at the end of the year</b>		<b>124,146,723</b>	<b>18,008,890</b>
<b>Net Operating Cash Flow Per Share</b>	50.00	<b>0.45</b>	<b>0.38</b>

These financial statements should be read in conjunction with the annexed notes 1 to 58 and were approved by the Board of Directors and were signed on its behalf by:

Sd/- Chairman	Sd/- Managing Director	Sd/- Director	Sd/- Chief Financial Officer	Sd/- Company Secretary
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Place: Dhaka  
Dated: 07 December 2023

**PACIFIC DENIMS LIMITED**  
**Notes to the Financial Statements as at and**  
**For the Year Ended June 30, 2023**

**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 Exchanges.

**2.00 Authorized Capital**

Authorized Share Capital of the Company increased from 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, 2023;
- ii) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2023;
- iii) Statement of Changes in Equity for the year ended June 30, 2023;
- iv) Statement of Cash Flows for the year ended June 30, 2023;
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements for the year ended June 30, 2023.

**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 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
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, 2022 to June 30, 2023.

## 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
1	Md. Shadequul Alam (Yeasin)	Chairman	-	36,000
2	Md. Shafiul Azam (Mohsin)	Managing Director	1,200,000	36,000
3	Md. Sohel Khan	Director	-	30,000
4	Md. Belayet Hossain, Advocate	Independent Director	-	30,000
5	Md. Shafiul Azam (Mohsin)	Nominee Director (Disney Properties Ltd.)	-	30,000

#### 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.

#### 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, 2023	June 30, 2022
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:

- 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 ;
- The entity can identify each party 's rights regarding the goods or services to be transferred ;
- The entity can identify the payment terms for the goods or services to be transferred ;
- 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
- 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 2023 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, 2017-2018, 2018-2019, 2019-2020, 2020-2021, 2021-2022 and 2022-2023 is under process. The company has tax liability of Tk. 203,961,594/- against which advance tax paid Tk. 51,065,886/-.

**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.

We were not given some cash voucher postings so we have more cash in hand.

#### **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 Workers Profit Participation Fund, Welfare Fund and Workers Welfare Foundation Fund**

The company makes a regular allocation of 5% on net profit before tax to these funds and payment is made to the workers as per provision of Bangladesh Labour Act, 2006 (Amended 2018) instead of Labor Act 2006 as amended in 2013. Although government portion of WPPF is yet to be made but in the process of payment and hopefully will pay as soon as possible.

#### **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 Right of use Assets (ROU)**

The company recognizes the right of use assets (RoU) at the commencement date of the lease (i.e. the date the underlying asset is available for use. RoU assets are measured at cost less any accumulated depreciation and impairment of losses and adjusted cost incurred, and lease payment made at or before the commencement date less any lease term.

The Right-of-use assets are depreciated on a straight line basis over the lease term or remaining period of the lease term. The company assessed all lease contracts live in 2019 and came up with the decision that no ROU requires to be recognized because the only lease rental agreement in connection with office rent is cancellable lease agreement. Thus, in accordance with para 5 of IFRS 16, management considers the lease agreement as short term lease and chose to recognize the monthly lease payments as an expenses in line with para 6 of the standard.

#### **Lease Liability**

At the commencement of the lease, the company recognize lease liabilities measured at the present value of lease payments (initial payment) and amount is expected to be paid under residual value of guarantees. The lease payments also include the exercise price of purchase option reasonably certain to be exercised by the company and payment of penalties for terminating the lease.

In 2022-2023 the company reassessed lease payment of existing contracts for remaining year considering a cut off date i.e. 01 July 2010. The lease liabilities are presented in the note 27 of these financial statements.

#### **16.18 Lease Liabilities (Present Value of Lease Payments)**

The company recognized the lease liabilities which is present value of lease payments to be made over the lease term from the date of commencement. The lease payment include fixed and variable lease payment and the amount expected to be paid under residual value of guarantee.

#### **16.19 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".

##### **IFRS 9 "Financial Instrument"**

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial assets and some contracts to buy or sell non-financial items. this standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

As a result of the adoption of IFRS 9, the company has adopted consequential amendments to IAS 1 presentation of financial statements, which require impairment of financial assets to be presented in a separate line item in the statement of profit or loss and other comprehensive income (OCI).

##### **Classification and measurement of financial assets and financial liabilities**

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost. FVOCI (Fair value through OCI) and FVTPL (Fair Value Through Profit and Loss). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial assets managed and its contractual cash flow characteristics.

IFRS 9 eliminated the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS , derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as whole is assessed for classification.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. The adoption of IFRS 9 has not had a significant effect on the company's accounting policies related to financial liabilities.

For an explanation of how the company classifies and measures financial instruments and accounts for related gains and losses under IFRS 9,

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the company's financial assets and financial liabilities as at 01 July 2022.

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 01 July 2022 relates solely to the new impairment requirements.

Particulars	Original Classification Under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New Carrying amount under IFRS 9
<b>Financial assets</b>				
Trade and other receivables	Loans and receivables	Amortized Cost	863,347,238	863,347,238
Cash and Cash Equivalents	Loans and receivables	Amortized Cost	18,008,890	18,008,890
<b>Financial Liabilities</b>				
Trade and other payables	Other financial liabilities	Other financial liabilities	9,457,521	9,457,521

Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortized cost. No material impact to the company financial statements has arisen on the adoption of IFRS 9 and the company has not restated periods on adoption of IFRS 9.

The following table reconciles the carrying amounts of financial assets under IAS 39 to the carrying amounts under IFRS 9 on transition to IFRS 9 on 01 July 2022.

Particulars	IAS 39 carrying amount at 30 June 2022	Re-measurement	IFRS 9 carrying amount at 01 July 2022
<b>Financial Assets</b>			
Trade and other receivables			
Brought forward: Loans and receivables	863,347,238	-	
Re-measurement			
Carried forward			863,347,238
<b>Cash and Cash equivalents</b>			
Brought forward: Loans and receivables	18,008,890		
Re-measurement			
Carried forward			18,008,890
<b>Total</b>	<b>881,356,128</b>	<b>-</b>	<b>881,356,128</b>

#### 16.20 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.

#### 16.21 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.

#### 16.22 Authorization of Financial Statements:

The Financial Statements have been authorized for issue by the Board of Directors on October 26, 2023.



		Amount in Taka	
		June 30, 2023	June 30, 2022
<b>17.00 Property, Plant and Equipments</b>		<b>Tk. 1,367,609,513</b>	<b>Tk. 1,429,229,399</b>
This represents the written down value of assets as at 30-06-2023 at historical cost except land which are stated at revalued amount. This has been arrived as under:			
<b>A. Cost</b>			
Opening Balance		2,317,339,043	2,317,339,043
Add: Addition during the year		-	-
		<b>2,317,339,043</b>	<b>2,317,339,043</b>
<b>B. Accumulated Depreciation</b>			
Opening Balance		888,109,645	821,432,312
Add: Depreciation Charged during the year		61,619,885	66,677,333
		<b>949,729,530</b>	<b>888,109,645</b>
(A-B) Written down Value		<b>1,367,609,513</b>	<b>1,429,229,399</b>
The details of above has been shown in Annexure " A"			
<b>18.00 Inventories</b>		<b>Tk. 705,769,136</b>	<b>Tk. 686,690,200</b>
The break-up of the amount is given below:			
Yarn		231,896,280	223,400,363
Dyes & Chemicals		76,791,606	74,604,652
Packing Materials		13,565,245	13,236,642
Spares & Parts		6,254,850	6,095,365
Work-in- process		99,549,743	97,575,245
Finished Goods		277,711,412	271,777,933
		<b>705,769,136</b>	<b>686,690,200</b>
The details of above has been shown in Annexure "B".			
<b>19.00 Trade and Other Receivables</b>		<b>Tk. 921,046,614</b>	<b>Tk. 863,347,238</b>
This is made-up as follows:			
Trade Receivables		921,046,614	863,347,238
		<b>921,046,614</b>	<b>863,347,238</b>

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

**Aging of Accounts Receivable:**

Less Than Six Months	921,046,614	863,347,238
More Than Six Months	-	-
<b>Total:</b>	<b>921,046,614</b>	<b>863,347,238</b>

Sl.	Particulars	Amount in Taka	
		June 30, 2023	June 30, 2022
I	Receivables considered good in respect of which the company is fully secured.	921,046,614	863,347,238
II	Receivables considered good in respect of which the company holds no security other than the debtor personal is fully secured.	-	-
III	Receivable considered doubtful or bad.	-	-
IV	Accounts Receivable due by any director or other officer of the company	-	-
V	Receivables due by common management	-	-
VI	The maximum amount of receivable due by any director or other officer of the company.	-	-
	<b>Total:</b>	<b>921,046,614</b>	<b>863,347,238</b>

		Amount in Taka	
		June 30, 2023	June 30, 2022
<b>19.01 Trade Receivables</b>		<b>Tk. 921,046,614</b>	<b>Tk. 863,347,238</b>
This is made-up as follows:			
Opening Balance		863,347,238	841,557,545
Add: Sales During the year		1,414,525,199	1,580,523,111
		2,277,872,437	2,422,080,656
Less: Received during the year		(1,356,825,823)	(1,558,733,418)
		<b>921,046,614</b>	<b>863,347,238</b>
<b>20.00 Advance, Deposit &amp; Pre-Payments</b>		<b>Tk. 492,937,163</b>	<b>Tk. 467,394,323</b>
The break-up of the amount is given below:			
Advances (Note # 20.01)		492,035,163	466,492,323
Deposits (Note # 20.02)		902,000	902,000
		<b>492,937,163</b>	<b>467,394,323</b>
<b>20.01 Advances</b>		<b>Tk. 492,035,163</b>	<b>Tk. 466,492,323</b>
The break-up of the amount is given below:			
Advance Against Salary		955,650	965,250
Advance Against Goods, Spare, Services & Others		101,848,128	92,725,603
Advance to Suppliers & Contractors		337,677,699	321,285,234
Prepaid Insurance		487,800	450,350
Advance Income Tax (At Source) (Note # 20.04)		51,065,886	51,065,886
		<b>492,035,163</b>	<b>466,492,323</b>
<b>20.02 Deposits</b>		<b>Tk. 902,000</b>	<b>Tk. 902,000</b>
Bank Guarantee		902,000	902,000
		<b>902,000</b>	<b>902,000</b>
<b>20.03 Disclosures as per Schedule-XI, Part-I of the Companies Act, 1994</b>			
Advance, deposit and pre-payments considered good without security		491,079,513	465,527,073
Advance, Deposit and pre-payments exceeding 6 Months and considered good and secured		902,000	902,000
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		955,650	965,250
		<b>492,937,163</b>	<b>467,394,323</b>
<b>20.04 Advance Income Tax (At Source)</b>		<b>Tk. 51,065,886</b>	<b>Tk. 51,065,886</b>
This is made-up as follows:			
Opening Balance		51,065,886	42,740,505
Add: AIT During the year		-	8,325,381
<b>Closing Balance</b>		<b>51,065,886</b>	<b>51,065,886</b>
<b>21.00 Fixed Deposit</b>		<b>Tk. 0</b>	<b>Tk. 30,000,000</b>
Fixed Deposit with IBBL		-	30,000,000
		-	<b>30,000,000</b>

**22.00 Cash & Cash Equivalents**

The break-up of the amount is given below:

Cash in Hand  
Cash at Banks (Note # 22.01)

Amount in Taka	
June 30, 2023	June 30, 2022
<b>Tk. 124,146,723</b>	<b>Tk. 18,008,890</b>
123,568,341	17,836,244
578,383	172,646
<b>124,146,723</b>	<b>18,008,890</b>

**22.01 Cash at Bank**

The break-up of the amount is given below:

Bank Asia Ltd. A/C 03387  
Meghna Bank Ltd. A/C 0558  
Exim bank Ltd. A/C 153791  
Eastern Bank Ltd. A/C 2244  
Islami Bank Bangladesh Ltd. A/C 17704  
Janata Bank Ltd. A/C 59448  
National bank Ltd. A/C 1749  
Social Islami Bank Ltd. A/C 4768  
Social Islami Bank Ltd. A/C 5092  
Southeast Bank Ltd. A/C 5020  
Trust bank Ltd. A/C 1885  
Mutual Trust Bank Ltd. A/C 133468  
Mutual Trust Bank Ltd. A/C 1552  
Mutual Trust Bank Ltd. A/C 133431

June 30, 2023	June 30, 2022
<b>Tk. 578,383</b>	<b>Tk. 172,646</b>
24,160	25,080
49,190	50,110
3,142	4,062
20,132	21,052
1,674	2,364
3,576	4,266
1,156	2,191
4,009	5,274
-	202
32,132	31,787
9,115	9,575
129,099	-
15,533	16,683
285,465	-
<b>578,383</b>	<b>172,646</b>

Cash balance is certified by the management.

**23.00 Share Capital****23.01 Authorized Capital**

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

<b>Tk. 1,835,501,432</b>	<b>Tk. 1,835,501,432</b>
<b>2,000,000,000</b>	<b>2,000,000,000</b>

**23.02 Issued, Subscribed & Paid-up Capital**

183,550,143 Ordinary Shares of of Tk. 10 each fully paid as follows:

SL No.	Particulars	No. of Shares	% of Shares	June 30, 2023	June 30, 2022
1	Mr. Shafiul Azam	25,684,716	13.99%	256,847,160	256,847,160
2	Mr. Shadequul Alam (Yasin)	14,879,632	8.10%	148,796,320	148,796,320
3	Shahida Khanom (Swarna)	1,540	0.001%	15,400	15,400
4	Md. Moazzam Khan	1,540	0.001%	15,400	15,400
5	Md. Yunus Ali	1,540	0.001%	15,400	15,400
6	Md. Sohel Khan Disney	10,558,193	5.75%	105,581,930	105,581,930
7	Properties Ltd.	4,159,137	2.26%	41,591,370	41,591,370
8	Institution	23,408,073	12.75%	234,080,730	232,003,990
9	Foreign	7,342	0.004%	73,420	77,180
10	Public	104,848,430	57.12%	1,048,484,300	1,050,557,280
	<b>Total</b>	<b>183,550,143</b>	<b>100.000%</b>	<b>1,835,501,430</b>	<b>1,835,501,430</b>

Amount in Taka	
June 30, 2023	June 30, 2022

### 23.03 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	
	2023	2022	2023	2022	2023	2022
1 to 499	2,501	2,476	381,641	359,289	0.21%	0.20%
500 to 5,000	7,599	6,999	13,891,144	11,725,663	7.57%	6.39%
5,001 to 10,000	1,435	1,361	10,526,005	9,551,764	5.73%	5.20%
10,001 to 20,000	986	985	13,943,932	13,452,921	7.60%	7.33%
20,001 to 30,000	358	382	8,632,652	9,101,442	4.70%	4.96%
30,001 to 40,000	173	187	5,988,292	6,363,512	3.26%	3.47%
40,001 to 50,000	121	101	5,538,409	4,499,752	3.02%	2.45%
50001 to 100,000	220	239	15,077,349	15,873,452	8.21%	8.65%
100,001 to 1,000,000	139	134	29,897,417	27,921,826	16.29%	15.21%
Over 1,000,000	12	14	79,673,302	84,700,522	43.41%	46.14%
<b>Total</b>	<b>13,544</b>	<b>12,878</b>	<b>183,550,143</b>	<b>183,550,143</b>	<b>100.00</b>	<b>100.00</b>

### 24.00 Revaluation Reserve

**Tk. 141,319,701      Tk. 141,319,701**

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, 2023	June 30, 2022
Land	145,690,413	145,690,413
Less: Deferred Tax	4,370,712	4,370,712
<b>Total</b>	<b>141,319,701</b>	<b>141,319,701</b>

### 25.00 Tax Holiday Reserve

**Tk. 145,760,152      Tk. 145,760,152**

Tax Holiday Reserve

145,760,152	145,760,152
<b>145,760,152</b>	<b>145,760,152</b>

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

### 26.00 Retained Earnings

**Tk. 369,559,119      Tk. 359,696,875**

This is made up as follows :

Opening Balance	359,696,875	355,462,044
Add: Net Profit for the year	22,688,628	34,952,503
Accumulated Earnings	<b>382,385,503</b>	<b>390,414,547</b>
Issuance of Stock Dividend	-	(18,173,282)
Issuance of Cash Dividend	(12,826,385)	(12,544,390)
	<b>369,559,119</b>	<b>359,696,875</b>

### 27.00 Long- Term Borrowings (Secured)

**Tk. 421,786,297      Tk. 421,786,297**

The break-up of the amount is given below:

Long Term Loan from Bank (Note # 27.01)	440,081,035	440,081,035
Lease Liabilities (Note # 27.02)	80,214,241	80,214,241
	520,295,276	520,295,276
Less: Long -Term Borrowings-Current portion	(98,508,979)	(98,508,979)
Long- Term Borrowings net off current portion	<b>421,786,297</b>	<b>421,786,297</b>

		Amount in Taka	
		June 30, 2023	June 30, 2022
<b>27.01 Long- Term Bank Loan (Secured)</b>		<b>Tk. 440,081,035</b>	<b>Tk. 440,081,035</b>
The break-up of the amount is given below:			
Agrani Bank Principal Branch (Project Loan)			
Brac Bank Term Loan			
		429,715,998	429,715,998
		10,365,037	10,365,037
		<b>440,081,035</b>	<b>440,081,035</b>
This represents the present outstanding balances of the above term loans. The above loans are secured by personal guarantee of the directors of the company, corporate guarantee of Pacific Group and the pari passé sharing agreement between banks on fixed and floating assets of the company. The interest rate of this loans is varying from 13% -16%.			
<b>27.02 Leases</b>		<b>Tk. 80,214,241</b>	<b>Tk. 80,214,241</b>
This is made up as follows :			
IDLC Finance Limited			
IIDFC			
First Lease Finance & Investment Ltd.			
		14,350,336	14,350,336
		36,652,049	36,652,049
		29,211,856	29,211,856
		<b>80,214,241</b>	<b>80,214,241</b>
<b>28.00 Deferred Tax Liability</b>		<b>Tk. 82,557,757</b>	<b>Tk. 78,067,819</b>
<b>On Cost:</b>			
WDV of Assets Accounting Base			
WDV of Assets Tax Base			
Temporary Difference			
Tax Rate			
Deferred Tax Liability			
On Revaluation (Note # 28.01)			
		1,367,609,513	1,429,229,399
		846,362,547	937,915,350
		521,246,967	491,314,048
		15%	15%
		78,187,045	73,697,107
		4,370,712	4,370,712
		<b>82,557,757</b>	<b>78,067,819</b>
<b>28.01 Deferred tax liability on Revaluation Reserve</b>			
Revaluation Reserve			
Tax Rate			
		145,690,413	145,690,413
		3%	3%
		<b>4,370,712</b>	<b>4,370,712</b>
<b>29.00 Trade Payables</b>		<b>Tk. 9,125,450</b>	<b>Tk. 9,457,521</b>
The break-up of the amount is given below:			
Acceptance Liabilities			
		9,125,450	9,457,521
		<b>9,125,450</b>	<b>9,457,521</b>
<b>30.00 Short-Term Bank Borrowings</b>		<b>Tk. 32,491,061</b>	<b>Tk. 32,491,061</b>
The break-up of the amount is given below:			
Prime Bank Ltd			
		32,491,061	32,491,061
		<b>32,491,061</b>	<b>32,491,061</b>
This represents the present outstanding balances of the above Short term loans. The above loans are secured by personal guarantee of the directors of the company, corporate guarantee of Pacific Group and the 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%.			
<b>31.00 Provision for Workers Profit Participation Fund</b>		<b>Tk. 15,039,076</b>	<b>Tk. 12,333,794</b>
The break-up of the amount is given below:			
Opening Balance			
Add: During the year			
		12,333,794	8,950,930
		2,705,282	3,382,864
		<b>15,039,076</b>	<b>12,333,794</b>



		Amount in Taka	
		June 30, 2023	June 30, 2022
<b>32.00 Provision for Trade Receivable</b>		<b>Tk. 52,519,028</b>	<b>Tk. 34,098,096</b>
The break-up of the amount is given below:			
Opening Balance		34,098,096	16,831,151
Add: During the year		18,420,932	17,266,945
		<b>52,519,028</b>	<b>34,098,096</b>
<b>33.00 Provision for Income Tax</b>		<b>Tk. 203,961,594</b>	<b>Tk. 195,455,443</b>
The break-up of the amount is given below:			
Opening Balance		195,455,443	185,952,438
Add: During the year		8,506,151	9,503,005
		<b>203,961,594</b>	<b>195,455,443</b>
<b>34.00 Liabilities and Provision for Expenses</b>		<b>Tk. 196,973,581</b>	<b>Tk. 129,904,503</b>
This outstanding liabilities are rendered their services to the company. The individual balance are subject to confirmation.			
The break-up of the amount is given below:			
Salary & Allowance		1,275,850	1,156,325
Salary & Wages		4,730,237	3,532,925
Telephone bill		2,575	2,970
Mobile bill		24,300	25,200
Gas bill		8,571,495	7,867,384
VAT on Office Rent		360,000	360,000
Interest payable	(Note # 34.01)	181,606,624	116,557,200
Audit fee		402,500	402,500
		<b>196,973,581</b>	<b>129,904,503</b>
<b>34.01 Interest payable</b>		<b>Tk. 181,606,624</b>	<b>Tk. 116,557,200</b>
The break-up of the amount is given below:			
Opening Balance		116,557,200	96,103,333
Add: Provision made during the year		65,049,424	20,453,867
		<b>181,606,624</b>	<b>116,557,200</b>
<b>35.00 Unclaimed/Unpaid Dividends</b>		<b>Tk. 6,405,923</b>	<b>Tk. 288,377</b>
The break-up of the amount is given below:			
Opening Balance		288,377	-
Add: Provision made during the period		12,826,385	12,544,390
Less: Adjustment for the period		(6,708,838)	(12,256,013)
		<b>6,405,923</b>	<b>288,377</b>
<b>36.00 Net Asset Value (NAV) Per Share</b>		<b>Tk. 13.58</b>	<b>Tk. 13.52</b>
Net Assets		2,492,140,403	2,482,278,160
No. of Shares		183,550,143	183,550,143
<b>Net Asset Value (NAV) Per Share</b>		<b>13.58</b>	<b>13.52</b>

		Amount in Taka	
		June 30, 2023	June 30, 2022
<b>37.00 Turnover</b>		<b>Tk. 1,414,525,199</b>	<b>Tk. 1,580,523,111</b>
Sales		1,414,525,199	1,580,523,111
		<b>1,414,525,199</b>	<b>1,580,523,111</b>
<b>38.00 Cost of Sales</b>		<b>Tk. 1,262,454,246</b>	<b>Tk. 1,356,007,058</b>
The break-up of the amount is given below:			
Raw materials Consumed (Note # 38.01)		1,052,316,765	1,164,769,168
Manufacturing Overhead (Note # 38.02)		218,045,458	206,985,790
Opening WIP		97,575,245	93,267,470
Closing WIP		(99,549,743)	(97,575,245)
<b>Cost of Production</b>		<b>1,268,387,725</b>	<b>1,367,447,183</b>
Finished Goods (Opening)		271,777,933	260,337,808
Finished Goods (Closing)		(277,711,412)	(271,777,933)
<b>Cost of Sales</b>		<b>1,262,454,246</b>	<b>1,356,007,058</b>
<b>38.01 Raw Material Consumed</b>		<b>Tk. 1,052,316,765</b>	<b>Tk. 1,164,769,168</b>
<b>Opening Stock of Raw Materials</b>		<b>311,241,657</b>	<b>291,632,488</b>
Raw Materials- Yarn		223,400,363	208,498,831
Dyes & Chemicals		74,604,652	70,646,601
Packing Materials		13,236,642	12,487,056
<b>Add: Raw Material Purchased</b>		<b>1,063,328,239</b>	<b>1,184,378,337</b>
Raw Materials- Yarn		911,681,514	972,574,177
Dyes & Chemicals		100,600,867	137,419,248
Packing Materials		51,045,857	74,384,912
<b>Raw Material available for Consumption</b>		<b>1,374,569,896</b>	<b>1,476,010,825</b>
<b>Less: Closing Stock of Raw Materials</b>		<b>322,253,131</b>	<b>311,241,657</b>
Raw Materials- Yarn		231,896,280	223,400,363
Dyes & Chemicals		76,791,606	74,604,652
Packing Materials		13,565,245	13,236,642
<b>Raw Material Consumption</b>		<b>1,052,316,765</b>	<b>1,164,769,168</b>
<b>38.02 Manufacturing Overhead</b>		<b>Tk. 218,045,458</b>	<b>Tk. 206,985,790</b>
The break-up of the amount is given below:			
Wages & Allowances		64,677,597	74,405,219
Festival Bonus		5,572,750	5,755,200
Overtime Expenses		1,253,611	1,201,256
Gas Bill		68,221,514	40,860,028
Medical Expenses		400,580	445,632
Insurance Premium		701,526	725,648
Postage & Stamp		65,900	70,256
Factory Maintenance		1,881,714	2,103,556
Generator Maintenance & Lubricants		8,645,679	9,604,558
ETP Expenses		91,255	99,865
Spare Parts (Note # 38.03)		4,913,447	5,037,240
Depreciation		61,619,885	66,677,333
		<b>218,045,458</b>	<b>206,985,790</b>

		Amount in Taka	
		June 30, 2023	June 30, 2022
<b>38.03 Spares Parts</b>		<b>Tk. 4,913,447</b>	<b>Tk. 5,037,240</b>
	The break-up of the amount is given below:		
	Stock of Spare parts Opening	6,095,365	5,985,620
	Purchase of Spare parts	5,072,932	5,146,985
	Stock of Spare parts - Closing	(6,254,850)	(6,095,365)
	Consumption	<b>4,913,447</b>	<b>5,037,240</b>
<b>39.00 Office &amp; Administrative Expenses</b>		<b>Tk. 25,936,280</b>	<b>Tk. 27,546,863</b>
	The break-up of the amount is given below:		
	Salary & Allowances	5,005,650	5,326,548
	Remuneration (MD)	1,200,000	1,200,000
	Board Meeting Fees	162,000	162,000
	Car Maintenance	1,030,400	1,054,870
	Audit Fees	402,500	402,500
	Renewal & Registration Fees	1,550,600	1,752,799
	Repair & Maintenance	150,641	213,564
	Tour & Travels	605,950	700,254
	Donation	887,000	965,896
	Legal & Consultancy Fees	474,000	554,871
	Conveyance	301,526	332,654
	Entertainment	469,073	602,157
	Misc. Expenses	215,545	230,219
	Mobile & Telephone Bill	715,850	765,328
	Printing & Stationery	925,478	978,758
	Fees & Forms	200,150	214,569
	Charge & Commission (C&F Expenses)	5,565,365	5,798,743
	Office Rent	2,760,000	2,760,000
	Internet Bill	295,895	301,256
	Transportation	2,252,062	2,425,650
	Paper & Periodical	22,620	24,569
	Office Maintenance	743,975	779,658
		<b>25,936,280</b>	<b>27,546,863</b>
<b>40.00 Selling &amp; Distribution Expenses</b>		<b>Tk. 6,420,909</b>	<b>Tk. 6,913,200</b>
	The break-up of the amount is given below:		
	Salary & Allowances	3,152,250	3,435,265
	Entertainment	206,585	271,256
	Printing & Stationery	94,788	99,658
	Advertisement	932,561	985,369
	Misc. Expenses	801,254	824,365
	Travelling & Conveyance	531,924	554,698
	Sales promotion Exp.	701,547	742,589
		<b>6,420,909</b>	<b>6,913,200</b>
<b>41.00 Financial Expenses</b>		<b>Tk. 66,069,506</b>	<b>Tk. 122,326,966</b>
	The break-up of the amount is given below:		
	Interest on Project Loan general (Agrani bank Ltd.)	42,971,600	96,325,480
	Interest on IDLC Finance Limited	1,435,034	2,420,365
	Interest on (IIDFC)	3,665,205	2,236,548
	Interest on First Lease Financing	2,921,186	4,965,896
	Interest on Term Loan (Prime Bank Ltd.)	3,249,106	2,510,365
	Interest on Term Loan (Brac Bank Ltd.)	1,036,504	2,436,580
	Interest on LTR	9,770,790	10,256,037
	Bank Charge/Bank Misc./Service Charge etc.	1,020,082	1,175,695
		<b>66,069,506</b>	<b>122,326,966</b>

	Amount in Taka	
	June 30, 2023	June 30, 2022
<b>42.00 Other Income</b>	<b>Tk. 3,166,673</b>	<b>Tk. 3,311,126</b>
This amount consist of		
Interest Received from FDR	2,860,855	2,985,478
Exchange Gain	305,818	325,648
	<b>3,166,673</b>	<b>3,311,126</b>
<b>43.00 Current Tax Expenses</b>	<b>Tk. 8,506,151</b>	<b>Tk. 9,503,005</b>
Profit before Tax	35,684,716	50,390,340
Less: Other Income considered separately	3,166,673	3,311,126
	32,518,044	47,079,214
Add: Accounting Depreciation	61,619,885	66,677,333
Less: Tax Depreciation	(91,552,804)	(106,242,883)
Taxable Income	<b>2,585,125</b>	<b>7,513,663</b>
Current tax Expenses on Taxable Income @15%	387,769	1,127,049
Current tax Expenses on other Income @22.5%	712,501	745,003
Regular Tax	1,100,270	1,872,053
Current Tax Expenses	<b>8,506,151</b>	<b>9,503,005</b>
Minimum tax on gross receipts of the company was taka 8,506,151 which is higher than the amount of regular tax amounting Taka 1,100,270 hence considering the provision of section 82C of Income Tax Ordinance 1984 the higher amount considered as income tax expenses comparing minimum tax and regular tax.		
<b>44.00 Deferred Tax Expenses/(Income)</b>	<b>Tk. 4,489,938</b>	<b>Tk. 5,934,833</b>
Closing	78,187,045	73,697,107
Beginning	73,697,107	67,762,275
	<b>4,489,938</b>	<b>5,934,833</b>
<b>45.00 Earnings Per Share (EPS)</b>	<b>Tk. 0.12</b>	<b>Tk. 0.19</b>
Net Profit After Tax	22,688,628	34,952,503
Weighted Number of Ordinary Shares during the year (Re-stated)	183,550,143	183,550,143
<b>Earnings Per Share (EPS)</b>	<b>0.12</b>	<b>0.19</b>
<b>Weighted Average number of Ordinary Shares</b>		
Opening	183,550,143	181,732,815
Issuance of Stock Dividend	-	1,817,328
<b>restated:</b>	<b>183,550,143</b>	<b>183,550,143</b>
<b>46.00 Cash Paid to Suppliers, Employees and Others</b>	<b>Tk. 1,276,125,743</b>	<b>Tk. 1,381,426,392</b>
The break-up of the amount is given below:		
Cost of Goods Sold	1,262,454,246	1,356,007,058
Less: Opening Inventory	(686,690,200)	(651,223,386)
Add: Closing Inventory	705,769,136	686,690,200
Add: Creditors b/d	9,457,521	10,025,853
Less: Creditors c/d	(9,125,450)	(9,457,521)
Less: Depreciation	(61,619,885)	(66,677,333)
Add: Administrative Expenses	25,936,280	27,546,863
Add: Marketing Expenses	6,420,909	6,913,200
Add: Accrued Exp b/d	13,347,303	13,134,946
Less: Accrued Exp c/d	(15,366,957)	(13,347,303)
Add: Prepaid Exp c/d	441,871,277	416,328,437
Less: Prepaid Exp b/d	(416,328,437)	(394,514,623)
	<b>1,276,125,743</b>	<b>1,381,426,392</b>

		Amount in Taka	
		June 30, 2023	June 30, 2022
<b>47.00 Interest Paid</b>		<b>Tk. 1,020,082</b>	<b>Tk. 101,873,099</b>
	The break-up of the amount is given below:		
	Expense Charged	66,069,506	122,326,966
	Add: Owing b/d	116,557,200	96,103,333
	Less: Owing c/d	(181,606,624)	(116,557,200)
		<b>1,020,082</b>	<b>101,873,099</b>
<b>48.00 Income Tax Paid</b>		<b>Tk. 0</b>	<b>Tk. 8,325,381</b>
	The break-up of the amount is given below:		
	Provision b/d	195,455,443	185,952,438
	Add: Tax Charged during year	8,506,151	9,503,005
	Add: Advance Tax c/d	51,065,886	51,065,886
	Less: Advance Tax b/d	(51,065,886)	(42,740,505)
	Less: Provision c/d	(203,961,594)	(195,455,443)
		<b>-</b>	<b>8,325,381</b>
<b>49.00 Reconciliation of Net Profit with cash flows from Operating Activities</b>			
	<b>Profit before Tax</b>	35,684,716	50,390,340
	Adjustment for:		
	Depreciation on property, plant and equipment	61,619,885	66,677,333
		<b>97,304,602</b>	<b>117,067,673</b>
	Less: Increase in Trade & Other Receivables	(57,699,376)	(21,789,693)
	Less: Increase in Inventories	(19,078,936)	(35,466,814)
	Add: Increase in WPPF	2,705,282	3,382,864
	Add: Increase In Trade Receivables	18,420,932	17,266,945
	Add: Increase in Trade Payables	(332,071)	(568,332)
	Add: Increase in Liabilities for Expenses	67,069,078	20,377,847
	Less: Increase in Advance, Deposit & Prepayments	(25,542,840)	(21,813,814)
	Less: AIT at source on export realization	-	(8,325,381)
	<b>Net cash flow from operating activities</b>	<b>82,846,671</b>	<b>70,131,295</b>
<b>50.00 Net Operating Cash Flow Per Share</b>		<b>Tk. 0.45</b>	<b>Tk. 0.38</b>
	<u>Net Cash flows from operating activities</u>	82,846,671	70,419,672
	No. of Shares	183,550,143	183,550,143
	<b>Net Operating Cash Flow Per Share</b>	<b>0.45</b>	<b>0.38</b>
<b>51.00 The requirement of schedule XI part-II, Para 3</b>			
	<b>Employees</b>		
	Number of employees whose salary was below Tk. 8,250	-	-
	Number of employees whose salary was above Tk. 8,250	410	416
		<b>410</b>	<b>416</b>
<b>52.00 Additional Information</b>			
	<b>The requirement of schedule XI part-II, Para 3 (a) : Turn Over</b>		
	Turnover in BDT.	1,414,525,199	1,580,523,111
	Turnover in Quantity	8,840,782	9,878,269
	<b>The requirement of schedule XI part-II, Para 3 (d) (i) : Raw Materials Consumed</b>		
	Raw Material (Yarn) (Kgs)	4,631,721.01	5,040,382
	Raw Material (Yarn) (Value in BDT.)	903,185,597	957,672,645
	Dyes & Chemical (Kgs)	634,928.47	889,741
	Dyes & Chemical (Value in BDT.)	98,413,913	133,461,197



Amount in Taka	
June 30, 2023	June 30, 2022

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

**Finished Goods**

Opening (Yds)	1,874,331	1,886,506
Production (Yds)	8,758,138	9,866,094
Closing (Yds)	1,791,687	1,874,331

**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		36,000
2	Md. Shafiul Azam (Mohsin)	Managing Director	1,200,000	36,000
3	Md. Sohel Khan	Director		30,000
4	Md. Belayet Hossain, Advocate	Independent Director		30,000
5	Md. Shafiul Azam (Mohsin)	Nominee Director(Disney Properties Ltd.)		30,000

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

**Payments to Managing Director and Director by the company during the year**

Sl. No	Particulars	June 30, 2023	June 30, 2022
(a)	Managerial remuneration paid or payable during the financial year to the directors, including managing director, a managing agent or manager;	1,200,000	1,200,000
(b)	Expenses reimbursed to the managing agent;	Nil	Nil
(c)	Commission or other remuneration payable separately to a managing agent or his associate;	Nil	Nil
(d)	Commission received or receivable by the managing agent or his associate as selling or buying agent of other agent of other concerns in respect of contracts entered into by such concerns with the company;	Nil	Nil
(e)	The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year;	Nil	Nil
(f)	Any other perquisites or benefits in cash or in kind;	Nil	Nil
(g)	Other allowances and commission including guarantee commission;	Nil	Nil
(h)	Pension etc.	Nil	Nil
	(i) Pensions	Nil	Nil
	(ii) Gratuities	Nil	Nil
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	Nil	Nil
	(iv) Compensation for loss of office	Nil	Nil
	(v) Consideration in connection with retirement from office.	Nil	Nil

Amount in Taka	
June 30, 2023	June 30, 2022

**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	8,758,138	47.47

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

Particulars	Opening Balance	Total Purchase year ended June 30, 2023	Material Available (Taka)	Material Consumption (Taka)	% of Consumption
Raw Material (Yarn)	223,400,363	911,681,514	1,135,081,877	903,185,597	85.43%
Dyes & Chemical	74,604,652	100,600,867	175,205,519	98,413,913	9.31%
Packing Material	13,236,642	51,045,857	64,282,499	50,717,254	4.80%
Spare Parts	6,095,365	5,072,932	11,168,297	4,913,447	0.46%
<b>Total</b>	<b>317,337,022</b>	<b>1,068,401,171</b>	<b>1,385,738,193</b>	<b>1,057,230,212</b>	<b>100.00%</b>

Value of imports calculated on C.I.F basis by the company during the financial year ended June 30, 2023 in respect of raw materials, components and spare parts and capital good were as follows:

Sl. No	Raw Particulars	Import
		Amount in BDT
i	Materials	911,681,514
ii	Packing Materials	51,045,857
iii	Components of Spare Parts	5,072,932

**Value of Sales on FOB Basis:**

Particulars		
Sales of Denims Fabrics (US Dollar)	\$13,097,456	\$17,758,687
Sales of Denims Fabrics (BDT)	1,414,525,199	1,580,523,111

**53.00 Contingent Liabilities**

There was no sum for which the company is contingently liable as on June 30, 2023

**54.00 Claims Not Acknowledged**

There was no claims against the company not acknowledged as debt as on June 30, 2023

**55.00 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, 2022 to June 30, 2023.

**56.00 Events after the Reporting Period**

The Board of Directors meeting of Pacific Denims Ltd., held on 26 October 2023, recommended 1% Cash dividend (Except Director & Sponsor Shareholder) of the paid-up capital for the year ended 30 June 2023. These dividends is subject to final approval by the shareholders at the forthcoming Annual General Meeting (AGM) of the company.

**57.00 Significant Deviation**

During the year Sales, Net profit after Tax and Earnings Per Share (EPS) are decreased in comparison with previous year ended on June 30, 2022 due to increase of raw material costing and others overhead increase as well as insufficient supply of Gas as a result profit decrease from comparative year.

## **58.00 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 2023 the entire part of the receivables are related to export of goods and subject to insignificant credit risk. Risk exposures from other financial assets. i.e. Cash at bank and other external receivables are nominal.

### **Liquidity Risk**

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

### **Market Risk**

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

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

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

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

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

**PACIFIC DENIMS LIMITED**  
**Schedule of Property, Plant & Equipment**  
As on June 30, 2023

Particulars	Amount in Taka													
	Land	Revaluation Reserve	Land Development	Building & other Construction	Furniture & Fixture	Electric Installation	Deep-Tube-well	Office Equipment	Plant & Machinery Imported	Plant & Machinery Local	Fire Fighting Equipment	Vehicles & Transport	Total Property, Plant & Equipment	Total
<b>Cost</b>														
As on July 01, 2022	34,309,587	145,690,413	5,018,960	963,237,722	32,177,409	64,772,051	452,632	8,325,306	982,064,258	76,349,343	2,475,360	2,466,002	2,317,339,043	2,317,339,043
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal During the Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cost as on June 30, 2023</b>	<b>34,309,587</b>	<b>145,690,413</b>	<b>5,018,960</b>	<b>963,237,722</b>	<b>32,177,409</b>	<b>64,772,051</b>	<b>452,632</b>	<b>8,325,306</b>	<b>982,064,258</b>	<b>76,349,343</b>	<b>2,475,360</b>	<b>2,466,002</b>	<b>2,317,339,043</b>	<b>2,317,339,043</b>
<b>Rate of Dep.</b>	0%	0%	0%	2.50%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
<b>Accumulated Depreciation</b>														
As on July 01, 2022	-	-	-	125,888,943	22,138,294	51,331,871	364,098	5,217,957	621,899,967	57,941,981	1,396,466	1,930,067	888,109,644	888,109,644
Depreciation Charged	-	-	-	20,933,719	1,003,912	1,344,018	8,853	310,735	36,016,429	1,840,736	107,889	53,593	61,619,885	61,619,885
Adjustment for Assets disposal off	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Accumulated Depreciation as on June 30, 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>146,822,663</b>	<b>23,142,205</b>	<b>52,675,889</b>	<b>372,951</b>	<b>5,528,692</b>	<b>657,916,396</b>	<b>59,782,717</b>	<b>1,504,355</b>	<b>1,983,661</b>	<b>949,729,530</b>	<b>949,729,530</b>
<b>Net Book Value June 30, 2023</b>	<b>34,309,587</b>	<b>145,690,413</b>	<b>5,018,960</b>	<b>816,415,059</b>	<b>9,035,204</b>	<b>12,096,162</b>	<b>79,681</b>	<b>2,796,614</b>	<b>324,147,862</b>	<b>16,566,626</b>	<b>971,005</b>	<b>482,341</b>	<b>1,367,609,513</b>	<b>1,367,609,513</b>
Carrying Value as on June 30, 2023														

**PACIFIC DENIMS LIMITED**  
**Schedule of Property, Plant & Equipment**  
As on June 30, 2022

Particulars	Amount in Taka													
	Land	Revaluation Reserve	Land Development	Building & other Construction	Furniture & Fixture	Electric Installation	Deep-Tube-well	Office Equipment	Plant & Machinery Imported	Plant & Machinery Local	Fire Fighting Equipment	Vehicles & Transport	Total Property, Plant & Equipment	Total
<b>Cost</b>														
As on July 01, 2021	34,309,587	145,690,413	5,018,960	963,237,722	32,177,409	64,772,051	452,632	8,325,306	982,064,258	76,349,343	2,475,360	2,466,002	2,317,339,043	2,317,339,043
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal During the Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cost as on June 30, 2022</b>	<b>34,309,587</b>	<b>145,690,413</b>	<b>5,018,960</b>	<b>963,237,722</b>	<b>32,177,409</b>	<b>64,772,051</b>	<b>452,632</b>	<b>8,325,306</b>	<b>982,064,258</b>	<b>76,349,343</b>	<b>2,475,360</b>	<b>2,466,002</b>	<b>2,317,339,043</b>	<b>2,317,339,043</b>
<b>Rate of Dep.</b>	0%	0%	0%	2.50%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
<b>Accumulated Depreciation</b>														
As on July 01, 2021	-	-	-	104,418,462	21,022,837	49,838,518	354,261	4,872,696	581,881,712	55,896,718	1,276,589	1,870,519	821,432,312	821,432,312
Depreciation Charged	-	-	-	21,470,482	1,115,457	1,493,353	9,837	345,261	40,018,255	2,045,262	119,877	59,548	66,677,333	66,677,333
Adjustment for Assets disposal off	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Accumulated Depreciation as on June 30, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>125,888,943</b>	<b>22,138,294</b>	<b>51,331,871</b>	<b>364,098</b>	<b>5,217,957</b>	<b>621,899,967</b>	<b>57,941,981</b>	<b>1,396,466</b>	<b>1,930,067</b>	<b>888,109,644</b>	<b>888,109,644</b>
<b>Net Book Value June 30, 2022</b>	<b>34,309,587</b>	<b>145,690,413</b>	<b>5,018,960</b>	<b>837,348,779</b>	<b>10,039,115</b>	<b>13,440,180</b>	<b>88,534</b>	<b>3,107,349</b>	<b>360,164,291</b>	<b>18,407,362</b>	<b>1,078,894</b>	<b>535,935</b>	<b>1,429,229,399</b>	<b>1,429,229,399</b>
Carrying Value as on June 30, 2022														

**Pacific Denims Ltd**  
**Details Item wise Inventories list**  
**For the year ended June 30, 2023**

Sl. No	Items	As at 30 June, 2023			As at 30 June, 2022		
		Rate TK	Quantity KG	Amount in Taka	Rate TK	Quantity KG	Amount in Taka
<b>1</b>	<b>Yarn</b>						
	Cotton Open End	230	280,758	64,574,340	226	267,271	60,403,246
	Cotton Open Slub	220	192,582	42,368,040	219	188,835	41,354,865
	Cotton Ring Slub	320	118,560	37,939,200	319	112,325	35,831,675
	Cotton Elastane	340	99,854	33,950,360	335	98,569	33,020,615
	Polyester Filament	185	135,458	25,059,730	186	132,659	24,674,574
	Poly Elastane	215	130,254	28,004,610	217	129,564	28,115,388
	<b>Total</b>		<b>957,466</b>	<b>231,896,280</b>		<b>929,223</b>	<b>223,400,363</b>
<b>2</b>	<b>Dyes &amp; Chemicals</b>						
	Indigo Dye	660	58,354	38,513,640	666	55,632	37,050,912
	Sulphar Black Dye	205	36,587	7,500,335	204	35,624	7,267,296
	Caustic Soda	65	57,896	3,763,240	63	55,258	3,481,254
	Hydrose	210	52,458	11,016,180	206	53,965	11,116,790
	Apple Starch	75	60,528	4,539,600	73	61,854	4,515,342
	Modified Starch	98	15,471	1,516,158	99	14,526	1,438,074
	Sodium Sulphide	71	39,693	2,818,203	72	38,564	2,776,608
	Siligen Softener	354	20,125	7,124,250	356	19,546	6,958,376
	<b>Total</b>		<b>341,112</b>	<b>76,791,606</b>		<b>334,969</b>	<b>74,604,652</b>
<b>3</b>	<b>Packing Materials</b>			<b>13,565,245</b>			<b>13,236,642</b>
<b>4</b>	<b>Spares &amp; Parts</b>			<b>6,254,850</b>			<b>6,095,365</b>
<b>5</b>	<b>Work-in-process</b>						
	Warping			10,823,654			10,220,125
	Dyeing & Sizing			25,546,589			24,256,320
	Weaving			46,589,758			47,262,258
	Finishing			16,589,742			15,836,542
	<b>Total</b>			<b>99,549,743</b>			<b>97,575,245</b>
<b>6</b>	<b>Finished Goods</b>						
	100% Cotton	245	267,589	65,559,305	243	268,123	65,153,889
	Cotton Polyester	259	450,569	116,697,371	257	447,069	114,896,733
	Cotton Elastane	335	162,458	54,423,430	334	151,554	50,619,036
	Cotton Poly Elastane	327	125,478	41,031,306	325	126,487	41,108,275
	<b>Total</b>		<b>1,006,094</b>	<b>277,711,412</b>		<b>993,233</b>	<b>271,777,933</b>
	<b>Grand Total</b>			<b>705,769,136</b>			<b>686,690,200</b>
	Yarn			231,896,280			223,400,363
	Dyes & Chemicals			76,791,606			74,604,652
	Packing Materials			13,565,245			13,236,642
	Spares & Parts			6,254,850			6,095,365
	Work-in- process			99,549,743			97,575,245
	Finished Goods			277,711,412			271,777,933
	<b>Total</b>			<b>705,769,136</b>			<b>686,690,200</b>



# PACIFIC DENIMS LIMITED

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

## PROXY FORM

I/We.....being a member (s) of  
Pacific Denims Limited do hereby appoint Mr/Mrs .....  
.....of as my/our proxy  
to attend and vote on behalf of me/us at the 20th Annual General Meeting of the Company to be held on Sunday, the 31st December, 2023 at 11.00 AM at “DIGITAL PLATFORM”.

As witness my/our hand this.....day of .....2023.

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

Revenue  
Stamp  
Tk. 20

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

BO ID NO.

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

No. of Shares .....

Dated .....

**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 20th Annual General Meeting of Pacific Denims Limited held today Sunday, the 31st December, 2023 at 11.00 AM at “DIGITAL PLATFORM.”

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

BO ID NO.

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

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.





H/O: Plot-6, D-3 (3rd Floor & 2nd Floor) | SW(H),  
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