

**ABRIDGED VERSION OF PROSPECTUS**

Of

**PACIFIC DENIMS LIMITED**

**Name(s) and address(es), telephone numbers, web addresses, e-mails, fax numbers and contact persons of the issuer, issue manager and underwriter;**

**Issuer:**

<b>Name &amp; Address</b>	<b>Telephone &amp; Fax Number, E-mail, Web Address</b>	<b>Contact Person</b>
<b>Pacific Denims Limited</b> Bashoti Aristocraft D-3, (3 <sup>rd</sup> Floor), Plot-6, Block # SW (H), Gulshan Avenue, Dhaka-1212.	Tel: +88-02-8855523, +88-02-8817882 Fax: +88-02-8817883 E-mail: <a href="mailto:info@pacificgroupbd.com">info@pacificgroupbd.com</a> Web: <a href="http://www.pgbd.org/Pacific-Denims-Ltd">www.pgbd.org/Pacific-Denims-Ltd</a>	<b>Md. Sorhab Ali</b> Company Secretary

**Issue Manager:**

<b>Name &amp; Address</b>	<b>Telephone &amp; Fax Number, E-mail, Web Address</b>	<b>Contact Person</b>
<b>AFC Capital Limited</b> Saiham Sky View Tower (11 <sup>th</sup> Floor), 45 Bijoy Nagar, Dhaka-1000.	Tel: +88-02-8392371 Fax: +88-02-8392372 Email: <a href="mailto:capital.afc@gmail.com">capital.afc@gmail.com</a> Web: <a href="http://www.afcl.asia">www.afcl.asia</a>	<b>Md. Abul Bashar Parvez</b> Deputy Manager

**Underwriters:**

<b>Name &amp; Address</b>	<b>Telephone &amp; Fax Number, E-mail, Web Address</b>	<b>Contact Person</b>
<b>AIBL Capital Management Limited</b> Peoples Insurance Bhaban (7 <sup>th</sup> Floor), 36 Dilkusha C/A, Dhaka-1000.	Tel: +88-02-9560198, +88-02-9515071 Fax: +88-02-7170391 E-mail: <a href="mailto:cml@al-arafahbank.com">cml@al-arafahbank.com</a> Web: <a href="http://www.al-arafahbank.com">www.al-arafahbank.com</a>	<b>Md. Golam Sarwar Bhuiyan</b> Chief Executive Officer
<b>Banco Finance and Investment Limited</b> Baitul View Tower (11 <sup>th</sup> Floor) 56/1, Purana Paltan, Dhaka-1000	Tel: +88-02-7125703, +88-02-7125910 Fax: +88-02-7125634 E-mail: <a href="mailto:banco.bd@gmail.com">banco.bd@gmail.com</a> Web: <a href="http://www.bancogroupbd.com">www.bancogroupbd.com</a>	<b>Mohammad Hamdul Islam</b> Managing Director & CEO
<b>EBL INVESTMENTS LIMITED</b> 59 Motijheel C/A, 1 <sup>st</sup> Floor, Dhaka-1000.	Tel: +88-02-7118975 Fax: +88-02-7120251 E-mail: <a href="mailto:tanvir@eblinvestments.com">tanvir@eblinvestments.com</a> Web: <a href="http://www.eblinvestments.com">www.eblinvestments.com</a>	<b>Md. Tanvir Hashem</b> Manager
<b>MTB Capital Limited</b> MTB Tower (Level-3) 111 Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka-1000.	Tel: +88-02-9577072-3 Fax: +88-02-9577075 E-mail: <a href="mailto:khairul.bashar@mutualtrustbank.com">khairul.bashar@mutualtrustbank.com</a> Web: <a href="http://www.mtbcap.com">www.mtbcap.com</a>	<b>Khairul Bashar A. T. Mohammed</b> Chief Executive Officer & SVP
<b>Lankabangla Investments Limited</b> Eunoos Trade Center (Level-21) 52-53, Dilkusha C/A, Dhaka-1000.	Tel: +88-02-7113585, 7125890 Fax: +88-02-7115756 E-mail: <a href="mailto:shakil.bhuiyan@lankabangla-investments.com">shakil.bhuiyan@lankabangla-investments.com</a> Web: <a href="http://www.lankabangla-investments.com">www.lankabangla-investments.com</a>	<b>Khandakar Kayes Hasan, CFA</b> Chief Executive Officer
<b>PLFS Investment Limited</b> Paramonut Heights (13 <sup>th</sup> Floor), 65/2/1, Box Culvert Road Purana Paltan, Dhaka-1000	Tel: +88-02-7119654 Fax: +88-02-7125396 E-mail: <a href="mailto:plfsilbd@gmail.com">plfsilbd@gmail.com</a> Web: <a href="http://www.plfsil.com">www.plfsil.com</a>	<b>Md. Abdul Muktadir, CFA</b> Chief Executive Officer
<b>SBL Capital Management Limited</b> 2, D. I. T. Avenue (Extension), 3 <sup>rd</sup> Floor Motijheel C/A, Dhaka-1000.	Tel: +88-02-7175698, +88-02-9515484 Fax: +88-02-9585985 Email: <a href="mailto:topu36@yahoo.com">topu36@yahoo.com</a> Web: <a href="http://www.standardbankbd.com/CapitalManagement">www.standardbankbd.com/CapitalManagement</a>	<b>Mohammed Anisuzzaman Chowdury</b> First AVP

**Amount, type and offering price of the securities on a per unit and aggregate basis of securities being issued;**

Public issue of **75,000,000** (Seven Crore Fifty Lac) ordinary shares of **Tk. 10.00** each at par of totaling **Tk. 750,000,000.00** (Seventy Five Crore).

**Opening and closing date of subscription;**

Opening date of subscription: December 11, 2016

Closing date of subscription: December 19, 2016

**Availability of full prospectus;**

The Prospectus and abridged version prospectus in hard and soft forms of the Company shall be obtained from the following addresses:

**Issuer:**

<b>Name &amp; Address</b>	<b>Telephone &amp; Fax Number, E-mail, Web Address</b>	<b>Contact Person</b>
<b>Pacific Denims Limited</b> Bashoti Aristocraft D-3, (3 <sup>rd</sup> Floor), Plot-6, Block # SW (H), Gulshan Avenue, Dhaka-1212.	Tel: +88-02-8855523, +88-02-8817882 Fax: +88-02-8817883 E-mail: <a href="mailto:info@pacificgroupbd.com">info@pacificgroupbd.com</a> <a href="http://www.pgbd.org/Pacific-Denims-Ltd">Web: www.pgbd.org/Pacific-Denims-Ltd</a>	<b>Md. Sorhab Ali</b> Company Secretary

**Issue Manager:**

<b>Name &amp; Address</b>	<b>Telephone &amp; Fax Number, E-mail, Web Address</b>	<b>Contact Person</b>
<b>AFC Capital Limited</b> Saiham Sky View Tower (11 <sup>th</sup> Floor), 45 Bijoy Nagar, Dhaka- 1000.	Tel: +88-02-8392371 Fax: +88-02-8392372 Email: <a href="mailto:capital.afc@gmail.com">capital.afc@gmail.com</a> <a href="http://www.afcl.asia">Web: www.afcl.asia</a>	<b>Md. Abul Bashar Parvez</b> Deputy Manager

**Stock Exchanges**

<b>Name &amp; Address</b>	<b>Telephone &amp; Fax Number, E-mail, Web Address</b>	<b>Contact Person</b>
<b>Dhaha Stock Exchange Limited</b> DSE Library, 9/F Motijheel C/A, Dhaka-1000.	Tel: +88-02-9564601, 9576210-18 Fax: +88-02-9564727, +88-02-9569755 E-mail: <a href="mailto:reasearch@dsebd.org">reasearch@dsebd.org</a> <a href="http://www.dsebd.org">Web: www.dsebd.org</a>	<b>Afzalur Rahaman</b> Manager
<b>Chittagong Stock Exchange Limited</b> CSE Library, CSE Building, 1080, Sheikh Mujib Road Agrabad, Chittagong- 4100.	Tel: 031-714632-3 Fax: 031-714101 E-mail: <a href="mailto:jabed@cse.com.bd">jabed@cse.com.bd</a> <a href="http://www.cse.com.bd">Web: www.cse.com.bd</a>	<b>Mohammed Javed Sarwar</b> Assistant Manager

Prospectus would also be available on the web sites of BSEC ([www.sec.gov.bd](http://www.sec.gov.bd)) at the Public Reference Room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

**Name of the credit rating Company (if any) along with rating assigned with date of validity;**

Not applicable for us.

**Names of the valuer, if any and the auditors;**

**Vauler:**

<b>Name &amp; Address</b>	<b>Telephone &amp; Fax Number, E-mail, Web Address</b>	<b>Contact Person</b>
<b>Ata Khan &amp; Co.</b> Chartered Accountants 67 (1 <sup>st</sup> Floor), Motijheel C/A, Dhaka- 1000.	Tel: +88-02-9560933, +88-02-9560716 Fax: +88-02-9567351 E-mail: <a href="mailto:info@atakhanandcoca.com">info@atakhanandcoca.com</a> <a href="http://www.atakhanandcoca.com">Web: www.atakhanandcoca.com</a>	<b>Kazi Maqbul Ahmed</b> Managing Partner

**Auditor:**

Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
<b>Mahfel Huq &amp; Co.</b> Chartered Accountants BGIC Tower (4 <sup>th</sup> Floor) 34, Topkhana Road Dhaka-1000.	Tel: +88-02-7171316, +88-02-9553143 Fax: +88-02-9571005 E-mail: <a href="mailto:mahfelcofca@yahoo.com">mahfelcofca@yahoo.com</a> Web: <a href="http://www.mahfelhuq.com">www.mahfelhuq.com</a>	<b>Abdul Kayum Akhunjee</b> Manager

A person interested to get a prospectus may obtain from the issuer and the issue managers.

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

“CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2015. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, /CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, ISSUE MANAGER, ISSUE MANAGER’S CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, UNDERWRITERS, AUDITOR(S) AND/OR VALUER, CREDIT RATING COMPANY (IF ANY);

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”

“Investment in capital market involves certain degree of risks. The investors are required to read the prospectus and risk factors carefully, assess their own financial conditions and risk taking ability before making their investment decisions.”

**Summary of use of proceeds of the offer;****Sources of Fund:**

Issue size (Number of share to be issued)	Issue price	Amount in Taka
75,000,000 Shares	Tk. 10.00	750,000,000
Less: IPO Expenses		20,620,000
<b>Net IPO Proceeds</b>		<b>729,380,000</b>


**Use of the net proceeds from the IPO:**

Net Proceeds from initial public offering (IPO) will be used for expansion of business activities, repayment of high interest- bearing loan.

The details of which is stated as under:

Particulars	Amount in Tk.
Partial Loan Pay off [Agrani Bank Limited, Principal Branch-Tk. 10.00 Crore, NCC Bank Limited, Foreign Exchange Branch-Tk. 12.00 Crore, IDLC Finance Limited, Gulshan-1 Branch-Tk. 1.00 Crore, IIDFC, Motijheel Branch-Tk. 1.00 Crore, First Lease Finance & Investment Limited, Kawran Bazar Branch-Tk. 1.00 Crore]	250,000,000
Business Expansion	479,380,000
<b>Total</b>	<b>729,380,000</b>

**Brief corporate directory of the issuer;**

Company Name	:	Pacific Denims Limited
Company Logo	:	
Legal Position	:	Pacific Denims Limited (PDL) was incorporated as a private limited company on 20 <sup>th</sup> March, 2003 having a Vide Registration No. C-48649(633)/2003 and subsequently converted into a public limited company on 12 <sup>th</sup> January, 2011 with Register of Joint Stock Companies and Firms (RJSC) in Bangladesh under the Companies Act, 1994.
Dates of Incorporation	:	20 March, 2003.
Commencement of its Commercial Operations	:	April 01, 2007.
Authorized Capital	:	Tk.1,200,000,000 divided into 120,000,000 Ordinary Share of Tk.10.00 each
Paid up Capital	:	Tk. 380,000,000 divided into 38,000,000 Ordinary Share of Tk. 10.00 each
Registered Office	:	Bashoti Aristocraft D-3, (3 <sup>rd</sup> Floor), Plot-6, Block#SW(H), Gulshan Avenue, Dhaka-1212.
Manufacturing Plant	:	Natun Charchasi, Gazaria, Munshiganj, Bangladesh.
Board of Directors	:	5 Directors.
Auditor	:	<b>MAHFEL HUQ &amp; CO.</b> Chartered Accountants BGIC Tower (4 <sup>th</sup> Floor), 34, Topkhana Road, Dhaka-1000. Tel: +88-02-9553143, +88-02-9581786; Fax: +88-02-9571005 Email: mahfelcofca@gmail.com
Manager to the Issue	:	<b>AFC CAPITAL LIMITED</b> Saiham Sky View Tower (11 <sup>th</sup> Floor), 45 Bijoy Nagar, Dhaka-1000. Tel: +88-02-8392371; Fax: +88-02-8392372 Website: <a href="http://www.afcl.asia">www.afcl.asia</a>
Banker for IPO	:	Mutual Trust Bank Limited, Dilkusha Branch
Banker of the Company	:	Agrani Bank Limited, Prime Bank Limited, NCC Bank Limited and Bank Asia Limited
Compliance Officer	:	Md. Sorhab Ali, Company Secretary

**Location of the project;**

Its factory location is at Natun Charchasi, Gazaria, Munshiganj, Bangladesh.

**Principal products or services of the issuer;**

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

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

**Names of associates, subsidiary/related and holding of Issuer Company;**

There is no associates, subsidiary and holding company of Pacific Denims Limited.

**Name, address and short description of each of the directors;**

**MD. SHAFIUL AZAM (MOHSIN)**

*Managing Director, Pacific Denims Limited*

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

Mr. Mohsin obtained his B.Sc. from Tejgaon College under Dhaka University. He also serves as the Managing Director of Pacific Co. (BD) Limited, Disney Properties Limited. Mr. Mohsin is widely experienced personnel in industrial management. He is the Chief Executive Officer of **Pacific Group**, engaged in diversified business including number of Export Oriented Readymade Garments and Textile Industry, Land Development, Export Oriented RMG Accessories Industry, Food service, etc.

He is young energetic business leader.

He achieved **NAWAB SIR SALIMULLAH GOLD MADEL AWARD** as the best Industrial Entrepreneurship for the year of 2006. He also achieved **BANGLADESH BUSINESS AWARD 2010-2011** presented by Mr. H. T. Imam, Adviser to the Honorable Prime Minister & also got Business Asia Award 2010-2011 presented by the Honorable Commerce Minister Mr. Faruk Khan as the best Denim Fabrics Exporter.

**MD. SHADEQUL ALAM (YEASIN)**

*Chairman, Pacific Denims Limited*

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

Mr. Shadequl Alam (Yeasin) also serves as the Chairman of Pacific Co. (BD) Limited, Disney Properties Limited and Pacific Beverage & Food Limited.

**MD. SOHEL KHAN**

*Director, Pacific Denims Limited*

Mr. Md. Sohel Khan serves as the Director of Pacific Denims Limited and also Managing Director of Pacific Jeans Collection Limited and Color Tex International. He has 13 years of valuable business experience in the garments sector. Mr. Sohel has visited most of the countries where commodities made of Bangladesh have a good and lucrative export market. Mr. Sohel is young energetic business leader. He possesses his business talent and what initiative he has taken, he then made it to successful one. He has become a business icon to young business entrepreneur.

**MD. ASHFAK AHMED KHAN**

*Independent Director, Pacific Denims Limited*

Mr. Md. Ashfak Ahmed Khan serves as the Independent Director of Pacific Denims Limited. He obtained his MSS in Political Science from Govt. Titumir College under National University. Mr. Ashfak Ahmed Khan has 13 years of valuable professional experience in the garments sector. He has a deep commitment to making deference in this sector. The creation of strategic alliances and strategic planning of his, to indicator of our continuous efforts to develop the core team to help achieve the mission of the company.

**M.A. KAMAL BHUIYAN**

*Nominee Director, (Representative of Disney Properties Limited), Pacific Denims Limited*

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

**Comparative financial statements and NAV, EPS, and financial ratios for the last five years or from commercial operation, which is shorter;**

**Auditors' report Under Section-135 (1) and Para-24(1) of Part-II of Schedule-III of the Companies Act 1994**

We have examined the Financial Statements of Pacific Denims Limited for the year ended December 31, 2015, 2014, 2013, 2012 and 2011 were audited by us. In pursuance of Section-135 (1) and Para-24 (1) of Part-II of Schedule-III of the Companies Act 1994, our report is as under:

**A) Statements of Assets and Liabilities of the Company is as under:**

Particulars	Amount in Taka				
	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011
<b>APPLICATION OF FUND</b>					
<b>NON-CURRENT ASSETS</b>					
Properties, Plant & Equipment	860,497,363	820,224,742	868,781,777	925,739,903	929,825,782
Capital Work-in-Progress	-	28,171,540	-	-	-
<b>Total Non-Current Assets</b>	<b>860,497,363</b>	<b>848,396,282</b>	<b>868,781,777</b>	<b>925,739,903</b>	<b>929,825,782</b>
<b>CURRENT ASSETS</b>					
Inventories	378,112,560	328,250,641	303,239,922	176,689,524	137,816,118
Trade and Other receivables	526,419,836	528,385,014	471,389,127	366,151,486	324,210,974
Investment	-	-	-	-	52,000,000
Advance, Deposits and Prepayments	243,677,608	224,290,120	225,752,592	175,570,377	74,690,068
Fixed Deposit	38,833,257	4,500,000	4,500,000	4,500,000	4,500,000
Cash and Cash Equivalents	21,457,220	3,438,701	3,823,599	11,524,919	5,311,137
<b>Total Current Asset</b>	<b>1,208,500,481</b>	<b>1,088,864,476</b>	<b>1,008,705,240</b>	<b>734,436,306</b>	<b>598,528,297</b>
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>					
Trade and Other Payables	17,598,438	46,274,240	29,849,016	31,529,752	69,561,167
Short Term Borrowings	119,190,451	125,797,685	217,207,396	159,944,948	131,353,792
Long-Term Borrowings-Current portion	118,908,979	118,908,979	98,132,305	-	-
Provision for Income Tax	71,909,198	59,039,146	43,589,263	27,026,360	10,854,939
Accrued Expenses	13,596,023	9,615,696	5,304,686	5,044,530	4,806,696
<b>Total Current Liabilities</b>	<b>341,203,090</b>	<b>359,635,746</b>	<b>394,082,666</b>	<b>223,545,589</b>	<b>216,576,594</b>
<b>Net Current Assets</b>	<b>867,297,391</b>	<b>729,228,731</b>	<b>614,622,574</b>	<b>510,890,717</b>	<b>381,951,703</b>
<b>TOTAL ASSETS</b>	<b>1,727,794,754</b>	<b>1,577,625,013</b>	<b>1,483,404,351</b>	<b>1,436,630,621</b>	<b>1,311,777,485</b>

**SOURCES OF FUND  
EQUITY & LIABILITIES  
SHAREHOLDERS' EQUITY**

Share Capital	380,000,000	380,000,000	380,000,000	380,000,000	100,000,000
Share Money Deposit	-	-	58,200,000	58,200,000	58,200,000
Revaluation reserve	145,690,413	145,690,413	145,690,413	145,690,413	145,690,413
Tax Holiday reserve	145,760,152	145,760,152	145,760,152	145,760,152	145,760,152
Retained Earnings	332,837,021	232,849,472	185,646,053	91,789,601	280,151,546
<b>Total Shareholders' Equity</b>	<b>1,004,287,586</b>	<b>904,300,037</b>	<b>915,296,618</b>	<b>821,440,166</b>	<b>729,802,111</b>
<b>LONG TERM BORROWINGS</b>					
Long Term Borrowings	671,810,437	621,934,728	568,107,733	615,190,455	581,975,374
Deferred Tax Liability	51,696,731	51,390,249	-	-	-
<b>Total Long Term Borrowings</b>	<b>723,507,168</b>	<b>673,324,976</b>	<b>568,107,733</b>	<b>615,190,455</b>	<b>581,975,374</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,727,794,754</b>	<b>1,577,625,013</b>	<b>1,483,404,351</b>	<b>1,436,630,621</b>	<b>1,311,777,485</b>
<b>NET ASSETS VALUE (NAV) PER SHARE</b>	26.43	23.80	22.56	20.09	67.16
<b>ADJUSTED NET ASSETS VALUE (NAV) PER SHARE</b>	26.43	23.80	22.56	20.09	17.67

B) The statements of operating results of the company is as follow:

	Amount in Taka				
	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011
Turnover	1,682,536,409	1,604,853,996	1,569,637,160	1,543,265,624	1,410,194,088
Cost of Goods Sold	1,414,385,323	1,356,106,353	1,326,694,111	1,304,404,784	1,191,864,641
<b>Gross Profit</b>	<b>268,151,086</b>	<b>248,747,643</b>	<b>242,943,049</b>	<b>238,860,840</b>	<b>218,329,448</b>
<b>Operating Expenses</b>	<b>26,366,525</b>	<b>25,249,523</b>	<b>24,398,053</b>	<b>20,034,944</b>	<b>15,572,948</b>
Office & Administrative Expenses	21,326,221	20,350,186	19,606,525	15,269,785	11,228,986
Selling & Distribution Expenses	5,040,304	4,899,337	4,791,528	4,765,159	4,343,962
<b>Operating Profit</b>	<b>241,784,560</b>	<b>223,498,120</b>	<b>218,544,996</b>	<b>218,825,896</b>	<b>202,756,500</b>
Financial Expenses	125,880,088	109,780,820	108,614,191	109,258,157	106,450,666
Other Income	2,259,613	405,000	488,550	592,500	182,500
Loss on Investment	-	-	-	2,350,762	-
<b>Net profit before tax</b>	<b>118,164,085</b>	<b>114,122,300</b>	<b>110,419,355</b>	<b>107,809,476</b>	<b>96,488,334</b>

Tax Holiday Reserve	-	-	-	-	9,648,832
Provision for Income Tax	18,176,535	17,298,136	16,562,903	16,171,421	10,854,939
<b>Net Profit after tax</b>	<b>99,987,550</b>	<b>96,824,164</b>	<b>93,856,451</b>	<b>91,638,055</b>	<b>75,984,563</b>
<b>Earnings per Share (EPS)</b>	2.63	2.55	2.47	3.20	7.60
<b>Adjusted Earnings per Share (EPS)</b>	2.63	2.55	2.47	2.41	2.00

C) Dividend declared:

Particulars	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011
Cash Dividend	Nil	Nil	Nil	Nil	Nil
Stock Dividend (Bonus Share)	Nil	Nil	Nil	Nil	280%

D) Pacific Denims Limited was incorporated as a Private Limited Company on March 20, 2003 and subsequently converted into a Public Limited Company on January 12, 2011 with the Registrar of Joint Stock Companies (RJSC) in Bangladesh. RJSC has also certified the amended copy of Memorandum and Articles of Association of the Company on January 23, 2011.

E) The Company had no subsidiary company as on the balance sheet date.

F) No proceeds or part of the proceeds of the issue of shares would be applied directly by the company in the purchase of any business.

G) The Company did not prepare any statement of accounts for the year subsequent to December 31, 2015.

H) Figures related to previous years have been re-arranged whenever considered necessary.

Place: Dhaka  
Dated: 31 March, 2016

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



**Auditor's certificate regarding calculation of EPS and Ratios**

This is to certify that Pacific Denims Limited has maintained the following ratios as computed on the basis of the audited financial statements for the year ended December 31, 2015, 2014, 2013, 2012 and 2011.

Particulars	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011
	Ratio				
<b>I. Liquidity Ratios:</b>					
(i) Current Ratio	3.54	3.03	2.56	3.29	2.76
(ii) Quick Ratio	1.72	1.49	1.22	1.71	1.78
(iii) Times Interest Earned Ratio	1.92	2.04	2.01	2.00	1.90
(iv) Debt to Equity Ratio	0.91	0.96	0.97	0.94	0.98
<b>II. Operating Ratios:</b>					
(i) Accounts Receivable Turnover Ratio	3.19	3.21	3.75	4.47	4.74
(ii) Inventory Turnover Ratio	4.00	4.29	5.53	8.29	9.89
(iii) Asset Turnover Ratio	0.84	0.84	0.89	0.97	0.97
<b>III. Profitability Ratios:</b>					
(i) Gross Margin Ratio	15.94%	15.50%	15.48%	15.48%	15.48%
(ii) Operating Income Ratio	14.37%	13.93%	13.92%	14.18%	14.38%
(iii) Net Income Ratio	5.94%	6.03%	5.98%	5.94%	5.39%
(iv) Return on Assets Ratio	4.99%	5.08%	5.31%	5.75%	5.21%
(v) Return on Equity Ratio	10.48%	10.64%	10.81%	11.81%	11.06%
(vi) Basic Earnings Per Share (EPS)	2.63	2.55	2.47	3.20	7.60
(vii) EBITDA Margin	17.76%	17.53%	17.99%	18.25%	19.32%
<b>IV. Coverage Ratios:</b>					
(i) Debt to total Assets Ratio	0.44	0.45	0.47	0.47	0.47
(ii) Debt Service Coverage Ratio	1.70	2.25	2.74	1.38	1.52

**V. Cash Flow:**

(iii) Net Operating Cash Flow per Share	2.00	2.47	(2.88)	0.13	6.69
(iv) Net Operating Cash Flow per Share/EPS	0.76	0.97	(1.17)	0.04	0.88

Place: Dhaka

Dated: 31 March, 2016

Sd/-

**Mahfel Huq & Co.**

Chartered Accountants

## Public issue application process:

### Step-1 (Applicant)

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25<sup>th</sup> (twenty fifth) working day** from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
  - a) Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
  - b) Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

### Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall:
  - a) post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
  - b) accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the "Public Issue Application Account" maintained with its bank within the first banking hour of **next working day** of the cut-off date. In case of application submitted by the Stock-dealer or the Merchant Banker's own portfolio, the application amount should also be transferred to the "Public Issue Application Account";
  - c) instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall prepare a list containing the draft information against the respective applicant's particulars.
6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and **within 03**

**(three) working days** from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde '~' separator) format, the certificate(s) issued by its banker, the drafts received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.

7. **On the next working day**, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers' certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

### **Step-3 (Issuer)**

9. The Issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. **On the next working day**, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges **within 10 (ten) working days** from the date of receiving information from the Exchanges.
12. The Issuer and the issue manager shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges.
13. The Issuer and issue manager shall arrange posting the lottery result on their websites within **06 (six) hours** and on the websites of the Commission and Exchanges within **12 (twelve) hours** of lottery.
14. Within **02 (two) working days** of conducting lottery, the Issuer shall:
  - a) send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Exchange.
  - b) send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.
  - c) issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.
  - d) send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

### **Step-4 (Intermediary)**

15. **On the next working day**, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:

- a) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
  - b) send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;
16. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall request its banker to:
- a) release the amount blocked for unsuccessful (other than NRB and foreign) applicants;
  - b) remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign) who are subject to penal provisions to the respective 'Escrow' accounts of the Issuer opened for subscription purpose.
17. **On the next working day** of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
18. **Simultaneously**, the stockbrokers/Merchant Bankers shall release the application money blocked in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' accounts of the Issuer. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.
19. All drafts submitted by NRB or Foreign applicants shall be deposited in the Issuer's respective 'Escrow' accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant's bank account through banking channel within 10 (ten) working days from the date of lottery.

**Miscellaneous:**

- 20. The Issuer, Issue Manager(s), Stockbrokers and Merchant Bankers shall ensure compliance of the above.
- 21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
- 22. Amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
- 23. The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk. 2,00,000.00 (taka two lac) for a public issue.
- 24. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk.5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
- 25. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.

26. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
27. The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.