"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."

PUBLIC ISSUE OF 75,000,000 ORDINARY SHARES

ISSUE DATE OF THE PROSPECTUS: _____

OFFER PRICE TK. 10.00 EACH AT PAR, TOTAL SIZE OF FUND TO BE RAISED TK. 750,000,000.00

Opening and closing date of subscription:

Opening date of subscription: …….. 2016
Closing date of subscription (Cut-off date): ……. 2016

PROSPECTUS

Name of Issuer:

Pacific Denims Limited

Name of Issue Managers:

AFC CAPITAL LIMITED **&** **IMPERIAL CAPITAL LIMITED**

(a) **Preliminary Information and Declarations:**

(i) **Name(s), address(s), telephone number(s), web address(s), e-mail(s), fax number(s) and contact persons of the issuer, issue manager(s), underwriter(s), auditors, credit rating company and valuer, where applicable;**

Issuer:

Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
PACIFIC DENIMS LIMITED Symphony Tower, 3rd Floor, 9 Gulshan Avenue, Gulshan-1, Dhaka 1212.	Tel: +88-02-8855523, +88-02-8817882 Fax: +88-02-8817883 E-mail: info@pacificgroupbd.com Web: www.pgbd.org/Pacific-Denims-Ltd.	**Md. Sorhab Ali** Company Secretary

Issue Managers:

Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
AFC CAPITAL LIMITED Saiham Sky View Tower (11th Floor), 45 Bijoy Nagar, Dhaka-1000.	Tel: +88-02-8392371 Fax: +88-02-8392372 Email: capital.afc@gmail.com Web: www.afccl.asia	**Md. Abul Bashar Parvez** Assistant Manager
IMPERIAL CAPITAL LIMITED Saiham Sky View Tower (3rd Floor), 45 Bijoy Nagar, Dhaka-1000	Tel: +88-02-9361870 Fax: +88-02-9361870 (Ext.-102) E-mail: salauddin_sikder@yahoo.com Web: www.imperialcapital.org	**Md. Salauddin Sikder FCMA** CEO & Managing Director

Underwriters:

Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
AIBL Capital Management Limited Peoples Insurance Bhaban (7th Floor), 36 Dilkusha C/A, Dhaka-1000.	Tel: +88-02-9560198, +88-02-9515071 Fax: +88-02-7170391 E-mail: cml@al-arafahbank.com Web: www.al-arafahbank.com	**Md. Golam Sarwar Bhuiyan** Chief Executive Officer
Banco Finance and Investment Limited Baitul View Tower (11th Floor) 56/1, Purana Paltan, Dhaka-1000	Tel: +88-02-7125703, +88-02-7125910 Fax: +88-02-7125634 E-mail: banco.bd@gmail.com Web: www.bancogroupbd.com	**Mohammad Hamdul Islam** Managing Director & CEO
EBL INVESTMENTS LIMITED 59 Motijheel C/A, 1st Floor, Dhaka-1000.	Tel: +88-02-7118975 Fax: +88-02-7120251 E-mail: tanvir@eblinvestments.com Web: www.eblinvestments.com	**Md. Tanvir Hashem** Manager

Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
MTB CAPITAL LIMITED MTB Tower (Level-3) 111 Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka-1000.	Tel: +88-02-9577072-3 Fax: +88-02-9577075 E-mail: khairul.bashar@mutualtrustbank.com Web: www.mtbcap.com	**Khairul Bashar A. T. Mohammed** Chief Executive Officer & SVP
Lankabangla Investments Limited Eunoos Trade Center (Level-21) 52-53, Dilkhusha C/A, Dhaka-1000.	Tel: +88-02-7113585, 7125890 Fax: +88-02-7115756 E-mail: shakil.bhuiyan@lankabangla-investments.com Web: www.lankabangla-investments.com	**Khandakar Kayes Hasan, CFA** Chief Executive Officer
PLFS INVESTMENT LIMITED Paramonut Heights (13th Floor), 65/2/1, Box Culvert Road Purana Paltan, Dhaka-1000	Tel: +88-02-7119654 Fax: +88-02-7125396 E-mail: plfsilbd@gmail.com Web: www.plfsil.com	**Mustofa Kamal** Chief Executive Officer
SBL CAPITAL MANAGEMENT LIMITED 2, D. I. T. Avenue (Extension), 3rd Floor Motijheel C/A, Dhaka-1000.	Tel: +88-02-7175698, +88-02-9515484 Fax: +88-02-9585985 Email:topu36@yahoo.com Web: www.standardbankbd.com/CapitalManagement	**Mohammed Anisuzzaman Chowdury** First AVP

Auditor:

Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
MAHFEL HUQ & CO. Chartered Accountants BGIC Tower (4th Floor) 34, Topkhana Road Dhaka-1000.	Tel: +88-02-7171316, +88-02-9553143 Fax: +88-02-9571005 E-mail: mahfelcofca@yahoo.com Web: www.mahfelhuq.com	**Abdul Kayum Akhunjee** Manager

Vauler:

Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
ATA KHAN & CO. Chartered Accountants 67 (1st Floor), Motijheel C/A, Dhaka-1000.	Tel: +88-02-9560933, +88-02-9560716 Fax: +88-02-9567351 E-mail: info@atakhanandcoca.com Web: www.atakhanandcoca.com	**Kazi Maqbul Ahmed** Managing Partner

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

(iii) **"If you have any query about this document, you may consult the issuer, issue manager and underwriter"**

(iv) "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, UNDERWRITERS, AUDITOR(S), VALUER AND/OR CREDIT RATING COMPANY."

(v) 'Risks in relation to the First Issue'

"This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the securities is tk. 10.00 (ten) and the issue price is Tk. 10.00, i.e. '1 (One)-times' of the face value. The issue price has been determined and justified by the issuer and the issue managers as stated under the paragraph on "justification of issue price" should not be taken to be indicative of the market price of the securities after listing. No assurance can be given regarding an active or sustained trading of the securities or the price after listing."

(vi) 'General Risk'

"Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offer. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'risk factors' given on page number(s) 142-149"

(vii) 'Pacific Denims Limited's Absolute Responsibility'

"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this prospectus contains all material information with regard to the issuer and the issue, that the information contained in the prospectus are true, fair and correct in all material aspects and are not misleading in any respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

(b) **Availability of Prospectus**

(i) **Names, addresses, telephone numbers, fax numbers, website addresses and e-mail addresses and names of contact persons of the institutions where the prospectus and abridged version of prospectus are available in hard and soft forms;**

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

Issuer:

Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
PACIFIC DENIMS LIMITED Symphony Tower, 3rd Floor, 9 Gulshan Avenue, Gulshan-1, Dhaka 1212.	Tel: +88-02-8855523, +88-02-8817882 Fax: +88-02-8817883 E-mail: info@pacificgroupbd.com Web: www.pgbd.org/Pacific-Denims-Ltd.	**Md. Sorhab Ali** Company Secretary

Issue Managers:

Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
AFC CAPITAL LIMITED Saiham Sky View Tower (11th Floor), 45 Bijoy Nagar, Dhaka-1000.	Tel: +88-02-8392371 Fax: +88-02-8392372 Email: capital.afc@gmail.com Web: www.afccl.asia	**Md. Abul Bashar Parvez** Assistant Manager
IMPERIAL CAPITAL LIMITED Saiham Sky View Tower (3rd Floor), 45 Bijoy Nagar, Dhaka-1000	Tel: +88-02-9361870 Fax: +88-02-9361870 (Ext.-102) E-mail: salauddin_sikder@yahoo.com Web: www.imperialcapital.org	**Md. Salauddin Sikder FCMA** CEO & Managing Director

Stock Exchanges

Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
DHAHA STOCK EXCHANGE LIMITED DSE LIBREY, 9/F Motijheel C/A, Dhaka-1000	Tel: +88-02-9564601, 9576210-18 Fax: +88-02-9564727, +88-02-9569755 E-mail: reasearch@dsebd.org Web: www.dsebd.org	**Afzalur Rahaman** Manager
CHITTAGONG STOCK EXCHANGE LIMITED CSE LIBREY, CSE Building, 1080, Sheikh Mujib Road Agrabad, Chittagong- 4100.	Tel: 031-714632-3 Fax: 031-714101 E-mail: jabed@cse.com.bd Web: www.cse.com.bd	**Mohammed Jabed Sarwar** Assistant Manager

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

(ii) **Names and dates of the newspapers where abridged version of prospectus was published:**

Sl. No.	Newspaper Name	Date	Page Number of the Newspaper
1			
2			
3			
4			

(iii) **Definitions and Acronyms/Elaborations**

Definitions:

(a) "Commission" means the Bangladesh Securities and Exchange Commission (BSEC) established under the বাংলাদেশ সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ (১৯৯৩ সনের ১৫ নং আইন);

(b) "eligible investor or EI" means the following institution who has business operation/investment in Bangladesh: -
   i) Merchant Bankers and Portfolio Managers;
   ii) Asset Management Companies;
   iii) Mutual Funds;
   iv) Stock Dealers;
   v) Banks;
   vi) Financial Institutions;
   vii) Insurance Companies;
   viii) Alternative Investment Fund Managers;
   ix) Alternative Investment Funds;
   x) Foreign Investors who have portfolio investments in capital market of Bangladesh through any Securities Custodian registered with the Commission;
   xi) Recognized Pension Funds and Provident Funds; and
   xii) Other Institutions as approved by the Commission;

(c) "fees" means any money paid to any person in connection with the public offer of securities under these Rules;

(d) "fixed price method" means the process by which an issuer offers its securities at par value;

(e) "group companies" means companies function as a single or very closely related economic entity through a common source of control having mostly common ownership and management including parent, subsidiaries, associate and sister concerns, as generally understood;

(f) "initial public offer or IPO" means first offer of securities by an issuer to the general public;

(g) "issue manager" means a merchant banker as defined in the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মার্চেন্ট ব্যাংকার ও পোর্টফোলিও ম্যানেজার) বিধিমালা, ১৯৯৬ and for issuance of units of any fund, asset manager as defined in the Rules concerned;

(h) "non-resident Bangladeshi (NRB)" means citizens of Bangladesh staying abroad including all those who have dual citizenship (provided they have valid Bangladesh passports) or those, whose foreign passports bear stamps from the concerned Bangladesh Embassy to the effect that no visa is required for traveling to Bangladesh;

(i) "prospectus" means any document, including a red-herring prospectus, draft prospectus, information memorandum and offer document, prepared for the purpose of communicating to the investors an issuer's plan to offer for sale of its securities;

(j) "public issue" means public issue of securities through initial public offer or repeat public offer;

(k) "related party" means any person as defined in BAS-24 as a related party;

(l) "sponsor" means any person whose name appears as subscriber to the Memorandum and Articles of Association of a company;

Acronyms/Elaborations:

A	
AFCCL	AFC Capital Limited
Allotment	Letter of allotment for shares
B	
BB	Bangladesh Bank
BO A/C	Beneficiary Owner Account or Depository Account
BSEC	Bangladesh Securities and Exchange Commission
C	
Commission	Bangladesh Securities and Exchange Commission
Companies Act	Companies Act, 1994 (Act. No. XVIII of 1994)
CSE	Chittagong Stock Exchange Limited
D	
DSE	Dhaka Stock Exchange Limited
F	
FC Account	Foreign Currency Account
FI	Financial Institution
G	
GOB	The Government of People's Republic of Bangladesh
H	
HP Account	High Performance Account
I	
ICL	Imperial Capital Limited
IPO	Initial Public Offering
Issue	Public offer of PDL's shares
Issuer	Pacific Denims Limited
N	
NAV	Net Asset Value of the Company
NBR	National Board of Revenue
NRB	Non Resident Bangladeshi
O	
Offering Price	Price of the securities of PDL being offered
P	
PDL	Pacific Denims Limited
R	
Registered Office	Registered Office of PDL
RJSC	Registrar of Joint Stock Companies & Firms
S	
SC	Share Certificate
Securities	Shares of Pacific Denims Limited
Share Market	Market of the Securities
Sponsors	The sponsor shareholders of PDL
Stockholders	Shareholders
Subscription	Application money
T	
The Company	Pacific Denims Limited

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CHAPTER (I): EXECUTIVE SUMMARY

(a) About the industry:

Denim is a hard-wearing cotton warp-faced twill fabric.

Denim was traditionally colored blue with indigo dye to make blue jeans, although "jean" formerly denoted a different, lighter, cotton fabric. Denim has been used in the USA since the mid-19th century.

The wide consumption of denim by fashion enthusiasts globally has created a new opportunity for Bangladesh. It has become a major sourcing hub for trendy denim products for international retailers for its competitive pricing.

The industry in Bangladesh presently has 25 denim producing factories with total investment of over USD 834 million. The monthly productions of denim stand at 30 million yards per month while the demand of nearly 60 million yards. To fulfill the balance demand, imported 30 to 35 million yards per month from countries like China, India & Pakistan which average value is USD 75 million. The total investment in the denim sub-sector is USD 900 Million according to BTMA data.

Currently, Bangladesh is the third largest denim exporter to the US, after Mexico and China, with an 11.3 percent market share, according to the US Department of Commerce.

Moreover, global Market for Denim is forecast to reach USD 64.1 billion by 2020. In 2013-2014, export of denim products to the USA and EU markets rose by roughly 25 percent and day by day it is increasing. The total denim production of the whole world is approximate 7.66 billion yards and within these total 70% fabric is produced in Asia.

Bangladeshi entrepreneurs supply denim products to world's famous retailers such as H&M, Uniqlo, Levi's, Nike, Tesco, Wrangler, s.Oliver, Hugo Boss, Puma, Primark, Wal-Mart, JC Penney etc.

The future of Bangladesh's denim industry is bright. To meet the growing demand of denim fabric to International market, the local mills are investing hugely on state-of-the-art imported machineries especially on the weaving & processing side and setting up large plants in the country.

(b) About the Issuer:

Pacific Denims Limited (PDL) is one of the leading denim fabric manufacturers in Bangladesh. The Company started its commercial operation in March 2003. The main activities of the Company are concentrated in Manufacturing Dyeing, Weaving & Finishing of 100% Export Oriented Denim Fabrics and exporting the same. The company produces a single product **'denim fabrics'** of various specifications, compositions, color and qualities.

(c) Financial Information:

Major financial information of Pacific Denims Limited (PDL) is as follows.

Sl. No.	Particulars	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
1	Turnover	1,682,536,409	1,604,853,996	1,569,637,160	1,543,265,624	1,410,194,088
2	Gross Profit	268,151,086	248,747,643	242,943,049	238,860,840	218,329,448
3	Net profit before tax	118,164,085	114,122,300	110,419,355	107,809,476	96,488,334
4	Net Profit after tax	99,987,550	96,824,164	93,856,451	91,638,055	75,984,563
5	Total Assets	2,068,997,844	1,937,260,759	1,877,487,017	1,660,176,210	1,528,354,079
6	Share Capital	380,000,000	380,000,000	380,000,000	380,000,000	100,000,000
7	Retained Earnings	332,837,021	232,849,472	185,646,053	91,789,601	280,151,546
8	No. of Shares	38,000,000	38,000,000	38,000,000	38,000,000	10,000,000
9	Face Value	10.00	10.00	10.00	10.00	10.00
10	NAV Per Share	26.43	23.80	22.56	20.09	67.16
11	Earnings per Share (EPS)	2.63	2.55	2.47	3.20	7.60

(d) Features of the issue and its objects:

Pacific Denims Limited (PDL) is engaged in manufacturing Dyeing, Weaving & Finishing for Export Denim Fabrics. The Company intends to issue 75,000,000 ordinary shares of Tk. 10.00 each at par through Initial public offering (IPO) totaling to Tk. 750,000,000.00 subject to regulatory approvals.

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

(e) Legal and other Information:

The legal and other information against the issuer or any of its Directors are available in the Chapter (XVIII), page no. 141 under the head of 'Outstanding litigations, Fine or Penalty' of the prospectus.

(f) Promoters' background:

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.

Mr. Mohsin has visited most of the countries where commodities made of Bangladesh have a good and lucrative export market. He 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.

With his innovative leadership Md. Shafiul Azam Mohsin take Pacific Denims Ltd. to a renowned position in our Business community. 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 under his leadership. 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.

MRS. ROWSHAN ARA KHANUM
Shareholder, Pacific Denims Limited

Mrs. Rowshan Ara Khanum is a Shareholder of Pacific Denims Limited. Her husband was Late Abdur Rashid. She was born in 1952 in an illustrious family of B. Baria. She had 20 year of valuable business experience in the existing space of garments sector.

MD. MOAZZAM KHAN
Shareholder, Pacific Denims Limited

Mr. Md. Moazzam Khan is a Shareholder of Pacific Denims Limited. His father name is Late Nur Ahmed Khan. He was born in 1957 in a prominent family of B.Baria. He has introduced innovative production management, incentive system and marketing approach to the company. He has 25 year of valuable business experience in the existing space of garments sector. He obtained Degree (pass) from National University, Bangladesh.

MRS. TAMANNA JASMINE
Shareholder, Pacific Denims Limited

Mrs. Tamanna Jasmine is a Shareholder of Pacific Denims Limited. Her Husband is Md. Shafiul Azam (Mohsin). She is born in 1968 in a prominent family of Bagerhat. He has 11 years of valuable business experience in the existing space of garments sector. She obtained Bachelor of Arts from National University, Bangladesh.

MD. YOUNUS ALI
Shareholder, Pacific Denims Limited

Mr. Md. Younus Ali is a Shareholder of Pacific Denims Limited. His father name is Md. Mokkel Ali. He was born in 1967 in a prominent family of Khustia. He has introduced innovative production management to the company. He has 15 years of valuable business experience in the existing space of garments sector. He obtained Bachelor of Arts from National University, Bangladesh.

MRS. SHAHIDA KHANOM SHARNA
Shareholder, Pacific Denims Limited

Mrs. Shahida Khanom Sharna is a Shareholder of Pacific Denims Limited. Her father name is Late Abdur Rashid. She was born in 1977 in an illustrious family of B. Baria. She has 7 years of valuable business experience in the existing space of garments sector. She obtained MBA from Manarat University, Dhaka, Bangladesh.

(g) Capital structure and history of capital raising:

The Company intends to issue 75,000,000 ordinary shares of Tk. 10.00 each at par through Initial public offering (IPO) totaling to Tk. 750,000,000.00 subject to regulatory approvals.

Particulars	No of Shares	Face Value (Tk.)	Amount in Taka
Authorized Capital	120,000,000	10.00	1,200,000,000
Before IPO:			
Paid up capital	38,000,000	10.00	380,000,000
After IPO:			
To be issued as IPO	75,000,000	10.00	750,000,000
Paid up capital (Post IPO)	**113,000,000**	**10.00**	**1,130,000,000**

The Company has raised its paid-up capital in following phases:

Date of Allotment	Basis (No. of Shares)			Amount (Tk.)
	In cash	Other than in cash	Bonus Share	
20.03.2003 (At the time of Incorporation)	20,000	-	-	200,000
23.01.2007 (First Allotment)	9,980,000	-	-	99,800,000
05.07.2012 (2nd Allotment)	-	-	28,000,000	280,000,000
Total				**380,000,000**

(h) Summary of Valuation Report of securities:

Particulars	Amount (in Tk.)
Method 1: Net Asset Value (NAV) per share/Equity based value per share	
Price based on Net Asset Value per share (with revaluation reserve)	26.43
Price based on Net Asset Value per share (without revaluation reserve)	22.59
Method 2: Historical Earnings based value per share	
Earnings based Value per share based on Overall Market P/E	21.44
Method 3: Average market price per share of similar stocks:	36.56

CHAPTER (II): CONDITIONS IMPOSED BY THE COMMISSION IN THE CONSENT LETTER

Disclosure in respect of issuance of security in Dematerialized Form

As per provisions of the Depository Act, 1999 and regulations made there under, share of the Company will be issued in dematerialized form only and for this purpose Pacific Denims Limited will sign an agreement with the Central Depository Bangladesh Limited (CDBL). Therefore, all transfers, transmissions, splitting or conversions will take place on the CDBL system and any further issuance of shares (including rights and bonus) will also be issued in dematerialized form only.

Conditions imposed by the Commission in the Consent Letter:

PART–A

1. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in **4 (Four) national daily newspapers (two in Bangla and two in English), within 05 (Five) working days** of issuance of the consent letter. The issuer shall post the full prospectus, vetted by the Bangladesh Securities and Exchange Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, **within 05 (Five) working days** from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to BSEC, the stock exchanges and the issue managers a diskette containing the text of the vetted prospectus in **"MS -Word"** format.

2. The company shall submit **40 (Forty) copies** of the printed prospectus to the Bangladesh Securities and Exchange Commission for official record **within 05 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.

3. The issuer company and the issue manager shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through email, simultaneously with publication of the abridged version of the prospectus, to the Bangladesh Embassies and Missions abroad and shall also ensure sending of the printed copies of abridged version of the prospectus and application forms to the said Embassies and Missions **within 05 (Five) working days** of the publication date by Express Mail Service (EMS) of the postal department. A compliance report shall be submitted in this respect to the BSEC jointly by the issuer and the issue manager **within 02 (Two) working days** from the date of said dispatch of the prospectus.

4. The following declaration shall be made by the company in the prospectus, namely: -

   "Declaration about Listing of Shares with the stock exchange (s):
   None of the stock exchange(s), if for any reason, grants listing **within 75 (Seventy-Five) days** from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money **within 15 (Fifteen) days** from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said **75 (Seventy-Five) days**, as the case may be.

   In case of non-refund of the subscription money within the aforesaid **15 (Fifteen) days**, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of **2% (Two Percent) per month** above the bank rate, to the subscribers concerned.

   The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission **within 07 (Seven) days** of expiry of the aforesaid **15 (Fifteen) days** time period allowed for refund of the subscription money."

5. The IPO shall stand cancelled in case of under-subscription in any categories above 35%. In such an event, the issuer and issue manager shall inform the Commission **within 02 (two) working days** and release the subscription money within 10 (ten) working days after receiving verification report from CDBL and the information from exchanges regarding subscription.

6. **10% of total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the Commission, 40% for Other Eligible Investors (EIs) and the remaining 40% shall be open for subscription by the general public. There is over subscription in the general public category, the issuer and the managers to the issue shall jointly conduct an open lottery of all the applicants added together.**

7. All the applicants shall first be treated as applied for one minimum market lot of **500 shares** worth **Taka 5,000/- (Taka Five Thousand).** If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned hereinabove, the issuer and the issue manager shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the issuer, the stock exchanges and the applicants, if there be any.

8. **An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (Fifteen) of application money will be forfeited by the commission and the balance amount will be refunded to the applicant.**

9. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.**

10. **Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.**

11. The Company shall furnish the List of Allotees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, **within 24 (Twenty-Four) hours** of allotment.

12. Shares not allotted at the time of according this consent, but allotted after listing, in favor of sponsors, directors or shareholders having 5% or more shares through stock dividends, shall be subject to a lock-in period of 02 (two) years from the date of issuance of the prospectus.

13. **If any share of Sponsors/Directors/Promoters is in paper format, it shall be handed over to securities custodian registered with the Commission and shall remain held till completion of lock-in period and the name of the securities custodian shall be furnished to the Commission jointly by the issuer and issue manager, along with a confirmation thereof from the custodian, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and shall remain in lock-in under CDBL system and issuer shall submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with the lock-in confirmation to the Commission within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to the Commission.**

14. **25% of the shares allotted to eligible investors (including Mutual Fund), shall be locked-in for 3 (three) months and other 25% of the shares allotted to them, shall be locked-in for 6 (six) months.**

15. **The company shall not declare any dividend/bonus shares before listing of its securities with any exchange from the date of this consent for raising of capital.**

PART–B

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 **25th (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 concerned Stockbroker/Merchant Banker. 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 hold the bank drafts (FDD) submitted by the applicants in their custody with 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 it to the respective Stock Exchange in electronic (text format with tilde '~' separator) format and the certificate(s) issued by its banker.

7. On the next working day, the stock exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers. Stock 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. 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 stock exchanges within 10 (ten) working days from the date of receiving information from the stock 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 Stock Exchanges, if do not receive any observation from the Commission or the Stock 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 Stock 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 Stock 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 respective Stock Exchange 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 Stock 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, Stock 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 Stock Exchanges, the Stockbrokers/Merchant Bankers 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 (other than NRB and foreign) applicants who are subject to penal provisions to the respective 'Escrow' account 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 in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts. 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 and Issue Manager(s) shall jointly ensure compliance of the above.

21. The bank draft (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Limited 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 Stockbrokers/Merchant Bankers shall be entitled to a service charge of 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.

PART–C

1. The issue manager shall carefully examine and compare the published prospectus and its abridged version on the date of publication with the copies vetted by the Commission. If any discrepancy is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to the Commission and the stock exchanges concerned. In this regard, the issue manager shall submit a compliance report to the Commission within 5 working days from the date of such publications.

2. The fund collected through Public Offering shall not be utilized prior to listing with stock exchanges and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.

3. **The company shall furnish status report on utilization of Public Offering proceeds audited by foreign affiliated auditors and authenticated by the board of directors to the Commission and the exchanges within 15 (Fifteen) days of the closing of each month until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.**

4. While auditing the utilization of IPO proceeds, the auditors shall perform their jobs under the followings terms of references (TOR) and confirm the same in their report/certificate:

    a. Whether IPO proceeds have been utilized for the purposes/heads as specified in the prospectus;

    b. Whether IPO proceeds have been utilized in line with the conditions (if any) of the Commission's consent letter;

    c. Whether utilization of IPO proceeds have been completed within the time schedule/ implementation schedule as specified in the prospectus;

    d. Whether utilization of IPO proceeds is accurate and for the purpose of the company as mentioned/ specified in the prospectus/ and

    e. The auditors should also have confirmed that: (i) assets have been procured/imported/ constructed maintaining proper/ required procedure as well as at a reasonable price; and (ii) auditors' report has been made on verification of all necessary documents/papers/vouchers in support of utilization of IPO proceeds making reconciliation with Bank Statement.

5. All transactions, excluding petty cash expenses, shall be effected through the company's bank account(s).

6. Proceeds of the Public Offering shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the shareholders Meeting under intimation to BSEC and Stock Exchanges.

7. If any quarter or half-year of the financial year ends after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the said quarterly/half yearly financial statements in accordance with the Commission's Notification SEC/CMRRCD/2008-183/admin/03-34 dated September 27, 2009 and the section 13 of the Securities and Exchange Rules, 1987.

8. In the event of arising issues concerning Price Sensitive Information as defined under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা ১৯৯৫ after publication of the abridged version of prospectus and before listing of its securities with any exchange, the Company shall

disseminate/transmit/submit the information as price sensitive in accordance with the Commission's Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000.

PART-D

1. As per provision of the Depository Act, 1999 and regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Limited (CDBL) system and any further issuance of shares (Including rights/bonus) will be made in dematerialized form only.

2. The issuer and the issue manager shall ensure due compliance of all the above conditions, the 'Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015' and the listing regulations of the exchanges.

3. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

CHAPTER (III): DECLARATION AND DUE DILIGENCE CERTIFICATES AS PER ANNEXURE- A, B AND C

Annexure-A

DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTORS, INCLUDING THE CEO OF THE ISSUER IN RESPECT OF THE PROSPECTUS

[See rule 4 (1)(d)]

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this prospectus to enable the investors to make a well informed decision for investment.

Sd/-
Md. Shadequl Alam (Yeasin)
Chairman
Date: January 21, 2016

Sd/-
Md. Shafiul Azam (Mohsin)
MD & Director
Date: January 21, 2016

Sd/-
Mr. Sohel Khan
Director
Date: January 21, 2016

Sd/-
Md. Ashfak Ahmed Khan
Independent Director
Date: January 21, 2016

Sd/-
Disney Properties Ltd. (Represent by M. A. Kamal Bhuiyan)
Director
Date: January 21, 2016

Annexure-B

DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER

[See rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public Issue of 75,000,000 Ordinary Shares of Tk. 750,000,000.00 by Pacific Denims Limited.

Dear Sir,

We, the issue manager to the above-mentioned forthcoming issue, state and confirm as follows:

(1) We have examined all the documents submitted with the application for the above mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;

(2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

(a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;

(b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;

(c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;

(d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;

(e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;

(f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;

(g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;

(h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;

(i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;

(j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any;

(k) We also declare that we have managed the public issue of following issuers in the last 05 (Five) years:

Serial. No.	Name of the Issue	Month/Year	Issue Price (Tk.)	Dividend Payment History	
				Cash	Bonus
1	Global Heavy Chemicals Limited	October/2012	20.00	15% 2012, 10% 2013, 10% 2014	-
2	Mozaffar Hossain Spinning Mils Limited	September/2013	10.00	-	25% 2014, 20% 2015
3	Tung Hai Knitting & Dyeing Limited	April/2014	10.00	-	10% 2013, 10% 2014
4	Khan Brothers PP Woven Bag Industries Limited	June/2014	10.00	-	10% 2014, 15% 2015
5	C & A Textiles Limited	September/2014	10.00	-	11% 2014, 12% 2015
6	Shasha Denims Limited	November/2014	35.00	20% 2014	15% 2014
7	Simtex Industries Limited	July/2015	20.00	-	-

Sd/-
Mahbub H. Mazumdar FCMA
Chief Executive
AFC Capital Limited

Place: Dhaka
Date: February 02, 2016

Annexure-B

DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER

[See rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public Issue of 75,000,000 Ordinary Shares of Tk. 750,000,000.00 by Pacific Denims Limited.

Dear Sir,

We, the issue manager to the above-mentioned forthcoming issue, state and confirm as follows:

(1) We have examined all the documents submitted with the application for the above mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;

(2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

(a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;

(b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;

(c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;

(d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;

(e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;

(f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;

(g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;

(h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;

(i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;

(j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any;

(k) We also declare that we have managed the public issue of following issuers in the last 05 (five) years:

Serial. No.	Name of the Issue	Month/Year	Issue Price (Tk.)	Dividend Payment History	
				Cash	Bonus
1	AFC Agro Biotech Limited	October/2013	10.00	-	10% 2013, 15% 2014
2	Tung Hai Knitting & Dyeing Limited	April/2014	10.00	-	10% 2013, 10% 2014
3	C & A Textiles Limited	September/2014	10.00	-	11% 2014, 12% 2015
4	Shasha Denims Limited	November/2014	35.00	20% 2014	15% 2014
5	Simtex Industries Limited	July/2015	20.00	-	-

Sd/-
Md. Salauddin Sikder FCMA
CEO & Managing Director
Imperial Capital Limited

Place: Dhaka
Date: February 02, 2016

Annexure-C

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER

[See rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public Offer of 75,000,000 Ordinary Shares of Tk. 750,000,000.00 by Pacific Denims Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

(1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and

(2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

(a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 300,000,000.00 (Three Hundred million only) and we have the capacity to underwrite a total amount of Tk. 1500,000,000.00 (Fifteen Hundred Million) as per relevant legal requirements. We have committed to underwrite for up to Tk. 75,000,000.00 (Seventy-Five Million) for the upcoming issue.

(b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

Sl. No.	Name of The Company	Amount Underwritten (in Tk.)
1.	Silco Pharmaceuticals Limited	50,000,000
2.	Supreme Seed Company Ltd.	22,000,000
3.	The ACME Laboratories Ltd.	35,500,000
4.	Cutting Edge Industries Ltd.	16,500,000
5.	SBS Cables Ltd.	41,922,000
6.	ADN Telecom Limited	38,700,000
7.	IDLC Finance Ltd	50,000,000
8.	Nurani Dyeing & Sweater Limited	107,500,000
9.	Fortune Shoes Ltd.	20,000,000
	Total	**382,122,000**

(c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;

(d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and

(e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-
Moinul Hossain Asif
Managing Director
EBL Investments Limited

Date: 3rd February, 2016

Annexure-C

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER

[See rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public offer of 75,000,000 Ordinary Shares of Tk. 10.00 of Pacific Denims Limited

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

(1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and

(2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

(a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 250,000,000 (Twenty-five crore) and we have the capacity to underwrite a total amount of Tk. 1,250,000,000 (One hundred twenty-five crore) as per relevant legal requirements. We have committed to underwrite for up to Tk. 56,250,000 (Five Crore Sixty-Two Lac Fifty Thousand) for the upcoming issue.

(b) At present, the following underwriting obligations are pending for us:

Sl#	Name of the issue	Amount underwritten
01	Summit Shipping Limited	13,600,000.00
02	SBS Cables Limited	78,375,000.00
03	Madina Cement	50,000,000.00
04	IDLC	50,000,000.00
05	Oimex Electrode Limited	40,000,000.00
06	Pacific Denims Limited	56,250,000.00
Total		**288,225,000.00**

(c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;

(d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and

(e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-
Khairul Bashar Abu Taher Mohammed
Chief Executive Officer & EVP
MTB Capital Limited
Date: February 3, 2016

Annexure-C

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER

[See rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Public Offer of 75,000,000 Ordinary Shares of Tk. 10.00 each at par totaling to Tk. 750,000,000.00 of Pacific Denims Limited

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

(1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and

(2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

(a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at **Tk. 1,670,000,000.00** (Taka One Hundred Sixty-Seven Crore only) and we have the capacity to underwrite a total amount of **Tk. 8,350,000,000.00** (Taka Eight Hundred Thirty-Five Crore only) as per relevant legal requirements. We have committed to underwrite for up to **Tk. 1,903,323,600.00** (Taka One Hundred Ninety Crore Thirty-Three Lac Twenty-Three Thousand Six Hundred only) for the upcoming issue.

(b) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of The Company	Amount Underwritten (in BDT)
1.	Aman Cement Mills Limited	40,000,000.00
2.	Aman Cotton Fibrous Limited	37,500,000.00
3.	Energypac Power Generation Limited	7,812,500.00
4.	Supreme Seed Company Limited	22,000,000.00
5.	Pacific Denims Limited	37,500,000.00
6.	LEADS Corporation Limited	151,250,000.00
7.	Galaxy Sweaters & Yarn Dyeing Limited	300,000,000.00
8.	Bengal Poly and Paper Sack Limited	12,500,000.00
9.	Madina Cement Industries Limited	78,375,000.00
10.	IFCO Garments & Textiles Limited	30,000,000.00
11.	VFS Thread Dyeing Limited	30,000,000.00
12.	Evince Textiles Limited	45,500,000.00
13.	CARE Specialized Hospital and Research Cen. Ltd.	50,000,000.00
14.	Summit Alliance Port Limited	154,586,100.00
15.	aamra networks limited	52,800,000.00

16.	IDLC Finance Limited	70,000,000.00
17.	Runner Automobiles Limited	20,250,000.00
18.	GPH Ispat Limited	525,000,000.00
19.	STS Holdings Limited	208,250,000.00
20.	Bangladesh Thai Aluminium Limited	30,000,000.00
Total		**1,903,323,600.00**

(c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;

(d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and

(e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Khandakar Kayes Hasan, CFA
Chief Executive Officer
LankaBangla Investments Limited

Place: Dhaka
Date: 03.02.2016

Annexure-C

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER

[See rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public offer of 75,000,000 Ordinary Shares of Tk. 750,000,000.00 of Pacific Denims Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

(1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and

(2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

(a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 500,000,000 (Taka Fifty Crore only) and we have the capacity to underwrite a total amount of Tk. 2,500,000,000 (Taka Two Hundred and Fifty Crore Only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 37,500,000 (Taka Three Crore Seventy-Five Lac Only) for the upcoming issue.

(b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

SL. No.	Name of the Company	Underwritten (in BDT)
i	Alliance Holdings Limited	46,750,000.00
ii	MP Spinning Mills Limited	45,000,000.00
iii	LSI Industries Limited	20,000,000.00
iv	Yeakin Polymer Limited	30,000,000.00
V	Amulet Pharmaceuticals Ltd.	30,000,000.00
vi	MEB Poy Manf. Plant Ltd.	30,000,000.00
Total		**201,750,000.00**

(c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;

(d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and

(e) This underwriting commitment is unequivocal and irrevocable.

Sd/-
Md. Golam Sarwar Bhuiyan
Chief Executive Officer
AIBL Capital Management Limited
Date: February 3, 2016

Annexure-C

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER

[See rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public Offer of 75,000,000 Ordinary Shares of Tk. 750,000,000.00 of Pacific Denims Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

(1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and

(2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

(a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 241,500,000 (Twenty-four core fifteen lac) and we have the capacity to underwrite a total amount of Tk. 1,207,500,000 (One hundred twenty core seventy five lac) as per relevant legal requirements. We have committed to underwrite for up to Tk. **123,478,630** (Twelve Core Thirty-Four Lac Seven-Eight Thousand Six Hundred Thirty) for the upcoming issue.

(b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

Sl. No.	Name of issue	Amount Underwritten (in Taka)
i)	Doreen Power Generations and Systems Limited (IPO)	41,470,000
ii)	Fortune Shoes Limited (IPO)	20,000,000
iii)	Pacific Denims Limited (IPO)	18,750,000
iv)	The ACME Laboratories Limited (IPO)	35,500,000
v)	Shamsul Alamin Real Estate Limited (IPO)	7,758,630
	Total	**123,478,630**

(c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;

(d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and

(e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-
Nripendra Chandra Pandit
Chief Executive Officer (C.C.)
PLFS Investments Limited

Date: February 3, 2016

Annexure-C

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER

[See rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public Offer of 75,000,000 Ordinary Shares of Tk. 750,000,000.00 by Pacific Denims Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

(1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and

(2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

(a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 150.00 Crore (One Hundred Fifty Crore) and we have the capacity to underwrite a total amount of Tk. 750.00 (Seven Hundred Fifty Crore) as per relevant legal requirements. We have committed to underwrite for up to Tk. 43,66,72,000.00 (Forty-Three Crore Sixty-Six Lac Seventy-Two Thousand only) for the upcoming issue.

(b) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of the Issue	Underwriting Amount (Tk.)
01.	Energyprima Limited	22,40,00,000
02.	Navana Real Estate Limited	10,20,00,000
03.	Arian Real Estate Limited	1,00,00,000
04.	SBS Cables	4,19,22,000
05.	Ananda Shipyard & Slipways Limited	2,00,00,000
06.	Pacific Denims Limited	1,87,50,000
07.	Rupsha Fish & Allied Industries Ltd.	2,00,00,000
TOTAL		**43,66,72,000**

(c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;

(d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and

(e) This underwriting commitment is unequivocal and irrevocable.

For SBL Capital Management Limited:

Sd/-
Abu Nayem Md. Ibrahim
In- Charge
Date: February 3, 2016

Annexure-C

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER

[See rule 4 (1)(d)]

To -
The Bangladesh Securities and Exchange Commission

Sub: Public offer of 75,000,000 Ordinary Shares of Tk. 750,000,000.00 of Pacific Denims Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

(1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and

(2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

(a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at **Tk. 283,260,190 (Taka twenty-eight crore thirty-two lac sixty thousand one hundred ninety)** only and we have the capacity to underwrite a total amount of **Tk. 1,416,300,950 (Taka one hundred forty-one crore sixty three lac nine hundred fifty)** only as per relevant legal requirements. We have committed to underwrite for up to **Tk. 18,750,000 (Taka One Crore Eighty-Seven Lac Fifty Thousand)** only for the upcoming issue.

(b) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of the Issue	Underwritten Amount in BDT
01	Shamsul Alamin Real Estate Limited	38,793,105
02	Pacific Denims Limited	35,000,000
03	Summit Alliance Port Limited	103,057,395
04	Bangladesh Thai Aluminium Limited	180,000,000
05	GPH Ispat Limited	729,540,000
Total Underwriting Obligations		**1,086,390,500**

(c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;

(d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and

(e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-
Managing Director & CEO
Banco Finance And Investment Limited
Date: 03.02.2016

CHAPTER (IV): ABOUT THE ISSUER

(a) **Name of the issuer, dates of incorporation and commencement of its commercial operations, its logo, addresses of its registered office, other offices and plants, telephone number, fax number, contact person, website address and e-mail address;**

Particulars		Description
Name of the Issuer	:	Pacific Denims Limited
Dates of Incorporation	:	20 March, 2003.
Commencement of its Commercial Operations	:	March, 2003.
Logo	:	
Addresses of its Registered Office	:	Symphony Tower, 3RD Floor, 9 Gulshan Avenue, Gulshan-1, Dhaka 1212.
Other offices and plants (Factory)	:	Natun Charchasi, Gazaria, Munshiganj, Bangladesh.
Telephone Number	:	+88-02-8855523, +88-02-8817882
Fax Number	:	+88-02-8817883
Contact Person	:	Md. Sorhab Ali, Company Secretary
Website Address	:	www.pgbd.org/Pacific-Denims-Ltd.
E-mail Address	:	info@pacificgroupbd.com

(b) **The names of the sponsors and directors of the issuer:**

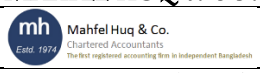
Sponsors:

Sl. No.	Sponsors
1	Mrs. Rawshanara Khanum
2	Md. Shafiul Azam (Mohsin)
3	Md. Shadequl Alam (Yeasin)
4	Tamanna Jasmine
5	Shahida Kanom (Swarna)
6	Md. Moazzam Khan
7	Md. Younus Ali

Directors:

Sl. No.	Directors
1	Md. Shadequl Alam (Yeasin), Chairman
2	Md. Shafiul Azam (Mohsin), MD & Director
3	Mr. Sohel Khan, Director
4	Disney Properties Ltd. (Represent by M. A. Kamal Bhuiyan), Director
5	Md. Ashfak Ahmed Khan, Independent Director

(c) **The name, logo and address of the auditors along with their telephone numbers, fax numbers, contact persons, website and e-mail addresses:**

Particulars		Description
Name	:	**MAHFEL HUQ & CO.**
Logo	:	
Address	:	BGIC Tower (4th Floor), 34, Topkhana Road Dhaka-1000.
Telephone number	:	+88-02-7171316, +88-02-9553143
Fax numbers	:	+88-02-9571005
Contact person	:	**Abdul Kayum Akhunjee,** Manager
Website address	:	www.mahfelhuq.com
E-mail address	:	mahfelcofca@yahoo.com

(d) **The name(s) of the stock exchanges where the specified securities are proposed to be listed.**

Stock Exchanges	**DHAKA STOCK EXCHANGE LIMITED** 9/F Motijheel C/A, Dhaka 1000.		Tel: +88-02-9564601, 9576210-18 Fax: +88-02-9564727, +88-02-9569755
	CHITTAGONG STOCK EXCHANGE LTD. CSE Building, 1080, Sheikh Mujib Road Chittagong 4100.		Tel: +880-2-9513911-15 Fax: +880-2-9513906

CHAPTER (V): CORPORATE DIRECTORY OF THE ISSUER

Company Name	:	Pacific Denims Limited
Liaison Office	:	Symphony Tower, 3rd Floor, 9 Gulshan Avenue, Gulshan -1, Dhaka. 1212.
Manufacturing Plant	:	Natun Charchasi, Gazaria, Munshiganj, Bangladesh.
Incorporation & Reg. No.	:	March 20, 2003 & C-48649(633)/2003.
Commercial Production	:	March, 2003.
Auditor	:	**MAHFEL HUQ & CO.** Chartered Accountants BGIC Tower (4th Floor) 34, Topkhana Road Dhaka-1000.
Managers to the Issue	:	**AFC CAPITAL LIMITED** Saiham Sky View Tower (11th Floor), 45 Bijoy Nagar, Dhaka-1000. Tel: +88-02-8392371; Fax: +88-02-8392372 Website: www.afccl.asia **IMPERIAL CAPITAL LIMITED** Saiham Sky View Tower (3rd Floor), 45 Bijoy Nagar, Dhaka-1000. Tel: +88-02-9361870; Fax: +88-02-9361870 Website: www.imperialcapital.org
Lead Banker for IPO	:	Mutual Trust Bank Limited
Company Secretary & Compliance Officer	:	**Md. Sorhab Ali**

*All investors are hereby informed that the **Company Secretary**, would be designated as Compliance Officer who will monitor the compliance of the acts, rules, regulations, notification, guidelines, conditions, orders/directions etc. issued by the Commission and/or Stock Exchange(s) applicable to the conduct of the business activities of the Company so as to promote the interest of the investors in the security issued by the Company, and for redressing investors' grievances.

CHAPTER (VI): DESCRIPTION OF THE ISSUER

(a) Summary:

(i) The summary of the industry and business environment of the issuer. The summary shall not be one-sided or biased to highlight the issuer or the issue;

Denim is a hard-wearing cotton warp-faced twill fabric.

Denim was traditionally colored blue with indigo dye to make blue jeans, although "jean" formerly denoted a different, lighter, cotton fabric. Denim has been used in the USA since the mid-19th century.

The wide consumption of denim by fashion enthusiasts globally has created a new opportunity for Bangladesh. It has become a major sourcing hub for trendy denim products for international retailers for its competitive pricing.

The industry in Bangladesh presently has 25 denim producing factories with total investment of over USD 834 million. The monthly productions of denim stand at 30 million yards per month while the demand of nearly 60 million yards. To fulfill the balance demand, imported 30 to 35 million yards per month from countries like China, India & Pakistan which average value is USD 75 million. The total investment in the denim sub-sector is USD 900 Million according to BTMA data.

Currently, Bangladesh is the third largest denim exporter to the US, after Mexico and China, with an 11.3 percent market share, according to the US Department of Commerce.

Moreover, global Market for Denim is forecast to reach USD 64.1 billion by 2020. In 2013-2014, export of denim products to the USA and EU markets rose by roughly 25 percent and day by day it is increasing. The total denim production of the whole world is approximate 7.66 billion yards and within these total 70% fabric is produced in Asia.

Bangladeshi entrepreneurs supply denim products to world's famous retailers such as H&M, Uniqlo, Levi's, Nike, Tesco, Wrangler, s.Oliver, Hugo Boss, Puma, Primark, Wal-Mart, JC Penney etc.

The future of Bangladesh's denim industry is bright. To meet the growing demand of denim fabric to International market, the local mills are investing hugely on state-of-the-art imported machineries especially on the weaving & processing side and setting up large plants in the country.

(ii) Summary of consolidated financial, operating and other information.

This information is not applicable for Pacific Denims Limited since it has no subsidiary and associates company.

(b) General Information:

(i) Name and address, telephone and fax numbers of the registered office, corporate head office, other offices, factory, business premises and outlets of the issuer;

Particulars	Description
Name and Registered Office Address	Pacific Denims Limited Symphony Tower, 3rd Floor, 9 Gulshan Avenue, Gulshan -1, Dhaka 1212.
Telephone and Fax Numbers of the registered office	Telephone: +88-02-8855523, +88-02-8817882
	Fax: +88-02-8817883
Corporate head office	Do
Factory	Natun Charchasi, Gazaria, Munshiganj, Bangladesh
Outlets of the issuer	As 100% export oriented industry, we have no outlets.

(ii) The board of directors of the issuer;

Sl. No.	Board of Directors	Designation
1	Md. Shadequl Alam (Yeasin)	Chairman
2	Md. Shafiul Azam (Mohsin)	MD & Director
3	Mr. Sohel Khan	Director
4	Disney Properties Ltd. (Represent by M. A. Kamal Bhuiyan)	Director
5	Md. Ashfak Ahmed Khan	Independent Director

(iii) **Names, addresses, telephone numbers, fax numbers and e-mail addresses of the chairman, managing director, whole time directors, etc. of the issuer;**

Sl. No.	Name	Position	Address	Telephone & fax numbers	E-mail address
1	Md. Shadequl Alam (Yeasin)	Chairman	Symphony Tower, 3rd Floor, 9 Gulshan Avenue, Gulshan -1, Dhaka 1212.	Tel: +88-02-8855523, +88-02-8817882 Fax: +88-02-8817883	yeasin@pacificgroupbd.com
2	Md. Shafiul Azam (Mohsin)	MD & Director			ceo@pgbd.org
3	Mr. Sohel Khan	Director			sohelk1979@yahoo.com
4	Disney Properties Ltd. (Represent by M. A. Kamal Bhuiyan)	Director			kama@pgbd.org
5	Md. Ashfak Ahmed Khan	Independent Director			ashfak_ahmedkhan@yahoo.com

(iv) **Names, addresses, telephone numbers, fax numbers and e-mail addresses of the CFO, Company Secretary, Legal Advisor, Auditors and Compliance officer;**

Name & Designation	Address	Telephone No.	Fax No.	E-mail Address
Md. Abdul Halim *Chief Financial Officer*	Symphony Tower, 3rd Floor, 9 Gulshan Avenue, Gulshan-1, Dhaka 1212.	+88-02-8855523, +88-02-8817882	+88-02-8817883	halim@pgbd.org
Md. Sorhab Ali *Company Secretary & Compliance Officer*				sorhab@pacificgroupbd.com
Mahfel Huq & Co. *Chartered Accountants (Auditor)*	BGIC Tower (4th Floor) 34, Topkhana Road Dhaka-1000.	+88-02-7171316, +88-02-9553143	+88-02-9571005	mahfelcofca@yahoo.com

The Company has no legal advisor.

(v) **Names, addresses, telephone numbers, fax numbers, contact person, website addresses and e-mail addresses of the issue manager(s);**

Name & Address	Telephone & Fax No.	Contact Person	Website Address	E-mail Address
AFC Capital Limited *Saiham Sky View Tower (11th Floor), 45 Bijoy Nagar, Dhaka-1000.*	Tel: +88-02-8392371 Fax: +88-02-8392371	**Md. Abul Bashar Parvez** Assistant Manager	www.afccl.asia	capital.afc@gmail.com
Imperial Capital Limited *Saiham Sky View Tower (3rd Floor), 45 Bijoy Nagar, Dhaka-1000*	Tel: +88-02-9361870 Fax: +88-02-9361870 (Ext.-102)	**Md. Salauddin Sikder FCMA** CEO & Managing Director	www.imperialcapital.org	salauddin_sikder@yahoo.com

(vi) **The following details of credit rating, where applicable:**

a) **The names of all the credit rating agencies from which credit rating has been obtained;**

ARGUS Credit Rating Services Limited

Level-13, BDBL Bhaban
8 Rajuk Avenue Dhaka 1000
Bangladesh

Email: info@acrslbd.com

b) **The details of all the credit ratings obtained for the issue and the issuer;**

	Long Term	Short Term
Entity Rating	A-	ST-3
Date of Credit Rating	23 June 2015	
Validity	23 June 2016	

c) **The rationale or description of the ratings (s) so obtained, as furnished by the credit rating agency(s);**

A-	**Long Term:** Investment grade. High credit quality and low expectation of credit risk. When assigned this rating indicates the obligor has strong capacity to meet its financial obligations but may be vulnerable to adverse economic conditions compared to obligors with higher credit ratings.
ST-3	**Short Term:** Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.

d) **Observations and risk factors as stated in the credit rating report.**

Observations:

Strengths:

- **From FY12 to FY14 Pacific Denims Limited (PDL) has demonstrated good revenue growth,** driven by steady work orders from reputed top-notch foreign buyers, backward linkage facilities from the Pacific Group and expansion of capacity utilization over the same period. Over the last three years, PDL's revenue has grown from BDT 1,543.27 MN in FY12 to BDT 1,569.64 MN in FY13, and BDT 1604.85 MN in FY14, representing a two-year CAGR of 1.98%.

- **PDL demonstrates healthy margin ratios between FY12-FY14**, driven by overall group support, efficient, experienced and skilled top management. During last three years the company has maintained high gross profit margin, operating profit margin and net profit margin ratio compared to peer group. Although from FY12 to FY14 its gross profit margin and operating profit margin decreasing slightly, but till now that was high compared to peer group. Between FY12-FY14 gross profit margin and operating profit margin decreased from 19.66% to 19.08% and 14.18% to 13.93% respectively. Net profit margin ratio has improved from 5.94% to 6.03% during FY12-FY14.

- **Pacific Denims Limited (PDL) has a high level of financial flexibility as part of a large local conglomerate, Pacific Group.** PDL is a member of the Pacific Group, a large local conglomerate having diversified industry exposures in the number of sectors namely automobile, textile, aviation, food & beverage, and real estate etc. This contributes to PDL's financial flexibility and a strong support base in case of operational stress. Apart from that the directors of PDL have established business reputation with high net worth and hold substantial investment in different private limited companies with healthy revenue streams.

Concerns:

- **High inventory and collection period impairing the cash generation capacity of PDL.** The inventory level of PDL is high, as the company is unable to manage its inventory properly. As a result the cash conversion cycle is getting impaired over the years. Apart from that the company's receivable and payable policy contradict in terms of period mismatch accelerate the cash conversion cycle of PDL. Cash conversion cycle (CCC) of PDL was 126 days in FY12, 153 days in FY13 and 186 days in FY14.

- **PDL's primary business is exposed to the dynamics in the Ready Made Garments (RMG) sector.** RMG manufacturers are facing challenges in the near to intermediate terms. The concern is driven by recent incidents of workers' death in Rana plaza collapse and Tazreen fashion fire, labor/political unrest, withdrawal of GSP facility by USA, significant exposure to EU and US market, price fluctuation of imported raw materials, lead time, appreciation of taka against euro etc. Recently most buyers are very strict about company policies and compliance's regarding labor wages and safety. Any irregularity is being dealt with order cancellation.

- **While the key rating metrics remain stable, the rescheduling of PDL's loan portfolio and irregular payment status creates additional downside revision risk to our rating notch.** Recently some of the PDL's debt rescheduled by respective banks along with company missed L/C payments at due date for several times. Those creates a downside risk for PDL. As per BRPD circular No. 15 those rescheduled account will be classified as "Bad & Loss" if the amount of defaulted installments is equal to the amount of three monthly installment.

Risk Factors:

GDP Growth: Bangladesh's rate of growth in gross domestic product (GDP) may fall short of the target due mainly to the economic factors such as sluggish investment, infrastructural underdevelopments, unsatisfactory collection of revenue vis-à-vis target, low-performance in external sector, and non-economic factors such as institutional weaknesses and current political uncertainties.

Economic growth in the first half of FY15 benefitted from sustained political stability throughout 2014. Capacity utilization improved, which is evident from sharp recoveries in imports of industrial raw materials and intermediate inputs. Activities in the domestic market based industries expanded faster than in 2013. Agricultural growth followed its normal path aided by benign weather, reasonably smooth functioning of agricultural input markets, and improved farm gate prices. Remittances picked up reflecting partly the bottoming out of worker outflows to the Gulf countries. However, exports lost momentum because of a limping global economy and the transition in the garment industry involving a significant number of factory closures. The economy continued to face several key challenges: political uncertainty; growing infrastructure deficit; and a de-facto onerous regulatory regime. As a result, private investments did not show any convincing sign of recovery this year. Private consumption, imports and public investment grew faster in the first half of FY15 than a year earlier

Moving forward, the biggest challenge remains ensuring durable political stability. This is a precondition for accelerated, inclusive, and sustainable growth. Other challenges include, but are not limited to: (i) preserving fiscal space, ensuring exchange rate flexibility, and improving financial sector accountability; (ii) boosting private investments through faster progress on establishing special economic zones; (iii) paying adequate attention to the private sector regulatory environment; (iv) improving the functioning of land markets in order to ensure the availability of land for manufacturing enterprises outside special economic zones (SEZs); (v) addressing the transport problem to improve connectivity, and (vi) Easing barriers to female participation in organized sector activities.

Savings and Investment: Over the last four years, the ratio of savings to GDP remained virtually stagnant. National saving hovers around 29-30 percent while domestic savings got stuck to 19.3 percent over last three years. However, in terms of national savings an increasing trend is being discernible for the last three years. According to the provisional report with base year 2005-06, the domestic savings and national savings has estimated at 23.43 percent & 30.45 percent of GDP in the FY 2013-14 where it was 22.04 percent & 30.53 Percent of GDP in the previous fiscal year 2012-13 respectively. Though the private investment has decreased a little bit due to the adverse economic environment within the country, the total investment has stood at 28.69 percent of GDP as the public investment has increased compared to the 28.39 percent in the last fiscal year. Out of this, the private investment has reduced from 21.75 to 21.39 percent of GDP and public investment has stood at 7.30 percent from 6.64 percent of GDP in FY 2013-14 respectively.

Inflation: Inflation (year-on-year) declined to 6.1 percent in February 2015, compared with 7.4 percent in February 2014, driven by a decline in food inflation on the back of a good rice harvest and lower global prices. Nonfood inflation showed greater volatility in recent months within the 5.5 to 6.5 percent range. The slight increase in the overall inflation rate in February came both from increases in food and non-food inflation. Increases in medical care and transport have been the drivers of non-food inflation in January-February 2015. Transport fares increased due to blockades and strikes. Overall, the twelve- month moving average inflation rate appears on track to reach the FY15 monetary policy target of 6.5 percent by the end of June. The Bangladesh Bank's conduct of monetary policy has helped contain non-food inflation. The decline in global fuel prices has had no impact on inflation because the administered domestic fuel prices have not been adjusted so far.

Interest rate: Lending rates are rigid downwards because of structural factors. When one out of every ten taka in loans go bad, it is not possible to have single digit interest rate (as popularly demanded) without hurting the solvency of the banking industry. Another structural factor in interest rate determination is the role of administered National Saving Certificates' rates. These rates de-facto set a floor on the deposit rates with pass through effects on the lending rates. It is time to consider establishing mechanisms to make the NSC rates more responsive to market forces. Lending rate fell to around 12 percent in January 2015 compared to 13.1 percent in June 2014. However, the gap between lending and deposit rates, that is, the interest rate spread (IRS) remained above 5 percent during the afore said period, higher than the recommended limit of 5 percent by Bangladesh Bank. High lending rates are due to structural weakness in the financial system that leads to inefficiencies.

Revenue: The estimated revenue collection (Revised) is fixed at Tk. 1,56,671 crore (11.6 percent of GDP) in the current 2013-14 fiscal year. Out of this NBR Tax Revenue is Tk. 1,25,000 crore (9.3 percent of GDP), Non-NBR Tax Revenue is Tk. 5,178 crore (0.4 percent of GDP) and Non-Tax Revenue is Tk. 26,493 crore (2.0 percent of GDP). Against that target the total collection of NBR Tax is Tk. 1,11,426 crore up to June, 2014 which is higher by 7.83 percent against the preceding year (1,03,332.00 crore). Up to June, 2014 the Non- NBR Tax Revenue has stood at Tk. 4,610.00 crore and Non-Tax Revenue has stood at Tk. 25,032.00 crore which was Tk.4,120.00 crore & Tk. 20,676.00 crore respectively in the previous fiscal year. As a whole, up to July-June, 2014 the total revenue has collected Tk. 1,41,067.00 crore which is 90.04 percent of the total estimated target of revenue collection.

Government Expenditure: According to the revised budget the total Govt. expenditure has estimated at Tk. 2,16,115 crore in the FY 2013-14 which is 16.0 percent of GDP. Out of this the Non-Development budget expenditure and Annual Development Program expenditure are estimated at Tk. 1,34,785 crore (10.0 percent of GDP) and Tk. 60,000 crore (4.4 percent of GDP) respectively. As the foreign aid expenditure is not satisfactory like the previous fiscal year, the revised ADP expenditure has reduced to Tk. 60,000 crore from the original ADP expenditure of Tk. 65,870 crore in the current fiscal year.

Availability of Credit: Due to lower demand for domestic credit banks are awash with liquidity which amounted to Tk. 153,107 crore as of end September 2014. This is more than 82 per cent higher than that of September 2013 and 6.8 per cent higher than June 2014. Except specialized banks, state owned commercial banks experienced higher growth of excess liquidity compared to private commercial banks (other than Islamic bank) and foreign banks during September 2013 –September 2014. Apart from dull investment situation, the excess liquidity situation has been compounded by a number of factors including falling prices of major commodities, particularly of oil prices in the global market. This has reduced the requirement for import credit from banks since a large share of this credit is directed towards L/C opening in Bangladesh. However, about six months on, excess liquidity situation has deteriorated further with a high volume of unutilized money while inflation has been tamed to some extent.

Capital Market: The number of listed securities has continuously increased in the Dhaka Stock Exchange Ltd. being the main stock exchange in the country consists of 536 number of listed securities at the end of June 2014 where it was 525 number of listed securities at the end of June 2013. It is mentionable that, the amount of issued capital of Dhaka Stock Exchange Limited has stood at Tk. 1,03,207.60 crore at the end of June 2014 against Tk. 98,359.40 crore which is 4.93 percent more than the same period of time in the previous financial year. The total market capitalization of all the listed securities of Dhaka Stock Exchange Ltd. has increased by 16.17 percent and stood at Tk. 2,93,622.10 crore at the end of June 2014 against 30 June 2013.

Export: The major export market especially the domestic financial turmoil in Euro Area caused the export trade of Bangladesh in a decreasing trend in 2011-12 but the growth rate of export income has dramatically increased by 11.22 percent in 2012-13 compared to the previous fiscal year due to the efforts of United States to recover the economy and various steps taken by Euro area to reform the economy. The export growth has reached to 30.18 BN USD in 2013-14 by increasing 11.69 percent compared to the July-June 2012-13 due to the strong movement of economic recovery of United States and the decreasing recession of Euro Area. About four fifth of this 30 BN USD export trade have come from the readymade garments. In the fiscal year 2013-14 the total income came from the readymade garments stood at Tk. 24.49 BN USD which is 81 percent of total export trade. Among the other export products leather, shoes, handicraft products, frozen foods are remarkable. On the contrary, the export trades of jute and jute made products have reduced by 20 percent compared to the previous 2012-13 fiscal year. By exporting this type of products the total income has stood at 824 crore dollar in 2013-14 which was 1,030 crore dollar in the previous fiscal year. Besides this, export trade also decreased from frozen fish by about 9.54 percent.

Import: In the fiscal year 2013-14 (June, 2014) the total import payment (C&F) has stood at USD 40,692.70 million which is 19.39 percent more than the same period of time of the previous fiscal year. Mainly, this increase occurred from import payment of food grains, raw materials of medicine and ready-made garments. It is notable that, in 2012-13 fiscal year, the total import payment (C&F) stood at USD 34,083.60 million which was also 4.0 percent less than the previous fiscal year.

Overseas Employment and Remittances: Though the growth of remittance has continuously shown the upward trend from 2009-2012 due to various important initiatives taken by the government for the purpose of increasing the remittance flow but at the end of 2012 the upward flow of remittance has decreased a little bit. Besides this, due to uncertainty of labors legality who are living illegally in various countries in the world like Malaysia and Saudi Arabia together with changing the manpower related rules in the few Middle-East countries, the number of migrant labor has decreased at a mentionable rate in the fiscal year 2013-14. As a result, the flow of remittance during July-June,2013-14 has decreased by about 1.61 percent and stood at USD 14.23 BN from that of the 2012-13 fiscal year (USD 14.46 BN).

External balance: The current account balance (CAB) recorded a surplus of USD1.5 BN during July-May FY14, compared with a surplus of USD2.3 BN during the same period of the preceding fiscal year (Monetary Policy June-December 2015). Supported by a significant surplus in the combined capital and financial account, the estimated overall balance recorded a surplus of USD5.9 BN in FY14. This is accredited to strong expansion in exports outweighing a moderate rise in imports to narrow the trade deficit in FY14.Despite the slight decline, the workers' remittances were sufficient to offset the trade deficit and push the current account to a surplus equal to 1% of the national GDP, not the deficit of 0.5% that had been projected by the Asian Development Bank. In order to protect Bangladesh's external competitiveness, the Bangladesh Bank continued its interventions in the domestic foreign exchange market with a net purchase of foreign currencies amounting to USD2.35 BN during the first half of 2014 and USD2.8 BN in the second half of FY14.This contributed to foreign exchange reserves touching USD21.6 BN at the end of June 2014 (compared with USD15.3 BN at the end of FY13).

Foreign Exchange Reserve: In terms of FX reserves, 2014 was a year of setting new records. Helped by declining imports, increasing the expected growth level of export trade together with the increased flow of the portfolio investment and the foreign direct investment which helped the FX reserve rise from USD 18.04 BN to USD 21.56 BN also appreciated against the dollar by 3.5% and would have gained more if the central bank had not pursued open market policy of buying dollars from the commercial banks. In order to help exports retain competitiveness, the central bank has been actively buying dollars from the market.

Monetary Policy: Bangladesh Bank has maintained policy continuity. The monetary program targets set at the beginning of FY15 have rightly been kept unchanged. This program is mildly expansionary with the 16.5 percent broad money growth target exceeding the expected nominal GDP growth rate of about 13 percent. Private sector credit growth through January remained subdued at 13.3 percent. There is therefore adequate room for raising it to 15.5 percent, as targeted in the Monetary Policy Statement (MPS) for the first half of FY15. With net foreign assets growing by 22.6 percent through January 2014, the 24.8 percent growth target for the public sector can be appropriately adjusted downwards to be close to the 16 percent reserve money growth target.

Fiscal Policy: Fiscal policy has remained consistent with macroeconomic stability. The fiscal deficit in FY15 is projected to remain stable at 3.5 percent of GDP according to World Bank. Tax revenue growth has been weaker than targeted while expenditure have also been short due as usual to an implementation shortfall. An added factor this year has been lower subsidies on fuel. A windfall resulting from the declining international oil price is accruing to the state-owned Bangladesh Petroleum Corporation (BPC), as administered domestic oil prices have remained unchanged. Government borrowing from the banking system has not been needed so far because additionally of a steep rise in non-bank borrowing.

Cyclicality: Based on ACRSL's proprietary Market Cyclical Risk Measure (MCRM), the near-to-intermediate term outlook for the Textile sector is Negative. The MCRM evaluates the share performance of a sector's listed companies as a gauge of fundamental performance of the sector going forward. The measure is developed in line with modern financial theory, which holds that the capital markets are efficient "discounting" mechanisms of future expectations about a company or sector. In other words, listed share prices encapsulate the overall information set available in the economy, including expectations about the future. In an efficient market, all available information about a sector or company is fully captured in the sector index movement or the company's share price movement. While the Bangladesh share market does not fit the criteria of a fully efficient market, nevertheless the price movements of shares or sectors do impart some information about the fundamental health of that sector/share. This is the reason why, among other factors, ACRSL considers the MCRM as a gauge of sector fundamentals going forward. However, the accuracy of such a predictor decreases the longer the time horizon; therefore, the MCRM is used to gauge near-to-intermediate term outlook only.

(vii) **Following details of underwriting:**

a) **The names, addresses, telephone numbers, fax numbers, contact persons and e-mail addresses of the underwriters and the amount underwritten by them;**

Names & Address	Telephone & Fax No. and E-mail Address	Contact Person	Amount Underwritten
EBL Investments Limited 59 Motijheel C/A, 1st Floor, Dhaka-1000.	Tel: +88-02-7118975 Fax: +88-02-7120251 E-mail: tanvir@eblinvestments.com Web: www.eblinvestments.com	**Md. Tanvir Hashem** Manager	75,000,000
MTB Capital Limited MTB Tower (Level-3) 111 Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka-1000.	Tel: +88-02-9577072-3 Fax: +88-02-9577075 E-mail: khairul.bashar@mutualtrustbank.com Web: www.mtbcap.com	**Khairul Bashar A. T. Mohammed** Chief Executive Officer & SVP	56,250,000
Lankabangla Investments Limited Eunoos Trade Center (Level-21) 52-53, Dilkhusha C/A, Dhaka-1000.	Tel: +88-02-7113585, 7125890 Fax: +88-02-7115756 E-mail: shakil.bhuiyan@lankabangla-investments.com Web: www.lankabangla-investments.com	**Khandakar Kayes Hasan, CFA** Chief Executive Officer	37,500,000
AIBL Capital Management Limited Peoples Insurance Bhaban (7th Floor), 36 Dilkusha C/A, Dhaka-1000.	Tel: +88-02-9560198, +88-02-9515071 Fax: +88-02-7170391 E-mail: cml@al-arafahbank.com Web: www.al-arafahbank.com	**Md. Golam Sarwar Bhuiyan** Chief Executive Officer	37,500,000
Banco Finance and Investment Limited Baitul View Tower (11th Floor) 56/1, Purana Paltan, Dhaka-1000	Tel: +88-02-7125703, +88-02-7125910 Fax: +88-02-7125634 E-mail: banco.bd@gmail.com Web: www.bancogroupbd.com	**Mohammad Hamdul Islam** Managing Director & CEO	18,750,000
PLFS Investment Limited Paramonut Heights (13th Floor), 65/2/1, Box Culvert Road Purana Paltan, Dhaka-1000	Tel: +88-02-7119654 Fax: +88-02-7125396 E-mail: plfsilbd@gmail.com Web: www.plfsil.com	**Mustofa Kamal** Chief Executive Officer	18,750,000
SBL Capital Management Limited 2, D. I. T. Avenue (Extension), 3rd Floor Motijheel C/A, Dhaka-1000.	Tel: +88-02-7175698, +88-02-9515484 Fax: +88-02-9585985 Email:topu36@yahoo.com Web: www.standardbankbd.com/CapitalManagement	**Mohammed Anisuzzaman Chowdury** First AVP	18,750,000
Total			**262,500,000**

b) **Declaration by the underwriters that they have sufficient resources as per the regulatory requirements to discharge their respective obligations;**
Mentioned in Section (iii) under Due Diligence Certificate by The Underwriter(S).

c) **Major terms and conditions of the underwriting agreements.**

(i) Prior to publication of the prospectus, the Company shall have obtained consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and providing for payment of underwriting commission **0.50% (zero point five zero percent)** on the amount underwritten.

(ii) If and to the extent that the shares offered to the public by a Prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the Closing Date, the Company shall within **10 (ten)days** of the closure of subscription call upon the underwriters in writing with a copy of the said writing to the Bangladesh Securities and Exchange Commission, to subscribe the shares not so subscribed by the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within **15 (fifteen) days** after being called upon to do so. The amount so received shall be credited to the share subscription account of the Company within the said period. If payment is made by Cheque/Bank Draft by the Underwriter, it will be deemed that the Underwriter has not fulfilled his obligation towards his underwriting commitment under this Agreement, until such time as the Cheque/Bank Draft has been encashed and the Company's share subscription account credited.

In any case within **7 (seven) days** after the expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the Underwriters to the Commission.

In the case of failure by the underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under this Agreement.

(c) Capital Structure:

(i) **Authorized, issued, subscribed and paid up capital (number and class of securities, allotment dates, nominal price, issue price and form of consideration);**

Particulars	No. of Securities	Class of Securities	Allotment		Nominal & Issue Price (Tk.)	Form of Consideration	Amount in Taka
			Dates	Amount			
Authorized Capital	120,000,000	Ordinary Share	-	-	10.00	-	1,200,000,000
Before IPO:							
Paid up capital	38,000,000	Ordinary Share	20.03.2003 (At the time of Incorporation)	200,000	10.00	Cash	380,000,000
			23.01.2007 (First Allotment)	99,800,000		Cash	
			05.07.2012 (2nd Allotment)	280,000,000		Bonus	
After IPO:							
To be issued as IPO	75,000,000	Ordinary Share	-	-	10.00	Cash	750,000,000
Paid up capital (Post IPO)	**113,000,000**	**Ordinary Share**	**-**	**-**	**10.00**	**-**	**1,130,000,000**

(ii) **Size of the present issue, with break-up (number of securities, description, nominal value and issue amount);**

Particulars			Percentage	No. of Ordinary Shares	Nominal Value	Issue price	Issue Amount (Taka)
Initial Public Offering through Fixed Price Method	Eligible investors (EIs)	Mutual Funds	10%	7,500,000	10.00	10.00	75,000,000
		Other EIs	40%	30,000,000			300,000,000
	General public	NRB	10%	7,500,000			75,000,000
		Others*	40%	30,000,000			300,000,000
Total			**100%**	**75,000,000**			**750,000,000**

Other*: 30,000,000 Ordinary shares will be reserved for General Public and Small Affected Investors.

(iii) **Paid up capital before and after the present issue, after conversion of convertible instruments (if any) and share premium account (before and after the issue);**

The Company has no convertible instruments and share premium account.

Amount in Taka

Paid up Capital		Share Premium Account	
Before the Present Issue	**After the Present Issue**	**Before the Present Issue**	**After the Present Issue**
750,000,000	970,000,000	-	-

(iv) **Category wise shareholding structure with percentage before and after the present issue and after conversion of convertible instruments (if any);**

Sl. No.	Category of Shareholders	No. of Ordinary Shares Hold		Percentage of Holding	
		Pre-IPO	Post-IPO	Pre-IPO	Post-IPO
1	Sponsors & Directors	35,000,000	35,000,000	92.11%	30.97%
2	Institutional	-	30,000,000	0.00%	26.55%
3	Mutual fund	-	7,500,000	0.00%	6.64%
4	Individual	3,000,000	33,000,000	7.89%	29.20%
5	Non Resident Bangladeshis (NRBs)	-	7,500,000	0.00%	6.64%
Total		**38,000,000**	**113,000,000**	**100.00%**	**100.00%**

The Company has no convertible instrument.

(v) **Where shares have been issued for consideration in other than cash at any point of time, details in a separate table, indicating the date of issue, persons to whom those are issued, relationship with the issuer, issue price, consideration and valuation thereof, reasons for the issue and whether any benefits have been accrued to the issuer out of the issue;**
The Company did not issue any of its ordinary shares for consideration in other than cash at any point of time.

(vi) **Where shares have been allotted in terms of any merger, amalgamation or acquisition scheme, details of such scheme and shares allotted;**
Pacific Denims Limited has not allotted any shares in terms of any merger, amalgamation or acquisition scheme.

(vii) **Where the issuer has issued equity shares under one or more employee stock option schemes, date-wise details of equity shares issued under the schemes, including the price at which such equity shares were issued;**
Pacific Denims Limited has not issued any equity shares under stock option to its employees.

(viii) **If the issuer has made any issue of specified securities at a price lower than the issue price during the preceding two years, specific details of the names of the persons to whom such specified securities have been issued, relation with the issuer, reasons for such issue and the price thereof;**
Pacific Denims Limited has not made any issue of specified securities at a price lower than the issue price during the preceding two years.

(ix) **The decision or intention, negotiation and consideration of the issuer to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue;**
Pacific Denims Limited has no such decision or intention, negotiation and consideration to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue.

(x) **The total shareholding of the sponsors and directors in a tabular form, clearly stating the names, nature of issue, date of allotment, number of shares, face value, issue price, consideration, date when the shares were made fully paid up, percentage of the total pre and post issue capital, the lock in period and the number and percentage of pledged shares, if any, held by each of them;**

Sl. No.	Name of Director & Sponsor	Nature of Issue	Date of Allotment & Date when the Shares were made Fully Paid up	Number of Share	Face Value & Issue Price	Consideration	Percentage		Lock in Period*	Pledge of Share	
							Pre Issue Capital	Post Issue Capital		No.	%
1	Md. Shafiul Azam (Mohsin) *Managing Director*	Ordinary Share	20-Mar-03	100,000	10.00	Cash	43.00%	14.46%	3 Yrs	No Pledge	
			23-Jan-07	3,700,000		Cash					
			5-Jul-12	10,640,000		Bonus					
			30-Aug-13	1,900,950		Cash (Transfer)					
			Total	**16,340,950**							
2	Md. Shadequl Alam (Yeasin) *Chairman*	Ordinary Share	20-Mar-03	50,000	10.00	Cash	24.99%	8.40%	3 Yrs	No Pledge	
			23-Jan-07	2,449,000		Cash					
			5-Jul-12	6,997,200		Bonus					
			Total	**9,496,200**							
3	Tamanna Jasmine *Sponsor*	Ordinary Share	20-Mar-03	2,500	10.00	Cash	0.00%	0.00%	3 Yrs	No Pledge	
			23-Jan-07	497,750		Cash					
			5-Jul-12	1,400,700		Bonus					
			30-Aug-13	(1,900,950)		Cash (Transfer)					
			Total	-							
4	Shahida Khanom (Swarna) *Sponsor*	Ordinary Share	20-Mar-03	250	10.00	Cash	0.003%	0.001%	3 Yrs	No Pledge	
			5-Jul-12	700		Bonus					
			Total	**950**							
5	Md. Moazzem Khan *Sponsor*	Ordinary Share	20-Mar-03	250	10.00	Cash	0.003%	0.001%	3 Yrs	No Pledge	
			5-Jul-12	700		Bonus					
			Total	**950**							
6	Md. Younus Ali *Sponsor*	Ordinary Share	20-Mar-03	250	10.00	Cash	0.003%	0.001%	3 Yrs	No Pledge	
			5-Jul-12	700		Bonus					
			Total	**950**							
7	Mr. Sohel Khan *Sponsor*	Ordinary Share	23-Jan-07	2,500,000	10.00	Cash	17.11%	5.75%	3 Yrs	No Pledge	
			5-Jul-12	7,000,000		Bonus					
			10-Aug-14	(3,000,000)		Cash (Transfer)					
			Total	**6,500,000**							
8	Disney Properties Ltd. *Director (Represent by M. A. Kamal Bhuiyan)*	Ordinary Share	23-Jan-07	700,000	10.00	Cash	7.00%	2.35%	3 Yrs	No Pledge	
			5-Jul-12	1,960,000		Bonus					
			Total	**2,660,000**							
9	Md. Ashfak Ahmed Khan *Independent Director*	-	-	-	-	-	-	-	-	-	

**[From the issue date of Prospectus]*

(xi) **The details of the aggregate shareholding of the sponsors and directors, the aggregate number of specified securities purchased or sold or otherwise transferred by the sponsor and/or by the directors of the issuer and their related parties within six months immediate preceding the date of filing the prospectus;**

There was no such purchase or sale or otherwise transfer by the sponsor and/or by the directors of Pacific Denims Limited and their related parties within six months immediate preceding the date of filing the prospectus.

(xii) **The name and address of any person who owns, beneficially or of record, 5% or more of the securities of the issuer, indicating the amount of securities owned, whether they are owned beneficially or of record, and the percentage of the securities represented by such ownership including number of equity shares which they would be entitled to upon exercise of warrant, option or right to convert any convertible instrument;**

SL	Name of Shareholders	Address	Position	No. of Share	Pre-IPO %
1	Md. Shafiul Azam (Mohsin)	Ta-225, South Badda, Gulshan, Dhaka.	MD & Director	16,340,950	43.003%
2	Md. Shadequl Alam (Yeasin)		Chairman	9,496,200	24.990%
3	Mr. Sohel Khan	Ka-64, South Badda Bazar, Gulshan, Dhaka.	Director	6,500,000	17.105%
4	Disney Properties Ltd. (Represent by M. A. Kamal Bhuiyan)	9, Gulshan South Avenue, Symphony (3rd Floor), Gulshan, Dhaka.	Director	2,660,000	7.000%

As far as the existing information is concern, there is no event or intent of exercising warrant, option or right to convert any convertible instrument.

(xiii) **The number of securities of the issuer owned by each of the top ten salaried officers, and all other officers or employees as group, indicating the percentage of outstanding shares represented by the securities owned.**

None of the employees of the Company own any shares of the issuer company "Pacific Denims Limited" except Chairman (Director Compliance) and Managing Director.

SL	Name of Shareholders	Position	Number of Share	% of outstanding share
1	Md. Shafiul Azam (Mohsin)	MD & Director	16,340,950	43.003%
2	Md. Shadequl Alam (Yeasin)	Chairman	9,496,200	24.990%

(d) Description of Business:

(i) **The date on which the issuer company was incorporated and the date on which it commenced operations and the nature of the business which the company and its subsidiaries are engaged in or propose to engage in;**

Pacific Denims Limited (PDL), one of the leading denim fabric manufacturers in Bangladesh, was incorporated as a private limited company on 20th March, 2003 having a Vide Registration No. C-48649(633)/2003 and subsequently converted into a public limited company on 12th January, 2011 with Register of Joint Stock Companies and Firms (RJSC) in Bangladesh under the Companies Act, 1994.

The Company started its commercial operation in March 2003.

The main activities of the Company were concentrated in Manufacturing, Dyeing, Weaving & Finishing of Denim Fabrics and exporting the same.

There are no subsidiaries which are engaged in or propose to engage in of Pacific Denims Limited.

(ii) **Location of the project;**

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

(iii) **Plant, machinery, technology, process, etc.**

Pacific Denim Ltd. has been using sophisticated machineries and technology in order to produce high quality of Denim goods. It helps us to be competitive over our competitors because of our latest machineries and technology.

(iv) **Details of the major events in the history of the issuer, including details of capacity/facility creation, launching of plant, products, marketing, change in ownership and/or key management personnel etc;**

Date of Incorporation:	As a private limited company on 20th March, 2003 having a Vide Registration No. C-48649(633)/2003.
Private to Public:	Converted into a public limited company on 12th January, 2011 with Register of Joint Stock Companies and Firms (RJSC) in Bangladesh under the Companies Act, 1994.
Capacity:	18,000,000 Yds/Year.
Date of Commercial Operation:	March, 2003.
Capital Raise:	Tk. 280,000,000.00 through Bonus (2.8B:1) on 5-Jul-12.
Appointment of Independent Director:	On August 30, 2013 for the period of 3 (Three) years.

(v) **Principal products or services of the issuer and markets for such products or services. Past trends and future prospects regarding exports (if applicable) and local market, demand and supply forecasts for the sector in which the product is included with source of data;**

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

PDL is a 100% export oriented textile industry. 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 goods. The garment manufacturers then export their goods to the overseas markets. Therefore, the final destination of the company's products appears to be the overseas market. Pacific Denims Limited ultimately produces denim fabrics for such world renowned brand name as George, Polo, Next, Tesco, Mexx, Tommy, Lee Hang Fat, Gemo, Aldi, Kik, Adams, Woolworth, Gulden Pfenning.

Past trends:

Last 5 years sales of Pacific Denims Limited *(Amount in BDT)*

Particulars	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Turnover	1,682,536,409	1,604,853,996	1,569,637,160	1,543,265,624	1,410,194,088

Future prospects:

Bangladesh is the third largest denim exporter to the US, after Mexico and China, with an 11.3 percent market share, according to the US Department of Commerce.

Moreover, global Market for Denim is forecast to reach USD 64.1 billion by 2020. In 2013-2014, export of denim products to the USA and EU markets rose by roughly 25 percent and day by day it is increasing. The total denim production of the whole world is approximate 7.66 billion yards and within these total 70% fabric is produced in Asia.

Bangladeshi entrepreneurs supply denim products to world's famous retailers such as H&M, Uniqlo, Levi's, Nike, Tesco, Wrangler, s.Oliver, Hugo Boss, Puma, Primark, Wal-Mart, JC Penney etc.

The future of Bangladesh's denim industry is bright. To meet the growing demand of denim fabric to International market, the local mills are investing hugely on state-of-the-art

imported machineries especially on the weaving & processing side and setting up large plants in the country.

Source: Bangladesh Textile Mills Association (BTMA)

(vi) **If the issuer has more than one product or service, the relative contribution to sales and income of each product or service that accounts for more than 10% of the company's total revenues;**

PDL produces a single product 'denim fabrics'. Therefore, 100% revenue generated for the Company is contributed by its only product denim fabrics.

(vii) **Description of associates, subsidiary and holding company of the issuer and core areas of business thereof;**

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

(viii) **How the products or services are distributed with details of the distribution channel. Export possibilities and export obligations, if any;**

On receiving the orders from its customers, Pacific Denims Limited manufactures the products and supplies them to the customers' destination as per their requirements. Since the export of the company is deemed export, it supplies the products to the local destinations.

Process:



We don't have any export obligation rather there is good potential of expansion for export.

(ix) **Competitive conditions in business with names, percentage and volume of market shares of major competitors;**

There is huge demand –supply gap for the product of the Company in the denim fabric market (Local and International market). Being one of the high quality denim fabric producers in the country, SDL (having 3.50% of total market share) is capable of exploiting the opportunities though there are a number of competitors in the local market. Such as:

Sl. No.	Name	Market share of the competitors
1	Partex Denims Ltd.	17.03%
2	Shasha Denims Limited	14.96%
3	Envoy Denim Limited	12.86%
4	Chittagong Denim Mills Ltd.	9.93%
5	Argon Denims Limited	7.80%
6	Mahmud Denims Ltd.	4.23%

(Calculated by BTMA)

(x) **Sources and availability of raw materials, names and addresses of the principal suppliers and contingency plan in case of any disruption;**

SL	Name of Principal Suppliers	Name of Raw Materials	Address
1	Salek Spinning / Textile	Yarn	MehnajMonsu Tower (2nd & 4th Floor), House No.11 A, Road No.1 30, Gulshan-l, Dhaka-1212 Bangladesh.
2	Sinha Spinning	Yarn	Head Office: House # 368, Road # 28, New DOHS, Mohakhali, Dhaka-1206. G.P.O, Box # 2028, Bangladesh.
3	Badsha Textiles	Yarn	28, Dilkusha C/A (2nd Floor), Dhaka-1000 Bangladesh.
4	AA Synthetic	Yarn	Sena Kanlyan Bhaban (6th Floor), 195 Motijheel C/A, Dhaka-1000 Bangladesh.
5	Partex Rotor Mills Ltd.	Yarn	House No-2, Road No-9, Block-G, Banani, Dhaka-1213, Bangladesh.
6	Nassa Spinning Ltd.	Yarn	238, Tejgaon Industrial Area, Gulshan Link Road, Dhaka-1208, Bangladesh.
7	NRG Hometex Ltd.	Yarn	House-24, Road-20, Block-K, Banani, Dhaka-1213, Bangladesh.
8	Indorama Polyester Ind. Public Co., Ltd.	Yarn	75/92 Ocean Tower 2, (35th floor), SOI Sukhumvit 19 (Wattana) Asoke RD, Kwang Klong, Toey Nua, Khet Wattana, Bangkok 10110, Thailand.
9	Hangzhou Yiniu Chemical Fiber Co., Ltd.	Yarn	Nongkenchang First Linjiang Industrial Park, Xiaoshan Hangzhou, Zhejiang, China.
10	ZHEJIANG HENGYI PETROCHEMICALS Co., LTD	Yarn	Yaqian, Xiaoshan, Hangzhou, Zhejiang, China
11	Silver Sand Polymers DMCC	Yarn	Unit No-30-01-1577, Floor No-1, BLDG No-3, Plot No-550-554, Dubai, U.A.E.
12	ShaoxingXingji Import and Export Co., Ltd.	Yarn	Qianqing material market, Shaoxing, Zhejiang province, China
13	ShaoxingShiffon Tex. Co., Ltd.	Yarn	4th Floor No191 Wolong Road Shaoxing City Zhejiang China
14	Sunflag (Thiland) Ltd.	Yarn	54 BB Building, 12th Floor Room 1213, Sukhumvit 21 (Asoke) Road, KlongtoeyNua, Wattana, Bangkok 10110, Thailand
15	Siam Quality Starch Co., Ltd.	Chemical	38/6, Moo 11 Pathumthani-Ladlumkaew Rd. Kubangluang Ladiumkaew, Pathumthani 12140, Thailand.
16	Tianjin Tiankai Chemical Ind. & Exp. Corp. Ltd.	Chemical	B-27, Fortune Plaza, 3rd Avenue, Development Area of Tianjin, China
17	Friends Group Co. Ltd.	Chemical	255 Binh Chanh Hamlet, Khanh Binh Commune, Tan Uyen Dist. Binh Duong Province, Vietnam
18	Tianjin Ruiji Chemical Co. Ltd.	Chemical	Room 4-601, Building B-2, No-16 Haitai Development Avenue, Huayuan Industry Area (The Outer Ring), Tianjin, China.
19	ARCHROMA SINGAPORE, PTE. LTD. / Clarichem Limited	Chemical	Reg. Office: House-44, Road-08 Block-E, Niketon, Gulshan-01 Dhaka-1212 Bangladesh
20	Quingdao Qianshuo Starch Technology Co. Ltd.	Chemical	136 Alishan Road, Qingdao Economic and Technological Development Area, Qingdao
21	BASF South East Asia Pte. Ltd.	Chemical	SAM Tower (Level 7), House#4, Road#22, Gulshan-1, Dhaka-1212.
22	New Look Chemical (Singapore) Pte Ltd.	Chemical	10, Anson Road # 26-04, International Plaza, Singapore (079903)
23	Seven Colour International Limited.	Chemical	Room No-1411, Jinrui Mansion, No-15, Desheng Road, Shangyu City, Zhejiang Province, China.
24	Mastone Group Limited	Chemical	Comrm Units 1501, 15/F, Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong

Contingency Plan in case of any disruption:

We have been collecting our raw materials from different international suppliers. Supplier's countries are China, U.A.E. Thailand, Vietnam, Singapore and Hong Kong. Hence, there is already contingency plan is in place in case of any disruption.

(xi) **Sources of, and requirement for, power, gas and water; or any other utilities and contingency plan in case of any disruption;**

Power (Captive): Pacific Denims Ltd has own power generation source by gas generator (2 nos) of 2030 Kw capacity. Its connecting load is 1520 Kw and average load of 1250 kw.

Water: Pacific Denims Ltd needs water of 1000 cubic meter/day, which supplied by Deep Tube Well with a capacity of 60 m^3 per hour.

Gas: PDL needs gas for captive power plant, boiler to generate steam and sinzing operation of fabric. PDL has the permission of Titas Gas Transmission and Distribution Company Limited (TGTDCL) to meet its requirements.

Steam: It has Boiler of 10 Ton/hr capacity which is run by gas.

Contingency Plan in case of any disruption:
The requirement of power for Pacific Denims Ltd. is 1250 KW. Pacific Denim Ltd. has two generators having capacity of 2030 KV and Generators' connecting load is 1520 KW. We had REB connection earlier which had 1500 KV loads. Now in our country electricity supply has been increased tremendously. Hence, we disconnected our REB connection. In future, if we need more power supply because of increased production, we will connect to REB to fulfill the required demand.

(xii) **Names, address(s), telephone number, web address, e-mail and fax number of the customers who account for 10% or more of the company's products/services with amount and percentage thereof;**

The Company has the following customers who contribute 10% or more of the total revenue:

Customer Names	Address	Telephone No.	Web Address	E-mail	Fax No.	Amount	%
Cassiopea Apparels Ltd.	BorkanMonipur, Hotapara, Mirzapur Union, P.S. Joydevpur, Gazipur, Bangladesh.	+88 02 8814750	www.elegant.com.bd	jaforali@elegantfashion.org	+88 02 8822417	19.50 Crore	13.38%
Mayc's Garments Ltd.	House # 09(2nd floor), Road # 01, Block # Kha, section # 6, Mirpur, Dhaka, Bangladesh.	+88 02 8023199	-	sarwar@maycsbd.net	+88 02 9006527	23.56 Crore	15.62%
Alliance Garments Ltd.	House # 6, Road # 3, Section # 7, Mirpur, Dhaka-1216. Bangladesh	+88 02 9013742	www.allianceg roupbd.net	dalwar@alliance groupbd.com	+88 02 8019249	18.24 Crore	11.21%
Chancellor Garments Ltd.	Plot-38, Road-4, Sikder Real Estate, Dhaka-1207, Bangladesh.	+88 02 9138885	www.chancell orgarments.com/	-	+88 02 8113668	16.73 Crore	10.13%
Quality Apparels Ltd.	63/C-2, Katasur, Mohammadpur, Dhaka-1207, Bangladesh	+88 02 9117955	www.qualityapparels.com	info@qualityapparels.com	+88 02 8113688	17.42 Crore	11.34%

(xiii) **Names, address(s), telephone number, web address, e-mail and fax number of the suppliers from whom the issuer purchases 10% or more of its raw material/finished goods with amount and percentage thereof;**

The Company has the following Suppliers from whom the Company purchases 10% or more of its Raw Material/Finished goods:

Supplier Name	Address	Telephone No.	Web Address	E-mail	Fax No.	Amount	%
Badsha Textiles Ltd.	28, Dilkusha C/A (2nd floor), Dhaka-1000 Bangladesh.	880-02-9574801-8	-	marketing@badshatex.com	+88-02-9574810 +88-02-9558611	24.12 Crore	20.14%
Nassa Spinning Ltd.	238, Tejgaon Industrial Area, Gulshan Link Road, Dhaka-1208, Bangladesh.	88-02-8832400-6, 9863185	-	yarn,marketina@nassaarom	8878545	15.41 Crore	12.57%
Zhejiang Hengyi Petrochemicals Co. Ltd.	Yaqian, Xiaoshan, Zhejiang, China.	0571-82797888	www.hengyi.com	hengyi@hengyi.com	0571-82797666	12.29 Crore	10.89%
NRG Hometex Ltd.	House-24, Road-20, Block-K, Banani, Dhaka-1213, Bangladesh.	880-2-8836763-4	-	atnt-banani@nrgroup-bd.com	8836347	14.56 Crore	12.27%
Salek Textile Ltd.	MehnajMonsu Tower (2nd& 4th ftoor), House No. 11 A, Road No.1 30, Gulshan-1 Dhaka-121B2a, nglad	880-2-881612888,174979,8 88917	www.knitasia.com	allabi@dhaka'net	+88-2-88289	13.25 Crore	10.96%

(xiv) **Description of any contract which the issuer has with its principal suppliers or customers showing the total amount and quantity of transaction for which the contract is made and the duration of the contract. If there is not any of such contract, a declaration is to be disclosed duly signed by CEO/MD, CFO and Chairman on behalf of Board of Directors;**

The Company has no such contract with principal suppliers or Customers.

Declaration regarding Contract with Principal suppliers or customers

We, on behalf of the Board of Directors certify that Pacific Denims Limited did not enter into any contract with its principal suppliers or customers.

Sd/-	Sd/-	Sd/-
Md. Shafiul Azam (Mohsin)	**Md. Abdul Halim**	**Md. Sfadequl Alam (Yeasin)**
Managing Director	Chief Financial Officer	Chairman

(xv) **Description of licenses, registrations, NOC and permissions obtained by the issuer with issue, renewal and expiry dates;**

SL	Name of License/Registration/NOC	License Issuer/Issuing Authority	Certificate/License No.	Issue/Renewal Date	Expiry Date
01	Trade License	Dhaka North City Corporation	03-006588	05.09.2013	30.06.2016
02	TIN Certificate	National Board of Revenue	471744151033	07.01.2014	N/A
03	VAT Reg. No.	Customs, Excise & VAT Commissioner ate, Dhaka.	19301001757	05.06.2013	N/A
04	Export Registration Certificate	Controller of Import & Export, Government of Bangladesh	R 0082459	08.07.2015	30.06.2016
05	Import Registration Certificate		B 0169265	08.07.2015	30.06.2016
06	BTMA	Bangladesh Textile Mills Association	002-0027-0481	21.01.2015	31.12 2016
07	Fire License	Bangladesh Fire Services and Civil Defense	Dhaka/19830/06	14.07.2015	30.06.2016
08	BOI License	Board of Investment Bangladesh	L-58010507144-H	03.08.15	N/A
09	Environment Clearance Certificate	Department of Environment	14871/25/2009	16.09.2014	26.08.2015 (Applied for Renewal)
10	Trade License from local authority	6no. Guagasiya Union Parishod, Munshigonj.	15/503	08.07.15	30.06.2016
11	Bonded Warehouse License	Customs Bond Commission rate, Dhaka	5(13)50/ks-bo/li/2008/11416	01.06.2015	31.03.2016 (Applied for Renewal)
12	Boiler License	Head of Boiler Inspector Office	209/2015-16-12360	17.06.2015	18.06.2016
13	NOC	Agrani Bank Limited Prime Bank Limited First Finance Limited NCC Bank Limited Bank Asia Limited IDLC Finance Limited IIDFC Limited	N/A	12.02.2015 25.02.2015 14.01.2015 23.02.2015 24.03.2015 25.05.2014 25.03.2015	N/A

(xvi) **Description of any material patents, trademarks, licenses or royalty agreements;**

The Company neither obtained any Patent Right/Trademarks nor signed any royalty agreement with any party. However, it has several regulatory licenses and certificate in order to continue its operation.

(xvii) **Number of total employees and number of full-time employees;**

The Company has 417 full-time employees as of December 31, 2015. Details are as follows:

Employees	2015	2014
Number of employees whose salary was below Tk. 8,250	0	0
Number of employees whose salary was above Tk. 8,250	417	413
	417	**413**

The Company has no part time employee.

(xviii) **A brief description of business strategy;**

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.

(xix) **A table containing the existing installed capacities for each product or service, capacity utilization for these products or services in the previous years, projected capacities for existing as well as proposed products or services and the assumptions for future capacity utilization for the next three years in respect of existing as well as proposed products or services. If the projected capacity utilization is higher than the actual average capacity utilization, rationale to achieve the projected levels.**

Existing Capacity Utilization:

Sl. No	Name of Product	2015			2014			2013		
		Production Capacity Yds/Year	Capacity Utilization Yds	Utilization (%)	Production Capacity Yds/Year	Capacity Utilization Yds	Utilization (%)	Production Capacity Yds/Year	Capacity Utilization Yds	Utilization (%)
1	Denims Fabrics	18,450,000	14,760,000	80%	18,000,000	14,400,000	80%	15,000,000	12,000,000	80%

Projected Capacity Utilization:

Sl. No	Name of Product	2018			2017			2016		
		Production Capacity Yds/Year	Capacity Utilization Yds	Utilization (%)	Production Capacity Yds/Year	Capacity Utilization Yds	Utilization (%)	Production Capacity Yds/Year	Capacity Utilization Yds	Utilization (%)
1	Denims Fabrics	22,477,936	17,982,349	80%	22,477,936	17,982,349	80%	20,675,070	16,540,056	80%

We have projected that the capacity utilization will be increase. As the total market is increased day by day and market share of the company is increasing. Hence, the management of the Company thinks that the projected capacity is attainable.

(e) Description of Property:

The written down value of Property, Plant & Equipment owned by the Company as per audited accounts as on 31 December, 2015 are stated below: -

Particulars	W.D. Value Balance as at 31-12-2015
Land & Land Development	185,018,960
Building & other Construction	215,386,780
Furniture & Fixture	16,840,887
Electric Installation	26,621,126
Deep-Tube-well	175,359
Office Equipment	5,159,019
Plant & Machinery Imported	375,388,722
Plant & Machinery Local	32,708,001
Fire Fighting Equipment	2,136,978
Vehicles & Transport	1,061,533
Total	**860,497,363**

(i) **Location and area of the land, building, principal plants and other property of the company and the condition thereof;**
The entire above mentioned assets are located at the Company's Corporate & Head office at Symphony Tower, 3rd Floor, 9 Gulshan Avenue, Gulshan-1, Dhaka 1212, and its factory at Natun Charchasi, Gazaria, Munshiganj, Bangladesh.

(ii) **Whether the property is owned by the company or taken on lease;**
All the assets of the Company are in its own name.

(iii) **Dates of purchase, last payment date of current rent (খাজনা) and mutation date of lands, deed value and other costs including details of land development cost, if any and current use thereof;**

Deed No.	Date of Purchase	Last Payment Date of Current Rent (খাজনা)	Mutation date	R. S Dag No.	Deed Value	Land development & Other Cost	Area of Land (Decimal)	Current Use
1249	20.04.2004	March 25, 2015	May 2, 2005	3580	2,20,000	33,189,587	66.00	Factory Building, Dormitory, Administrative Building, Mosque and developed open field
1254	20.04.2004			3580	1,00,000		30.00	
738	11.03.2004			3514	3,00,000		70.00	
2430	29.07.2004			3513	5,00,000		284.00	
				3582				
				3581				
				3515				
				3516				
				3579				
Total					**11,20,000**	**33,189,587**	**450.00**	
Grand Total						**34,309,587**		

(iv) **The names of the persons from whom the lands has been acquired/proposed to be acquired along with the cost of acquisition and relation, if any, of such persons to the issuer or any sponsor or director thereof;**

Names of the persons from whom the lands have been acquired	Cost of acquisition	Relation
Sufia Bibi	2,20,000	There is no relation of seller of land to the issuer or any sponsor or director thereof
Dayum Khan	1,00,000	
Rahimon Nesa	3,00,000	
Md. Shafiul Azam (Mohsin)	5,00,000	Managing Director & Director

(v) **Details of whether the issuer has received all the approvals pertaining to use of the land, if required;**
The Company has received the approval of master plan of the factory premises from the Guagasia Union Parishad, Gazaria, Munshiganj.

(vi) **If the property is owned by the issuer, whether there is a mortgage or other type of charge on the property, with name of the mortgagee;**
Building & other Construction (Built on 450.00 decimals land) of the Company are mortgaged to Agrani Bank Limited (Principal Branch).

Name of Mortgagee	Deed No.	Date	Description of Land/Plot No.	Area in Decimal
Agrani Bank Limited (Principal Branch)	1249, 1254, 738 & 2430	23.02.2014	Natun Charchasi, Gazaria, Munshiganj, Bangladesh	450.00

(vii) **If the property is taken on lease, the expiration dates of the lease with name of the lessor, principal terms and conditions of the lease agreements and details of payment;**
No Property is taken by the Company under lease agreement.

(viii) **Dates of purchase of plant and machineries along with sellers name, address, years of sale, condition when purchased, country of origin, useful economic life at purchase and remaining economic life, purchase price and written down value;**

Year of purchase	Sellers name	B/L No. DT.	Address	Years of sale	Condition when purchased	Country of origin	Purchase price	Written down value
2015	Protex International ltd.		Suit No: 510, Wasy Commercial Building, 28 Connaught Road West, Sheung Wan- Hong Kong	N/A	Brand New Capital Machineries	Hong Kong	18,678,808	
2012	Protex International ltd.		Suit No: 510, Wasy Commercial Building, 28 Connaught Road West, Sheung Wan- Hong Kong	N/A	Brand New Capital Machineries	Hong Kong	55,346,192	
2011	Protex International ltd.		Suit No: 510, Wasy Commercial Building, 28 Connaught Road West, Sheung Wan- Hong Kong	N/A	Brand New Capital Machineries	Hong Kong	65,691,000	
2010	Protex International ltd.		Do	N/A	Brand New Capital Machineries	Hong Kong	21,409,900	
	Protex International ltd.		Do		Brand New Capital Machineries	Hong Kong	40,139,479	
2009	Weifang Yihe Electrical Appliance Co., Ltd.		Dajian Road, Qingzhou, Shandong, China	N/A	Spare Parts for Textile Industries	China	632,450	
	Shiaw Tai Tong Machinery Co. Ltd.		No. 100, Section -2, Nan Kan Rd. Lu Chu Hsiang, Taoyuan Hsien, Taiwan		Spare Parts for Textile Industries	Taiwan	1,668,216	
	Hawa Enterprise		Plot # 361, B/H Chandola Police Chowky, Opp. F.K. Textile (Kundiwala), Chandola, Ahmodabad		Spare Parts for Textile Industries	India	347,500	
	Lenze Mechatronics Pvt. Ltd.		Plot # 46/A, Sector-10, PCNTDA Industrial Area, Bhosary, Pune		Brand New Capital Machineries & Accessories	India	518,696	
	Protex International ltd.		Suit No: 510, Wasy Commercial Building, 28 Connaught Road West, Sheung Wan- Hong Kong		Auto Type Somke Tube Packed Steam Boiler	Hong Kong	4,511,000	
	Protex International ltd.		Suit No: 510, Wasy Commercial Building, 28 Connaught Road West, Sheung Wan- Hong Kong		Tsudakoma Zax Air Jet Denim Looms	Hong Kong	48,580,000	
	Caterpillar		S.A.R.L Singapore Branch, 7 Tractor Road, Singapore-627968		Brand New 1Xcaterpillar G3516 Turbocharged	Singapore	20,468,663	

	Protex International ltd.		Suit No: 510, Wasy Commercial Building, 28 Connaught Road West, Sheung Wan- Hong Kong		Capital Machinery and Accessories for Textile	Hong Kong	13,880,000	
	Protex International ltd.		Suit No: 510, Wasy Commercial Building, 28 Connaught Road West, Sheung Wan- Hong Kong		Brand New Capital Machinery and Accessories for Textile	Hong Kong	6,731,800	
	Gibbs International, Inc.		PO Boz No. 1227 Spartanburg, South Carrolina		Picanol Omni-2-P Weaving Machine	USA	11,104,000	
	Suzhou Henry International Trading Co. Ltd.	2 Wumo Road, Wujiang City, Jiangsu, China	2 Wumo Road, Wugiang City, Ziangsu, China		Capital Machinery and Accessories for Textile	China	1,394,246	
	Shanghai- Nanshi Foreign Economic Corporation and Trading Co. Ltd.		4/F No.62 Pusan Roiad, Pudong Shanghai 200125, China		Spare Parts for Textile Industries	China	819,614	
	Dlgakiran Kompresor San.ve Tic. Ltd.		Imes Sanayi Sites B Blok 206/1 Yukari Dudullu-Umraniye, Istanbul, Turkey		Air Dryer for Air Compressor	Turkey	1,402,651	
	Protex International ltd.		Suit No: 510, Wasy Commercial Building, 28 Connaught Road West, Sheung Wan- Hong Kong		Brand New Capital Machinery and Accessories for Textile	Hong Kong	8,050,400	
	Protex International ltd.		Suit No: 510, Wasy Commercial Building, 28 Connaught Road West, Sheung Wan- Hong Kong		Brand New Capital Machinery and Accessories for Textile	Hong Kong	8,397,400	
	Shanghai- Nanshi Foreign Economic Corporation and Trading Co. Ltd.		4/F No.62 Pusan Roiad, Pudong Shanghai 200125, China		Auxiliary Equipment for Textile Industries	China	582,960	
	Do		Do		Spare Parts for Textile Industries	Do	259,556	
	Do		Do		Spare Parts for Textile Industries	Do	325,555	
	Hawa Enterprise		Plot # 361, B/H Chandola Police Chowky, Opp. F.K. Textile (Kundiwala), Chandola, Ahmodabad		Spare Parts for Textile Industries	India	639,313	
	Metrohm Middle East, FZC		H2-21 Saif Zone, PO Box 120-747, Sharjah, UAE		Spare Parts for Textile Industries	UAE	667,437	

	Ingersoll Rand South East Asia Pvt. Ltd.		42 Benoi Road, Singapore- 629903		Spare Parts for Textile Industries	Singapore	228,073	
	Shanghai- Nanshi Foreign Economic Corporation and Trading co. Ltd.		4/F No.62 Pusan Roiad, Pudong Shanghai 200125, China		Spare Parts for Textile Industries	China	692,010	
	Do		Do		Spare Parts for Textile Industries	Do	633,178	
2008	Coker International. L.C.		2721 White Horse Road Green Ville sc 29611-USA	N/A	Tsudakoma Air Jet Loom Standard Accessory	USA	38,864,000	
	Protex International ltd.		Suit No: 510, Wasy Commercial Building, 28 Connaught Road West, Sheung Wan- Hong Kong		Tsudakoma Air Jet Loom Standard Accessory	Hong Kong	38,170,000	
	Beijing Fenglong Technology Co. Ltd.		Floor 2, Zhongzuokeji Building No. 12 Zhongjuancuan South East street, Haidian District, Beijing, China		Evapirative Cooling and Ventilation Syestem	China	1,082,640	
	Hawa Enterprise		Plot # 361, B/H Chandola Police Chowky, Opp. F.K. Textile (Kundiwala), Chandola, Ahmodabad		Endless Belt (Dunline-Brand) 1800MM	India	419,295	
	Ingersoll Rand South East Asia Pvt. Ltd.		42 Benoi Road, Singapore- 629903		Brand New Capital Machinery and Accessories for Textile	Singapore	3,615,393	
	Dunline Rubber Products Company		422 Canada Avenue, PO Box 543, Huron Park, Ontario, Canada		Endless Belt (dunline-Brand) 1800MM	Canada	616,054	
	Do		Do		Brand New Capital Machineries	Do	6,044,948	
	Kamran & Company		13022 Railway Road, Faisalabad Market-Pakistan		Machineries for 100% Export Textile Mills Warp Beam	Pakistan	2,077,500	
	Zhejiang Zusun Sewing Machine Co. Ltd.		Xinpeng Nan Road, Pengjie Town Luqiao District, Taizhou, Zhejiang Pro.P.R. China		Industrial Swing Machines	China	714,844	
2006	Protex International ltd.		Suit No: 510, Wasy Commercial Building, 28 Connaught Road West, Sheung Wan- Hong Kong	N/A	Brand New Finishing Machine	Hong Kong	19,223,050	

	Do		Do		Brand New Machinery	Do	33,762,666	
	Do		Do		Brand New Machinery	Do	24,465,700	
	DO		Do		Brand New Machinery	Do	30,547,174	
	Plus, Global Ltd.		No. 9F-1, No. 41 Lane 344 Nanking W.Rd. Taipei, Taiwan		Brand new Srinking Machine	Taiwan	7,689,220	
	Protex International ltd.		Suit No: 510, Wasy Commercial Building, 28 Connaught Road West, Sheung Wan- Hong Kong		Brand New Auto Type Boiler Machine	Hong Kong	4,537,000	
	Do		Do		Semi-Automatic Roll Packing Machine	Do	1,024,205	
	Do		Do		Brand New Hunidity Plant	Do	13,960,000	
	Hong Kong Shanghai Trading Co. Ltd.		Suite-510 Wayson Commercial Building, 28 Collaught Road West Sheung Wan-Hong Kong		Brand new Idigo Dyeing Machine	Hong Kong	32,235,186	
	Protex International ltd.		Suit No: 510, Wasy Commercial Building, 28 Connaught Road West, Sheung Wan- Hong Kong		Brand New Workshop Eqp. & Brand new Laboratory Equipment	Hong Kong	6,351,800	
	Hong Kong Shanghai Trading Co. Ltd.		Suite-510 Wayson Commercial Building, 28 Collaught Road West Sheung Wan-Hong Kong		Brand New Warping Machine	Hong Kong	3,839,000	
	Do		Do		Brand New Textile Machineries	Do	1,988,253	
	Protex International ltd.		Suit No: 510, Wasy Commercial Building, 28 Connaught Road West, Sheung Wan- Hong Kong		Brand New Batch ing Machine	Hong Kong	11,517,000	
	Caterpillar		S.A.R.L Singapore Branch, 7 Tractor Road, Singapore-627968		Brand New Gas Generator	Singapore	18,846,000	
	Utile Engineering International Co. Ltd.		91 Soiakkaphat (Thonglor 17) Sukhumvit Road, North Klongton, Vadhana, Bankok 10110, Thailand		Capital Machineries for 100% Export oriented denim Textile	Thailand	1,570,500	
Total							**636,961,524**	**397,382,061**
	Installation						102,205,783	
	Grand Total						**739,167,307**	**397,382,061**

As per technical specification of different machineries the economic life is 25-30 years and remaining useful life of the machineries is on an average is 20 years.

(ix) **Details of the machineries required to be bought by the issuer, cost of the machineries, name of the suppliers, date of placement of order and the date or expected date of supply, etc.**

No machineries are required to be bought by the issuer except machineries to be bought from IPO proceeds.

The details of which are below:

SL.	Name of the Machinery	Country of Origin & Supplier	Qty	Unit Price (US $)	(Fig. in US$)	Amount in Tk.	Date of Placement of Order	Date or Expected Date of Supply
1	Loom	Picanol, Belgium	25	50,000	1,250,000	97,500,000	After receiving IPO Fund	Within 24 Months After receiving IPO Fund
2	Dyeing Jigger Machine (Neuweg) HRJR101-180	Neuweg Machinery M.Co.Ltd., China	1	35,000	35,000	2,730,000		
3	Compressor Machine	Confidence Int., Chaina	1	140,000	140,000	10,920,000		
4	ETP	Protex International, Korea	1	100,000	100,000	7,800,000		
5	Generator (Gas/Diesel) (Caterpillar)	BTO Singapoore Pte Ltd., USA	1	307,000	307,000	23,946,000		
6	Boiler	Neuweg Machinery M.Co.Ltd., China	1		150,000	11,700,000		
7	Standard Accessories				50,000	3,900,000		
Total (A)					**2,032,000**	**158,496,000**		
Excise duty, Clearing, Insurance, Commission, Pre-Shipment Inspection (PSI) & Carrying (B)						12,186,187		
Installation (C)						10,324,090		
Total Machinery cost (A+B+C)						**181,006,277**		

(x) **In case the machineries are yet to be delivered, the date of quotations relied upon for the cost estimates given shall also be mentioned;**
There are no such machineries which are yet to be delivered.

(xi) **If plant is purchased in brand new condition then it should be mentioned;**
All plants and machineries of the Company were purchased in brand new condition.

(xii) **Details of the second hand or reconditioned machineries bought or proposed to be bought, if any, including the age of the machineries, balance estimated useful life, etc. as per PSI certificates of the said machineries as submitted to the Commission;**
The Company neither purchased any second hand or reconditioned machineries nor any plan to purchase in future.

(xiii) **A physical verification report by the issue manager(s) regarding the properties as submitted to the Commission;**

PHYSICAL VERIFICATION REPORT BY THE ISSUE MANAGER(S)

Of

PACIFIC DENIMS LIMITED

This is to certify that we have visited the registered office and factory of Pacific Denims Limited on January 20, 2016 and we have found the registered office and factory as details bellow:

Visited and Accompanied by:

Particulars		Name & Designation	Company
Visited by (AFC Capital Limited)	:	**Mahbub H. Mazumdar FCMA** *Chief Executive*	AFC Capital Limited
	:	**Md. Abul Bashar Parvez** *Assistant Manager*	
Visited by (Imperial Capital Limited)	:	**Md. SalauddinSikder FCMA** *CEO & Managing Director*	Imperial Capital Limited
	:	**Md. ShazzadHossain** *Senior Executive*	
Accompanied by	:	**Md.Sorhab Ali** *Company Secretary*	Pacific Denims Limited
	:	**Md. Abdul Majid** *ED (Operation)*	

Registered Office:
The registered office of the Company is located at Plot # 6, Gulshan Avenue, Block # SW(H), Gulshan, Dhaka-1212 under rental agreement.

Location of the Factory:
The factory is situated at Natun Charchasi, Gazaria, Munshiganj, Bangladesh.

Nature of Business:
The main activities of the Company are concentrated in Manufacturing Dyeing, Weaving & Finishing of 100% Export Oriented Denim Fabrics and exporting the same.

Products:
The Company produces a single product **'denim fabrics'** of various specifications, compositions, color and qualities.

Description of Property:
We have identified the properties of Pacific Denims Limited are as follows:

1) **Land:** We have found 450 decimal of land surrounded by Boundary wall.

Factory Building: Pre-fabricated steel structure factory shade; Four one storied office building, Substation Building, Raw Material Store, Generator Water House, Generator Room, Lamination Room, Raw Materials store (Chemical), Dice Section and One Tin Shade Mosque.

Details of the buildings status are discussed below:

No. of Buildings	Buildings Description	Type (Brick/Tin/Prefabricated Steel)	Total Building Area Each floor (Sft)	Usage (Sft)
Building-1	98,800 Sft. Pre-Fabricated Steel Shade	RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC- Slab with Beam, RCC-Stair, RCC-Lintel, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat Thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill in Window.	98,800	98,800
Building-2	Four One Storied Office Building	RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC- Slab with Beam, RCC-Stair, RCC-Lintel, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat Thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill in Window.	6,000	6,000
Building-3	One Storied Substation Building	RCC-Footing & Short Column, RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC- Slab with Beam, RCC-Lintel, Brick Wall Plaster, Wall Paint, Inside side, Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill in Window	700	700
Building-4	One Storied Raw Material Store	RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC-Lintel, Teen Shed Roof with M.S angle, Brick Wall, Plaster, Floor Tiles, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill in Window	10,000	9,000
Building-5	One Storied Generator Water House	RCC-Footing & Short Column, RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC-Lintel, Teen Shed Roof with M.S angle, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill in Window.	250	250
Building-6	One Storied Generator Room	RCC-Footing & Short Column, RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC- Slab with Beam, RCC-Lintel, Brick Wall, Plaster, Floor Tiles, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill in Window.	*800*	*800*
Building-7	One Storied Lamination Room	RCC-Footing & Short Column, RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC- Slab with Beam, RCC-Lintel, Brick Wall, Plaster, Floor Tiles, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill in Window.	950	950
Building-8	One Storied Raw Materials store (Chemical)	RCC-Footing & Short Column, RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC-Lintel, Teen Shed Roof with M.S angle, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill in Window.	2,000	2,000

Building-9	One Storied Dice Section	RCC-Footing & Short Column, RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC-Lintel, Teen Shed Roof with M.S angle, Brick Wall, Plaster, Floor Tiles, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill in Window	500	500
Building-10	One tin Shade Semi-Paka Mosque	Teen Shed Roof with M.S angle, Brick Wall, Plaster, Floor Tiles, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill in Window	600	600

2) Plant & Machinery and Office Equipment:
In the prospectus the issuer mentioned, they bought all the machineries at brand new condition. After visiting the factory site, we are absolutely convincing with their reports.

Besides these assets we have also found other assets like Furniture & Fixture, Electric Installation, Deep-Tube-well, Office Equipment, Fire Fighting Equipment, Vehicles & Transport and Others.

It is also mentionable here that during our visit, we also checked Inventory register and roster (Workers' duty register) and found satisfactory. We also noticed that all machineries of PDL are in good condition and running well.

Signboard:
The signboard of the Company is well displayed at the registered office and factory premises and there is no other Office/Factory within the said factory premises.

Sd/-
Mahbub H. Mazumdar FCMA
Chief Executive
AFC Capital Limited

Sd/-
Md. Salauddin Sikder FCMA
CEO & Managing Director
Imperial Capital Limited

(xiv) **If the issuer is entitled to any intellectual property right or intangible asset, full description of the property, whether the same are legally held by the issuer and whether all formalities in this regard have been complied with;**
The Company has no intellectual property right or intangible asset.

(xv) **Full description of other properties of the issuer.**

Sl. No.	Particulars
1	Building & other Construction
2	Furniture & Fixture
3	Electric Installation
4	Deep-Tube-well
5	Office Equipment
6	Fire Fighting Equipment
7	Vehicles & Transport

(f) Plan of Operation and Discussion of Financial Condition:

The Company's revenues and results from operations, Statement of Financial position, Changes in Financial Position and Statement of Cash Flows for the last five years are mentioned below:

Revenue and Results from operation:

	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
Gross Profit	**268,151,086**	**248,747,643**	**242,943,049**	**238,860,840**	**218,329,448**
Operating Expenses	**26,366,525**	**25,249,523**	**24,398,053**	**20,034,944**	**15,572,948**
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
Operating Profit	**241,784,560**	**223,498,120**	**218,544,996**	**218,825,896**	**202,756,500**
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	-
Net profit before tax	**118,164,085**	**114,122,300**	**110,419,355**	**107,809,476**	**96,488,334**
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
Net Profit after tax	**99,987,550**	**96,824,164**	**93,856,451**	**91,638,055**	**75,984,563**
Earnings per Share (EPS)	2.63	2.55	2.47	3.20	7.60

Statement of Financial Position:

Particulars	Amount in Taka				
	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011
APPLICATION OF FUND					
NON-CURRENT ASSETS					
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	-	-	-
Total Non-Current Assets	**860,497,363**	**848,396,282**	**868,781,777**	**925,739,903**	**929,825,782**
CURRENT ASSETS					
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
Total Current Asset	**1,208,500,481**	**1,088,864,476**	**1,008,705,240**	**734,436,306**	**598,528,297**
CURRENT LIABILITIES & PROVISIONS					
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
Total Current Liabilities	**341,203,090**	**359,635,746**	**394,082,666**	**223,545,589**	**216,576,594**
Net Current Assets	**867,297,391**	**729,228,731**	**614,622,574**	**510,890,717**	**381,951,703**
TOTAL ASSETS	**1,727,794,754**	**1,577,625,013**	**1,483,404,351**	**1,436,630,621**	**1,311,777,485**

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
Total Shareholders' Equity	**1,004,287,586**	**904,300,037**	**915,296,618**	**821,440,166**	**729,802,111**
LONG TERM BORROWINGS					
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	-	-	-
Total Long Term Borrowings	**723,507,168**	**673,324,976**	**568,107,733**	**615,190,455**	**581,975,374**
TOTAL EQUITY AND LIABILITIES	**1,727,794,754**	**1,577,625,013**	**1,483,404,351**	**1,436,630,621**	**1,311,777,485**
NET ASSETS VALUE (NAV) PER SHARE	26.43	23.80	22.56	20.09	67.16

Statement of Changes in Financial Position:

Particulars	Share Capital	Share Money Deposit	Revaluation reserve	Tax Holiday Reserve	Retained Earning	Total
For 2011						
Balance at January 01, 2011	100,000,000	58,200,000	145,690,413	136,111,320	204,166,983	644,168,716
Net Profit for the year	-		-	-	96,488,334	96,488,334
Transferred to Tax Holiday Reserve			-	9,648,832	(9,648,832)	-
Provision for Income Tax	-		-	-	(10,854,939)	(10,854,939)
Balance at December 31, 2011	**100,000,000**	**58,200,000**	**145,690,413**	**145,760,152**	**280,151,546**	**729,802,111**
For 2012						
Balance at January 01, 2012	100,000,000	58,200,000	145,690,413	145,760,152	280,151,546	729,802,111
Net Profit for the year					107,809,476	107,809,476
Transferred to Share Capital	280,000,000				(280,000,000)	
Provision for Income Tax					(16,171,421)	(16,171,421)
Balance at December 31, 2012	**380,000,000**	**58,200,000**	**145,690,413**	**145,760,152**	**91,789,601**	**821,440,166**
For 2013						
Balance at January 01, 2013	**380,000,000**	**58,200,000**	**145,690,413**	**145,760,152**	**91,789,601**	**821,440,166**
Net Profit for the year					110,419,355	110,419,355
Transferred to Share Capital	-					
Provision for Income Tax					(16,562,903)	(16,562,903)
Balance at December 31, 2013	**380,000,000**	**58,200,000**	**145,690,413**	**145,760,152**	**185,646,052**	**915,296,618**
For 2014						
Balance at January 01, 2014	**380,000,000**	**58,200,000**	**145,690,413**	**145,760,152**	**185,646,052**	**915,296,618**
Adjustment for previous year	-	-	-	-	(78,750)	(78,750)
Adjustment for Deferred Tax Liability	-	-	-	-	(49,541,995)	(49,541,995)
	380,000,000	**58,200,000**	**145,690,413**	**145,760,152**	**136,025,307**	**865,675,873**
Net Profit for the year	-	-	-	-	114,122,300	114,122,300
Share Money Deposit	-	(58,200,000)	-	-	-	(58,200,000)
Provision for Income Tax	-	-	-	-	(15,449,882)	(15,449,882)
Deferred Tax Expense	-	-	-	-	(1,848,254)	(1,848,254)
Balance at December 31, 2014	**380,000,000**	**-**	**145,690,413**	**145,760,152**	**232,849,472**	**904,300,037**

For 2015

Balance at January 01, 2015	**380,000,000**	**-**	**145,690,413**	**145,760,152**	**232,849,471**	**904,300,037**
Net Profit for the year	-	-	-	-	118,164,085	118,164,085
Provision for Income Tax	-	-	-	-	(17,870,053)	(17,870,053)
Deferred Tax Expense	-	-	-	-	(306,482)	(306,482)
Balance at December 31, 2015	**380,000,000**	**-**	**145,690,413**	**145,760,152**	**332,837,021**	**1,004,287,586**

Statement of Cash Flows:

Particulars	2015 Taka	2014 Taka	2013 Taka	2012 Taka	2011 Taka
A. Cash Flow from Operating activities:					
Collection from Turnover	1,684,501,587	1,575,491,018	1,441,582,290	1,488,272,255	1,392,404,509
Cash Receipt from other Income	2,259,613	405,000	488,550	592,500	182,500
Cash Paid to Suppliers, Employees and Others	(1,476,693,225)	(1,369,484,557)	(1,443,078,555)	(1,424,312,439)	(1,224,262,721)
Cash Generated from Operations	**210,067,975**	**206,411,461**	**(1,007,715)**	**64,552,316**	**168,324,288**
Interest Paid	(125,880,088)	(109,780,820)	(108,614,191)	(109,258,157)	(106,450,666)
Income Tax Paid	(8,268,019)	(2,711,385)	-	-	-
Net Cash Provided by operating activities	**75,919,868**	**93,919,256**	**(109,621,906)**	**(44,705,841)**	**61,873,622**
B. Cash Flow from Investing activities:					
Acquisition of Property, Plant and Equipment	(66,836,567)	(8,895,150)	(6,391,445)	(60,535,851)	(69,911,855)
Investment in Shares	-	-	-	-	(22,000,000)
Paid against Capital Work-in-Progress	-	(10,402,962)	-	-	-
Cash receipt from Sale of Investment	-	-	-	49,649,238	-
Cash receipt from Fixed Deposit	-	-	-	-	5,000,000
Investment in Fixed Deposit	(34,333,257)	-	-	-	-
Net Cash used by investing activities	**(101,169,824)**	**(19,298,112)**	**(6,391,445)**	**(10,886,613)**	**(86,911,855)**
C. Cash Flow from Financing activities:					
Increase/(decrease) in share Money Deposit	-	(58,200,000)	-	-	-
Increase/(Decrease) in Bank Overdraft	-	-	-	-	-
Increase/(decrease) in short term loan	(6,607,234)	(91,409,711)	57,262,448	28,591,155	24,396,089
Increase/ (Decrease) in long term loan	49,875,709	74,603,669	51,049,583	33,215,081	(325,668)
Net Cash Provided by Financing activities	**43,268,476**	**(75,006,042)**	**108,312,031**	**61,806,236**	**24,070,421**
D. Net increase in Cash	18,018,520	(384,898)	(7,701,320)	6,213,782	(967,812)
E. Cash at beginning at the period	**3,438,701**	3,823,599	11,524,919	5,311,137	6,278,949
F. Cash at the end of the period	**21,457,220**	**3,438,701**	**3,823,599**	**11,524,919**	**5,311,137**
Net Operating Cash Flow Per Share	2.00	2.47	(2.88)	(1.18)	6.19

a) **Internal and external sources of cash;**

Particulars	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Internal Sources of Cash					
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
Retained Earnings	332,837,021	232,849,472	185,646,053	91,789,601	280,151,546
Total	**712,837,021**	**612,849,472**	**623,846,053**	**529,989,601**	**438,351,546**
External Sources of Cash					
Long Term Loan	671,810,437	621,934,728	568,107,733	615,190,455	581,975,374
Long-Term Borrowings-Current portion	118,908,979	118,908,979	98,132,305	-	-
Short Term Borrowings	119,190,451	125,797,685	217,207,396	159,944,948	131,353,792
Total	**909,909,867**	**866,641,392**	**883,447,434**	**775,135,403**	**713,329,166**
Grand Total	**1,622,746,889**	**1,479,490,863**	**1,507,293,487**	**1,305,125,004**	**1,151,680,712**

b) **Any material commitments for capital expenditure and expected sources of funds for such expenditure;**
PDL has no other material commitments for capital expenditures except for those mentioned in the Utilization of IPO proceeds in this prospectus.

c) **Causes for any material changes from period to period in revenues, cost of goods sold, other operating expenses and net income;**
The Company's revenue and other income as well as operating expenses and net income have continued to change due to increasing business volume.

Particular	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11	31-Dec-11
Turnover	1,682,536,409	1,604,853,996	1,569,637,160	1,543,265,624	1,410,194,088	1,360,314,267
Cost of Goods sold	1,414,385,323	1,356,106,353	1,326,694,111	1,304,404,784	1,191,864,641	1,150,161,662
Operating Expenses	26,366,525	25,249,523	24,398,053	20,034,944	15,572,948	11,702,589
Net Profit after Tax	99,987,550	96,824,164	93,856,451	91,638,055	75,984,563	71,797,378

Revenues:
Production capacity has been increased in every year by installing plant and machinery. Resultant, period to period changes in revenues have been arisen.

Cost of goods sold:
Increase of cost of goods sold in period to period is in the line with sales volume.

Other operating expenses:
Increase of operating expenses in period to period is in the line with production and sale volume.

Net income:
Net income increase in period to period is in line with sales volume.

d) **Any seasonal aspects of the issuer's business;**
Garment prepared from denim fabrics is exported from Bangladesh all around the year in almost the same volume, since the world demand remain more or less same in all seasons. Therefore, the company's business is not significantly affected by the seasonal aspect.

e) **Any known trends, events or uncertainties that may have material effect on the issuer's future business;**
Though there are no known trends, events and/or uncertainties that shall have a material impact on the company's future business, the business operation of the Company may be affected by the following events:
i) Political unrest
ii) Natural disaster

f) **Any assets of the company used to pay off any liabilities;**
None of the operating assets of the company has been disposed of to liquidate any liabilities of the company.

g) **Any loan taken from or given to any related party or connected person of the issuer with details of the same;**
The Company did not take or give any loan from or to its subsidiary during last five years.

h) **Any future contractual liabilities the issuer may enter into within next one year, and the impact, if any, on the financial fundamentals of the issuer;**
The Company has no plan to enter into any contract creating future liabilities for the company except for those which are created in the normal course of business activities.

i) **The estimated amount, where applicable, of future capital expenditure;**
The Company has not any plan to make any capital expenditure except for those mentioned in the 'Use of Proceeds' section in this prospectus.

j) **Any VAT, income tax, customs duty or other tax liability which is yet to be paid, including any contingent liabilities stating why the same was not paid prior to the issuance of the prospectus. Updated income tax status for the last 5 years or from commercial operation, which is shorter;**

Value Added Tax (VAT):
There is no outstanding VAT Liability of the Company as on 31 December, 2015.

Customs Duty:
There is no such liability outstanding for the company as of 31 December, 2015.

Contingent Liability:
There exists no situation involving PDL for which any liability for the company is most likely to occur or which may create any possibility of company's liability in the near future.

Income Tax:
Pacific Denims Limited having its TIN No. 140-201-6165/CO-13, regularly pays income taxes, leaving no taxes unpaid. Following is the summary of income taxes of the company:

Income Year	Assessment Year	Status
31 December, 2014	2015-16	Not yet due
31 December, 2013	2014-15	Income Tax Assessment is under process.
31 December, 2012	2013-14	
31 December, 2011	2012-13	Income Tax Assessment was completed by Deputy Commissioner of Taxes against which appeal is pending.
31 December, 2010	2011-12	As per certificate given by Md. Ashraful Islam, Deputy Commissioner of Taxes, Taxes Circle-89 (Companies), Taxes Zone-5, Dhaka dated 05.07.2015 that income tax assessment has been completed upto the assessment year 2011-2012 and tax paid in full.

k) **Any financial commitment, including lease commitment, the company had entered into during the past five years or from commercial operation, which is shorter, giving details as to how the liquidation was or is to be effected;**

The Company has obtained following financial lease/loan facilities during last 05 (five) years:

SL	Name of Bank	Sanction Amount of Loan (Tk.)	Purpose of Loan	Sanction Date	Expiry Date	Installment Qtr./Monthly (Tk.)	Outstanding at 31 Dec, 2015 (Tk.)
1	IDLC Finance Limited	4.02 Crore	Acquisition of Capital Machineries	Nov 10, 2010	Dec 15, 2017	1,182,236	31,152,625
2	IIDFC	5.00 Crore		Oct 15, 2014	Dec 24, 2017	1,244,787	33,990,500
3	First Lease Finance & Investment Limited	5.75 Crore		Nov 22, 2010	Dec 22, 2015	1,524,024	49,061,177
4	Agrani Bank Ltd.	54.53 Crore		Mar 30, 2014	Sep 30, 2018	14,410,379	500,341,498
5	NCC Bank Ltd.	23.46 Crore		Mar 24, 2009	Apr 30, 2016	5,151,000	97,040,410
6	Bank Asia Ltd.	5.54 Crore	Term Loan	Aug 10, 2014	Sep 28, 2018	1,225,000	51,342,905
7	Brac Bank	4.50 Crore	Term Loan	July 08, 2014	Jan 08, 2017		27,790,301
8	Prime Bank Ltd.	45.00 Crore	LTR	Jan 21, 2015	Sep 30, 2015 Under Process	-	49,961,110

l) **Details of all personnel related schemes for which the company has to make provision for in future years;**

The company gives values to the employee benefit packages since the management of PDL believes that the employees of the organization are the key to the success of the company's business. PDL gives its employees remunerations including incentive bonuses, festival bonuses, medical allowances, group insurance (with PTD & PPD benefits) and other perquisites. The Board of Directors of the Company has decided on July 15, 2014 to create Workers' Profit Participation Fund (WPPF) from the year 2014.

Later on the Board of Directors of the Company has decided on March 22, 2015 not to create Workers' Profit Participation Fund (WPPF) as per following amendment of Bangladesh Labor Act, 2006:

As per Section 232 of Bangladesh Labor Act. 2006, which states that in sub-section 2 "The Government may, by notification in the official Gazette apply this chapter to such other companies as it may specify therein." And in sub-section 3 "Notwithstanding anything contained in sub-section (1) and (2), in industrial sector which is hundred percent export oriented or which is hundred percent foreign invested, the government may, by rules, for the beneficiaries working in such sectors, from sector-wise a central fund consolidating buyers and owners, fund management board, determine amount of donation and procedure for recovery thereof, adopt rules for using money of that fund and relevant other necessary rules. Provided that, such board, may very prior approval of government adopt regulations for the purpose of this section."

That is why the Company was not able to make provision for WPPF during the year. However, the management of the Company has positive intention to implement WPPF after notification in the official Gazette by the Government.

m) **Break down of all expenses related to the public issue;**

Sl. No.	Particulars	Basis	Amount in BDT (approx.)	
A.	**MANAGERS TO THE ISSUE FEES**			**3,450,000**
1	Managers to the Issue fee	1% of public offering, Maximum 3,000,000 (Thirty Lac)	3,000,000	
2	VAT against Issue Management Fees	15% of issue management fees	450,000	
B.	**FEES RELATED TO LISTING WITH THE STOCK EXCHANGES**			**4,742,000**
3	Prospectus Submission Fees to DSE & CSE	Fixed	100,000	
4	DSE and CSE Annual Fee	Fixed	1,052,000	
5	Fees related to Listing with the stock exchanges	@ 0.25% on Tk. 10 Crore and 0.15% on the rest amount of paid up capital range; (minimum 50 thousand maximum Tk. 1 Crore for each exchanges)	3,590,000	
C.	**BSEC FEES**			**3,050,000**
6	Application fee	Fixed	50,000	
7	Consent fee	fee @ 0.40% on entire offer	3,000,000	
D.	**IPO RELATED FEES**			**1,512,500**
8	Underwriting commission (0.50%)	Commission @ 0.50% on Underwritten Amount	1,312,500	
9	Auditors Certification fees	At Actual	200,000	
E.	**CDBL FEES AND EXPENSES**			**778,000**
10	Security Deposit	At Actual	500,000	
11	Documentation fee	At Actual	2,500	
12	Annual fee	At Actual	100,000	
13	Connection Fee (TK. 500 per month* 12)	At Actual	6,000	
14	Initial Public Offering fee	@.015% of issue size+.015% of Pre-IPO paid up capital	169,500	
F.	**PRINTING AND POST PUBLIC OFFER EXPENSES**			**7,087,500**
15	Publication of prospectus	Estimated (to be paid at actual)	700,000	
16	Abridge Version of Prospectus and Notice in 4 daily news paper	Estimated (to be paid at actual)	500,000	
17	Notice for prospectus, Lottery, Refund etc. in 4 daily news paper	Estimated (to be paid at actual)	200,000	
18	Lottery related expenses including BUET fee	Estimated (to be paid at actual)	850,000	
19	Data Processing and Share Software Charge	Estimated (to be paid at actual)	4,500,000	
20	Courier Expenses	Estimated (to be paid at actual)	200,000	
21	Administrative & Stationary Expense	Estimated (to be paid at actual)	137,500	
Grand Total				**20,620,000**

NB: Actual expenses may vary [if above mentioned estimates differ; will be adjusted accordingly].

n) **If the issuer has revalued any of its assets, the name, qualification and experiences of the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation separately for each asset revalued in a manner which shall facilitate comparison between the historical value and the amount after revaluation and giving a summary of the valuation report along with basis of pricing and certificates required under the revaluation guideline of the Commission;**

The Company made revaluation of its land and land developments at 31 December, 2010 to reflect fair value of the property in terms of the prevailing market price of the properties. **ATA KHAN & CO,** Chartered Accountants, 67 Motijheel C/A, Dhaka-1000, have revalued the Land and Land Developments of the company as of 31 December, 2010 following the Current Cost method, showing total cost of the same as **BDT 180,000,000.00,** resulting in a revaluation surplus of **BDT 145,690,413.00.**

Summary of Revaluation of Fixed Assets:

Amount in Taka

Particulars of the assets	Name of the Valuer	Qualification of the Valuer	Date of Revaluation	Carrying amount of Assets	Value of Assets after revaluation	Revaluation Surplus
Land & Land Development	ATA KHAN & CO.	Chartered Accountants	31 Dec, 2010	34,309,587	180,000,000	145,690,413
Total				**34,309,587**	**180,000,000**	**145,690,413**

Reason for Valuation: To reflect fair value of the property in terms of the prevailing market price of the properties.

M/S Ata Khan & Co. has rendered valuation services to following clients:

Beximco Group; Islam Group; Meghna Group; Ifad Group; Westin Hotel (Unique Hotel & Resorts Ltd.); Orion Pharma Ltd.; Mozaffar Hossain Spinning Mills Ltd;	Bangladesh Thai Aluminum Ltd.; Golden Harvest Agro Industries; Borak Real Estate Ltd.; Rupayan Housing Estate Ltd.; Navana Real Estate Ltd. Shamsul Alamin Real Estate Ltd.

Details of Revaluation of Fixed Assets:

LOCATION	SALE DEED NO.	DATED	MOUZA	C.S. KHATIAN	S.A. KHATIAN	R.S. KHATIAN	DAG NO C.S/S.A	DAG NO R.S.	AREA IN DECIMAL	DEED VALUE	RATE PER DECIMAL	CURRENT VALUATION	BOOK VALUE AT 31-12-2009	REVALUATION SURPLUS
01	02	03	04	05	06	07	08	09	10	11	12	13	14	15
Guyagaciya, Gozaria, Dist Munshiganj	1249	20.04.2004	Charchashi	469	-	501	2254	3580	66.00	220,000	400,000	26,400,000		
Guyagaciya, Gozaria, Dist Munshiganj	1254	20.04.2004	Charchashi	469	-	501	2254	3580	30.00	100,000	400,000	12,000,000		
Guyagaciya, Gozaria, Dist Munshiganj	738	11.03.2004	Charchashi	469	93	501	1610	3514	70.00	300,000	400,000	28,000,000		
Guyagaciya, Gozaria, Dist Munshiganj	2430	29.07.2004	Charchashi	469	159 93 62 120 60 171	312 114 173 501 9 511	1609 2241 2133 1611 1612 2135	3513 3582 3581 3515 3516 3579	284.00	500,000	400,000	113,600,000	34,309,587	145690413
									450.00			**180,000,000**	**34,309,587**	**145,690,413**

AUDITOR'S ADDITIONAL DISCLOSURE ON REVALUATION OF LAND AND LAND DEVELOPMENT OF PACIFIC DENIMS LIMITED

This is to certify that revaluation of Land and Land Development of Pacific Denims Limited as at 31st December 2010 carried out by independent valuer Ata Khan & Co., Chartered Accountants have been made and report has been prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and other applicable laws, rules, regulations and guidelines. We also certify that proper accounting treatments, including provisions, tax and other liabilities have been made, revaluation reserve has been created in the financial statements to consider the valuation as per applicable rules and standards.

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Place: Dhaka
Date: May 27, 2014

o) **Where the issuer is a holding/subsidiary company, full disclosure about the transactions, including its nature and amount, between the issuer and its subsidiary/holding company, including transactions which had taken place within the last five years of the issuance of the prospectus or since the date of incorporation of the issuer, whichever is later, clearly indicating whether the issuer is a debtor or a creditor;**

The Company has no subsidiary nor it is operated under a holding company nor does it have any associate company. Hence, no transaction has taken place.

p) **Financial Information of Group Companies: following information for the last three years based on the audited financial statements, in respect of all the group companies of the issuer, wherever applicable, along with significant notes of auditors:**

Sl. No.	Name of Companies	1) Date of Incorporation	2) Nature of Business	Accounting Year	3) Equity Capital	4) Reserves	5) Sales (In Crore)	6) Profit after Tax (In Crore)	7) EPS & Diluted EPS	8) NAV	9) Status of Listing	10) Information regarding significant adverse factors	11) Has become sick or is under winding up
1	Pacific Co. (BD) Ltd.	24/06/1988	Import Goods	2015	10,000,000	-	32.25	2.26	2.26	22.40	N/A	No	No
				2014			28.89	2.02	2.02	23.25			
				2013			31.75	2.22	2.22	24.00			
2	Willson Cold Storage Ltd.	08/01/1996	Potato, Chili, Egg & Fruits etc. Storage	2015	50,000,000	-	37.29	3.35	0.67	15.98	N/A	No	No
				2014			35.87	3.29	0.64	16.14			
				2013			22.36	2.27	0.44	16.40			
3	Pacific Aviation Ltd.	27/05/2009	Private Airlines	Not in Operation	500,000	-	-	-	-	10.00	N/A	No	No
4	Pacific Beverage & Food Ltd.	21/08/2010	The Business of Manufacturer All Kinds of Consumer Products and Grocery Items.	2015	500,000	-	25.37	2.79	55.80	340.00	N/A	No	No
				2014			21.35	2.35	46.97	345.25			
				2013			19.24	2.11	42.20	360.12			
5	Pacific Ceramic Ltd.	02/03/2010	Business of Ceramic Industry	Not in Operation	500,000	-	-	-	-	10.00	N/A	No	No
6	Pacific Electronics Ltd.	09/07/2013	Manufacturing, Assembling, & Supplier All Kinds of Electrical & electronics Goods		500,000	-	-	-	-	10.00	N/A	No	No
7	Pacific Steel Mills Ltd.	15/10/2009	All kinds of Steel/Iron industry		500,000	-	-	-	-	10.00	N/A	No	No

8	Pentex Fashion Ltd.	28/08/2003	The Business of Readymade Garments Industry		200,000	-	-	-	-	10.00	N/A	No	No
9	Symphony International Ltd.	09/03/2011	The Business of All Types Telecom, Telecommunication & Information communication Technology Service & network.		500,000	-	-	-	-	10.00	N/A	No	No
10	Disney Properties Ltd	20/12/2006	The Business of Land Purchase, Development and Sales, Housing & Properties Business	2015	200,000	-	24.58	1.96	98.32	1150	N/A	No	No
				2014			22.96	1.84	92.00	1210			
				2013			21.23	1.82	91.00	1250			
11	Pacific Jeans Collection Ltd.	13/04/2009	The objectives of the organization are to carry on the Business of Textile Mills, Weaving Mills for Ready Made Garments.	2015	500,000	-	32.45	3.40	68.00	1050	N/A	No	No
				2014			34.26	3.59	71.94	1122			
				2013			37.14	3.78	75.76	1250			
12	Pacific Automobiles Ltd.	23/03/2011	Automobiles manufacturing and maintenance, Showroom, Display, Supplier, assembling Servicing Spare Parts etc.	2015	500,000	-	22.34	2.68	53.60	371	N/A	No	No
				2014			20.16	2.41	48.20	376			
				2013			19.58	2.25	45.00	380			
13	Color Tex Corporation	06/05/2007	The objectives of the organization are to carry on the Business of Fabrics trading, Showroom of Ready Made Garments.	Not in Operation	200,000	-	-	-	-	10.00	N/A	No	No

12) The related business transactions within the group and their significance on the financial performance of the issuer;

There were no related business transactions within the group which have significance on the financial performance of the issuer except the following transaction:

Name	Relationship	31.12.2015	31.12.2015	31.12.2013	31.12.2012	31.12.2011
		Receivable/ Payable	Receivable/ Payable	Receivable/ Payable	Receivable/ Payable	Receivable/ Payable
Pacific Automobiles Ltd.	Payable	615,340	(4,454,603)	(4,754,603)	(583,485)	1,500,000
Pacific Aviation Ltd.	Receivable	2,736,500	2,861,498	2,736,500	2,356,500	2,356,500
Pacific Beverage & Food Ltd.	Receivable	10,295,159	11,453,565	11,053,565	6,970,125	7,570,125
Pacific Ceramic Ltd.	Receivable	523,490	723,488	523,490	523,490	523,490
Pacific Co (BD) Ltd.	Payable	1,235,450	(15,507,023)	(21,788,676)	6,157,499	6,157,499
Pacific Electronics Ltd.	Receivable	-	132,445	57,445	-	-
Pacific Energy Ltd.	Receivable	219,125	269,125	219,125	219,125	219,125
Pacific Shipbuilding Ltd.	Receivable	84,295	94,295	84,295	84,295	84,295
Pacific Steel Mills Ltd.	Receivable	9,000	15,000	9,000	9,000	90,000
Pentex Fashions Ltd	Receivable/ Payable	60,000	83,638	60,000	(4,950,500)	4,437,457
Symphony Enterprise Ltd.	Receivable	99,585	174,583	99,585	99,585	-
Sub Total		**15,877,944**	**(4,153,989)**	**(11,700,274)**	**10,885,634**	**22,938,491**

Other than the above, there was no transaction within the group.

13) Sales or purchase between group companies/ subsidiaries/ associate companies when such sales or purchases exceed in value in the aggregate ten per cent of the total sales or purchases of the issuer and also material items of income or expenditure arising out of such transactions

There were no transactions of Pacific Denims between group companies/subsidiaries/associate companies, which exceed in value in the aggregate ten per cent of the total sales or purchases of the Company.

14) Where the issuer is a banking company, insurance company, non-banking financial institution or any other company which is regulated and licensed by another primary regulator, a declaration by the board of directors shall be included in the prospectus stating that all requirements of the relevant laws and regulatory requirements of its primary regulator have been adhered to by the issuer

Not applicable.

15) A report from the auditors regarding any allotment of shares to any person for any consideration otherwise than cash along with relationship of that person with the issuer and rationale of issue price of the shares;

AUDITOR'S CERTIFICATE REGARDING ALLOTMENT OF SHARES TO PROMOTERS OR SPONSOR SHAREHOLDERS FOR CONSIDERATION IN CASH/OTHER THAN CASH

After due verification, we certify that the paid up capital of Pacific Denims Limited as at 31 December, 2015 was BDT 380,000,000.00 divided into 38,000,000 ordinary shares of taka 10.00 each made up as follows:

Date of Allotment	Basis (No. of Shares)			Amount (Tk.)
	In cash	Other than in cash	Bonus Share	
20.03.2003 (At the time of Incorporation)	20,000	-	-	200,000
23.01.2007 (First Allotment)	9,980,000	-	-	99,800,000
05.07.2012 (2nd Allotment)	-	-	28,000,000	280,000,000
Total				**380,000,000**

The Company, however has sub divided the face value of its ordinary share from Tk. 100.00 to Tk. 10.00 by passing a special resolution in its extra ordinary general meeting held on January 12, 2011 and necessary amendments in the capital clause of the Memorandum and Articles of Association were made accordingly. Hence, the paid up Capital of the Company comes to Tk. 380,000,000.00 divided into 38,000,000 ordinary shares of Tk. 10.00 each.

Sd/-
Place: Dhaka — **Mahfel Huq & Co.**
Date: 31 March, 2016 — Chartered Accountants

16) Any material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public

There is no material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.

17) Business strategies and future plans. Projected statement of financial position, compressive statement of income and earnings per share for the next three accounting years as per the issuers own assessment

Business Strategies

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.

Future plans

From IPO Proceeds

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

Prospective Financial Information (PFI) for next three years;

The assumptions for these projections are as follows:
(Each year calculation is made comparing with respective previous year)

The projected financial statement has been prepared on underlying assumption				
Assumption Indicator	**Assumption's Basis**	**Assumptions Years**		
		31-Dec-16	**31-Dec-17**	**31-Dec-18**
Capacity Increase	Capacity will be increased as new instruments will be introduced.	12.06%	8.72%	0%
Capacity utilization	Capacity utilization will be almost same.	75-80%	80%	80%
Sales Revenue	Sales revenue will be increased for increasing quality, quantity and unit price.	15%	10%	6%
Operating expenses	Operating expenses will be increased due to increase of production and sales. IPO expense will lead to the higher increase of Operating expenses in the year 2016.	80.61%	-38.29%	7.60%
Fixed Asset Addition	Fixed Asset will be increased in every year for the purpose of production increase and office administration.	254,025,754	231,880,000	7,056,190
Paid up Capital	Paid up Capital will be increased by Tk. 750,000,000 through IPO in the year 2016.	750,000,000	0	0
Long term Loan Repayment	Tk. 250,000,000 will be paid from IPO procced & current portion will be paid in 2016 and the current portion will be paid in other years.	368,908,979	118,908,979	118,908,979
Dividend	Dividend is not considered here as the decision is not predetermined.	-	-	-

Statement of Financial Position (Projected)

Particulars	Audited	Projected		
	2015 Amount in Tk.	2016 Amount in Tk.	2017 Amount in Tk.	2018 Amount in Tk.
NON-CURRENT ASSETS	**860,497,363**	**1,060,403,638**	**1,228,281,583**	**1,168,152,079**
Property, Plant & Equipment	860,497,363	1,060,403,638	1,228,281,583	1,168,152,079
CURRENT ASSETS	**1,208,500,481**	**1,564,679,246**	**1,547,684,624**	**1,771,250,218**
Inventories	378,112,560	439,069,604	496,148,653	555,686,491
Trade & Other Receivables	526,419,836	594,854,415	693,952,017	762,881,834
Advances, Deposits & Prepayments	243,677,608	255,861,488	286,564,867	358,206,083
Fixed Deposit	38,833,257	38,833,257	38,833,257	38,833,257
Cash & Cash Equivalents	21,457,220	236,060,482	32,185,830	55,642,553
CURRENT LIABILITIES & PROVISIONS	**341,203,090**	**373,216,382**	**448,786,023**	**503,664,162**
Trade & Other Payables	17,598,438	13,198,828	24,417,832	28,324,685
Short-Term Borrowings	119,190,451	123,958,069	142,551,780	149,679,369
Long-Term Borrowings-Current portion	118,908,979	118,908,979	118,908,979	118,908,979
Provision for Income Tax	71,909,198	100,155,476	137,074,988	177,043,818
Accrued Expenses	13,596,023	16,995,029	25,832,444	29,707,311
NET CURRENT ASSETS	**867,297,391**	**1,191,462,864**	**1,098,898,601**	**1,267,586,056**
NET ASSETS	**1,727,794,754**	**2,251,866,502**	**2,327,180,184**	**2,435,738,135**
SHAREHOLDERS' EQUITY	**1,004,287,587**	**1,894,847,617**	**2,087,013,844**	**2,314,832,218**
Share capital	380,000,000	1,130,000,000	1,130,000,000	1,130,000,000
Revaluation Reserve	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
Retained Earnings	332,837,021	473,397,052	665,563,279	893,381,653
LONG TERM LIABILITY	**723,507,168**	**357,018,886**	**240,166,339**	**120,905,917**
Long Term Borrowings	671,810,437	302,901,458	183,992,479	65,083,500
Deferred Tax Liability	51,696,731	54,117,428	56,173,861	55,822,418
LIABILITIES & SAHREHOLDERS' EQUITY	**1,727,794,754**	**2,251,866,502**	**2,327,180,183**	**2,435,738,135**

Statement of Comprehensive Income (Projected)

Particulars	Audited	Projected		
	2015 Amount in Tk.	2016 Amount in Tk.	2017 Amount in Tk.	2018 Amount in Tk.
Turnover	1,682,536,409	1,934,916,870	2,128,408,557	2,256,113,071
Cost of Sales	(1,414,385,323)	(1,634,230,789)	(1,798,079,549)	(1,904,836,266)
Gross Profit	**268,151,086**	**300,686,082**	**330,329,008**	**351,276,805**
Less: Operating Expenses:	**26,366,525**	**47,621,142**	**29,387,135**	**31,619,745**
Office & Administrative Expenses	21,326,221	42,472,467	23,672,105	25,447,513
Selling & Distribution Expenses	5,040,304	5,148,675	5,715,029	6,172,232
Operating Profit	**241,784,560**	**253,064,940**	**300,941,873**	**319,657,060**
Financial Expenses	(125,880,088)	(82,545,589)	(70,758,466)	(53,245,845)
Other Income	2,259,613	707,654	958,764	1,024,546
Net Profit Before Tax	**118,164,085**	**171,227,005**	**231,142,171**	**267,435,761**
Income Tax Expenses	**(18,176,535)**	**(30,666,974)**	**(38,975,944)**	**(39,617,387)**
Current Income Tax Expenses	(17,870,053)	(28,246,278)	(36,919,511)	(39,968,830)
Deferred Tax Expenses	(306,482)	(2,420,697)	(2,056,433)	351,443
Net Profit for the year	**99,987,550**	**140,560,030**	**192,166,227**	**227,818,374**
Basic Earnings Per Share (EPS)	**2.63**	**1.24**	**1.70**	**2.02**

q) **Discussion on the results of operations shall inter-alia contain the following:**

1) **A summary of the past financial results after adjustments as given in the auditor's report containing significant items of income and expenditure;**

There was no significant adjustment given by the auditor's during the last financial year. Summary of the financial results and operations are presented below:

Particulars	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Turnover	1,682,536,409	1,604,853,996	1,569,637,160	1,543,265,624	1,410,194,088
Gross Profit	268,151,086	248,747,643	242,943,049	238,860,840	218,329,448
Net profit before tax	118,164,085	114,122,300	110,419,355	107,809,476	96,488,334
Net Profit after tax	99,987,550	96,824,164	93,856,451	91,638,055	75,984,563
Total Assets	2,068,997,844	1,937,260,759	1,877,487,017	1,660,176,210	1,528,354,079
Share Capital	380,000,000	380,000,000	380,000,000	380,000,000	100,000,000
Retained Earnings	332,837,021	232,849,472	185,646,053	91,789,601	280,151,546
No. of Shares	38,000,000	38,000,000	38,000,000	38,000,000	10,000,000
Face Value	10.00	10.00	10.00	10.00	10.00
NAV Per Share	26.43	23.80	22.56	20.09	67.16
Earnings per Share (EPS)	2.63	2.55	2.47	3.20	7.60

2) **A summary of major items of income and expenditure;**

Major items of income are given below:

Particulars	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Turnover	1,682,536,409	1,604,853,996	1,569,637,160	1,543,265,624	1,410,194,088
Other Income	2,259,613	405,000	488,550	592,500	182,500

Major items of expenditure are given below:

Particulars	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Cost of Goods Sold	1,414,385,323	1,356,106,353	1,326,694,111	1,304,404,784	1,191,864,641
Operating Expenses	26,366,525	25,249,523	24,398,053	20,034,944	15,572,948
Financial Expenses	125,880,088	109,780,820	108,614,191	109,258,157	106,450,666

3) **The income and sales on account of major products or services;**
There is only one product of the Company, which contributed to the Company's total revenue.

4) **In case, other income constitutes more than 10% of the total income, the breakup of the same along with the nature of the income, i.e., recurring or non-recurring;**
The Company's other income is not more than 10% of the total income.

5) **If a material part of the income is dependent upon a single customer or a few major customers, disclosure of this fact along with relevant data. Similarly, if any foreign customer constitutes a significant portion of the issuer's business, disclosure of the fact along with its impact on the business considering exchange rate fluctuations;**
The Company's income is not dependent upon a single customer or a few major customers nor foreign customer.

6) **In case the issuer has followed any unorthodox procedure for recording sales and revenues, its impact shall be analyzed and disclosed.**
The issuer has not followed any unorthodox procedure for recording sales and revenues.

r) **Comparison of recent financial year with the previous financial years on the major heads of the profit and loss statement, including an analysis of reasons for the changes in significant items of income and expenditure, inter-alia, containing the following:**

	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
Gross Profit	**268,151,086**	**248,747,643**	**242,943,049**	**238,860,840**	**218,329,448**
Operating Expenses	**26,366,525**	**25,249,523**	**24,398,053**	**20,034,944**	**15,572,948**
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
Operating Profit	**241,784,560**	**223,498,120**	**218,544,996**	**218,825,896**	**202,756,500**
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	-
Net profit before tax	**118,164,085**	**114,122,300**	**110,419,355**	**107,809,476**	**96,488,334**
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
Net Profit after tax	**99,987,550**	**96,824,164**	**93,856,451**	**91,638,055**	**75,984,563**

1) **Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.**
The is no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.

2) **Significant economic changes that materially affect or are likely to affect income from continuing operations;**
There are no significant economic changes that materially affect or are likely to affect income from continuing operations.

3) **Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations;**
Though there are no known trends, events and/or uncertainties that shall have a material impact on the company's future business, the business operation of the Company may be affected by the following events:
   i. Political unrest
   ii. Natural disaster

4) **Future changes in relationship between costs and revenues, in case of events such as future increase in labor or material costs or prices that will cause a material change are known;**
We are aware of the fact that future is always uncertain that affect business and plan as well. So in future labor price or material price may change. However, revenue is always adjusted and follow the trend in line with production cost. Hence, any change in cost will be reflected in sales price. It is mentioned-worthy that Bangladesh is the 3rd largest Denim producer of the world. So we have strong influence over market to set the trend as well.

5) **The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices;**
We are expecting the increased net sales or revenue because of sales volume, new product line and sales price. It is forecasted that we will be able to increase our net sales or revenue around 25 percent on an average for the next 3 years.

6) **Total turnover of each major industry segment in which the issuer operated;**
At present Bangladesh has 25 denim factories producing with total investment of over USD 834 million. These factories produce over 30 million yards per month against the demand of 60 million yards. According to US Department of Commerce, Bangladesh is the 3rd largest Denim exporter after Mexico and China with 11.3% market share. It is forecasted that global Market for Denim is going to reach USD 64.1 billion by 2020.

7) **Status of any publicly announced new products or business segment;**
The Company did not announce new products or business segment.

8) **The extent to which the business is seasonal.**
Garment prepared from denim fabrics is exported from Bangladesh all around the year in almost the same volume, since the world demand remain more or less same in all seasons. Therefore, the company's business is not significantly affected by the seasonal aspect.

s) **Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity along with reasons thereof, lock out, strikes and reasons for the same etc.**
The Company has rescheduled of its borrowing with Agrani Bank Limited and National Credit & Commerce Bank Limited. There is no history of conversion of loan into equity, lock out and strikes.

t) **Details regarding the changes in the activities of the issuer during the last five years which may had a material effect on the profits/loss, including discontinuance of lines of business, loss of agencies or markets and similar factors;**
There were no changes in the activities of the Company during the last five years and had not any material effect on the profits/loss, including discontinuance of lines of business, loss of agencies or markets and similar factors.

u) **Injunction or restraining order, if any, with possible implications;**
There was no injunction or restraining order from any Court of Law or competent authority during the entire life of the Company's business.

v) **Technology, market, managerial competence and capacity built-up;**
We have been using Air jet technology for weaving and slasher technology for dyeing. Managerial competence is interlinked with technology to get maximum production and smooth line of production as per demand. So we are always in line with increasing our capacity built-up to meet up the demand and have a maximum market share.

w) **Changes in accounting policies in the last three years;**
The management of the Company has not change any accounting policies in the last three years.

x) **Significant developments subsequent to the last financial year: A statement by the directors whether in their opinion there have arisen any circumstances since the date of the last financial statements as disclosed in the prospectus and which materially and adversely affect or is likely to affect the trading or profitability of the issuer, or the value of its assets, or its ability to pay its liabilities within the next twelve months;**

Statement regarding significant developments subsequent to the last financial year

This is to certify that in our opinion there have not arisen any circumstances since the date of the last financial statements as disclosed in the prospectus and which materially and adversely affect or is likely to affect the trading or profitability of Pacific Denims Limited or the value of its assets, or its ability to pay its liabilities within the next twelve months.

Sd/-
Md. Shadequl Alam (Yeasin)
Chairman
Date: January 21, 2016

Sd/-
Md. Shafiul Azam (Mohsin)
MD & Director
Date: January 21, 2016

Sd/-
Mr. Sohel Khan
Director
Date: January 21, 2016

Sd/-
Md. Ashfak Ahmed Khan
Independent Director
Date: January 21, 2016

Sd/-
Disney Properties Ltd. (Represent by M. A. Kamal Bhuiyan)
Director
Date: January 21, 2016

y) **If any quarter of the financial year of the issuer ends after the period ended in the audited financial statements as disclosed in the prospectus, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer;**
Year-end duly authenticated audited financial statement have been incorporated in the prospectus.

z) **Factors that may affect the results of operations.**
There are no such factors that may affect the results of operations.

CHAPTER (VII): MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

a) **Overview of business and strategies:**

Pacific Denims Limited (PDL), one of the leading denim fabric manufacturers in Bangladesh. The Company started its commercial operation in March 2003. The main activities of the Company were concentrated in Manufacturing, Dyeing, and Weaving & Finishing of 100% Export Oriented Denim Fabrics and exporting the same. The company produces a single product **'denim fabrics'** of various specifications, compositions, color and qualities. PDL sells its products through Back to Back L/Cs to the local garments manufacturers and exporters who consume the denim fabrics as raw materials of their products. The garment manufacturers export their goods to the overseas markets. Therefore, the final destination of the company's products appears to be the overseas market. Pacific Denims Limited ultimately produces denim fabrics for such world renowned brand name as George, Polo, Next, Tesco, Mexx, Tommy, Lee Hang Fat, Gemo, Aldi, Kik, Adams, Woolworth, Gulden Pfenning.

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.

b) **SWOT analysis:**

Company Background

Name:	Pacific Denims Limited
Industries served:	Textile Sector
Geographic areas served:	Factory at Natun Charchasi, Gazaria, Munshiganj, Bangladesh
Corporate Office:	South Breeze, Suit # S-3 (3rd floor), 8, Gulshan South Avenue, Gulshan - 1, Dhaka - 1212.
Current Managing Director:	Md. Shafiul Azam (Mohsin)
Revenue:	Tk. 1,682,536,409 (2015)
Net Profit:	Tk. 99,987,550 (2015)
Employees:	417 (2015)
Main Competitors:	Partex Denims Limited, Chittagong Denim Mills Limited, Mahmud Denims Limited, Shasha Denims Limited, Argon Denims Limited, Envoy Denim Limited

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 main activities of the Company are in manufacturing, dyeing, weaving & finishing of 100% export oriented denim fabrics.

PACIFIC DENIMS LIMITED SWOT ANALYSIS

A SWOT analysis is a structured planning method that helps to evaluate the strengths, weaknesses, opportunities and threats involved in a business venture. It identifies the internal and external factors that affect business venture. Strength and Weakness are evaluated with internal factors whereas Opportunity and threat are evaluated by external factors. The SWOT analysis of the company is as follows:

Strengths

1. Brand loyalty
2. Modern machineries
3. Market share
4. Strong distribution channels
5. Strong financial performance

Weaknesses

1. Lack of skilled employee
2. Slow to innovate

Opportunities

1. Government policy favoring the industry
2. Easy Bank loan
3. Cheap labor
4. Tax incentives/holiday

Threats

1. Intense competition
2. International Market Demand
3. Political unrest
4. Lack of power supply
5. Exchange Rate Fluctuation

Strengths

1. **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 Mark & Spancer, Tesco, Zara, H&M, Wal-mart etc.
2. **Modern Machineries:** We have been using modern machineries that increase our productivity.
3. **Market Share:** We have good market share of Denim Fabric that is helpful our business.
4. **Strong distribution channels:** We have very strong distribution channels through which we can smoothly supply our products.
5. **Good Financial Performance:** Sales growth from 2010 to 2014 is around 18% and Profitability growth from 2010 to 2014 is around 35%. From 2010 to 2014 debt to equity ratio has been decreasing to one.

Weaknesses

1. **Lack of skilled workers**: We have plenty of manpower in the industry. It is good for our business. However, they are mostly unskilled that reduced the high productivity of manpower.

2. **Slow to innovate:** It is hard to innovate in diversifying new product.

Opportunity

1. **Government policy favoring the industry:** Since Garments is the leading sector of export earning wing, Government is fully devoted to extend its cooperation so that garments industry can flourish over the years. It is now expected to earn 50 billion US dollar by 2021.
2. **Easy Bank Loan:** Banks are helpful in providing short term finance so that companies can meet up their working capital.
3. **Cheap Labor:** Our industry is labor-intensive and cheap labor has huge advantage for cost minimizing that helps us competitive edge over our competitor.
4. **Tax incentives/Tax holiday:** Government is very helpful by providing tax benefit.

Threat

1. **Intense Competition:** There is rivalry among the competitors to get the market share as maximum as possible.
2. **International Market Demand:** We are deem exporter and we are affected by the international market demand

3. **Political Unrest:** In our country we have to experience with political unrest.
4. **Lack of Power Supply:** We have power supply shortage in our country. For business expansion we need continuous power supply such as gas and electricity to run our operation smoothly.
5. **Exchange Rate Fluctuation:** Now taka is stronger against dollar and it is stable for past few years because of good initiatives by the central Bank.

c) **Analysis of the financial statements of last five years with reason(s) of fluctuating revenue/sales, other income, total income, cost of material, finance cost, depreciation and amortization expense, other expense; changes of inventories, net profit before & after tax, EPS etc.**

Analysis of the financial statement of last five years:

Particular	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011
Revenue/Sales	1,682,536,409	1,604,853,996	1,569,637,160	1,543,265,624	1,410,194,088
Other Income	2,259,612	405,000	488,550	592,500	182,500
Total Income	1,684,796,021	1,605,258,996	1,570,125,710	1,543,858,124	1,410,376,588
Cost of Material	1,282,985,308	1,262,813,018	1,238,472,629	1,151,886,104	1,075,025,234
Finance Cost	125,880,088	109,780,820	108,614,191	109,258,157	106,450,666
Depreciation Expense	54,735,486	57,452,185	63,349,571	64,621,729	69,547,602
Amortization Expense	-	-	-	-	-
Other Expense	-	-	-	-	-
Changes of Inventories	15.19%	8.25%	71.62%	28.21%	33.44%
Net Profit before Tax	118,164,085	114,122,300	110,419,355	107,809,476	96,488,334
Net Profit after Tax	99,987,550	96,824,164	93,856,451	91,638,055	75,984,563
EPS	2.63	2.55	2.47	3.20	7.60

Reason of fluctuation:

Revenue

During the aforesaid years ended at 31 December, the Company is enjoying growth in every year with a range of 2.26% to 4.84% which are in line. For the year ended 31 December 2015, revenue is increased by 4.84%, which reflects a nominal growth.

Other income

Other income is also almost consistent over the year except 2015. For the year ended 31 December 2015, other income is increased by amounting Tk. 1,854,612. The reason behind the increase of such income is that the Company had a buildup margin for meeting import payment smoothly. Being the money was gradually used to payments for import bill, that's why the company made fixed deposit and the amount of interest is increased which were reflected in the head of other income.

Total Income

In-fact, combined effect of revenue and other income are reflected in the total income. As such, aforesaid explanation is applicable here also.

Cost of materials

We see, over the years cost of materials to revenue are consistent,

Finance Cost

We see, over the years finance costs to Bank Loan and charges are consistent,

As one of the top ranking Denims Companies of the country, Pacific Denims Ltd. has been trying to make it more sustainable and more competent one through adapting sophisticated technologies. To do so, in the recent past, the Company has built several new plants and invested huge amount of money, which will generate benefits in coming days through using bank borrowing and capital rising. In consequence, finance cost is in increasing trend over the years.

Depreciation

We see, over the years trend of depreciations are consistent.

Changes of inventory

There are no significant changes of Inventory level with relate to its business volume over the years except year ended 2013. In the year ended 2013, there is an unusual increased of inventory due to the company cannot deliver goods in time for political unrest.

Net profit before& after-tax and Earning Per Share (EPS)

The Company has been enjoying revenue growth over the years. Due to reaching at upper scale of economies, PDL's net profit before and after tax is in increasing trend over the years.

By virtue of above reasons, EPS of the Company is also reflected accordingly.

d) **Known trends, demands, commitments, events or uncertainties that are likely to have an effect on the company's business:**

Though there are no known trends, events and/or uncertainties that shall have a material impact on the company's future business, the business operation of the Company may be affected by the following events:

i. Political unrest
ii. Natural disaster

e) **Trends or expected fluctuations in liquidity:**

There are no trends or expected fluctuations in liquidity.

f) **Off-balance sheet agreements those have or likely to have a current or future effect on financial condition:**

There are no off-balance sheet agreements those have or likely to have a current or future effect on financial condition.

CHAPTER (VIII): DIRECTORS AND OFFICERS

a) **Name, Father's Name, age, Residential address, Educational qualification, experience and position of each director and nominated director with nomination period, organization name:**

Particulars of Directors:

Name, Father's Name, Age & Residential Address	Educational Qualification	Experience	Position	Name of the Institutions and Duration for Nominated Director
Name: Md. Shafiul Azam (Mohsin) **Father's Name:** Late Abdur rashid **Age:** 48 Yrs **Residential Address:** House#17, Road#12, Baridhara, Gulshan-1212	B.Sc	19 Yrs	Director & MD	-
Name: Md. Shadequl Alam (Yeasin) **Father's Name:** Late Abdur Rashid **Age:** 35 Yrs **Residential Address:** House# Ta-225, South Badda, Gulshan, Dhaka	Textile Engineer	12 Yrs	Chairman	-
Name: Md. Sohel Khan **Father's Name:** Late Md. Osman Khan **Age:** 36 Yrs **Residential Address:** House# Ta-225, South Badda, Gulshan, Dhaka	B.A	13 Yrs	Director	-

Name: Md. Ashfak Ahmed Khan **Father's Name:** Md. Zamir Khan **Age:** 36 Yrs **Residential Address:** House# Ta-225, south Badda, Dhaka	MSS (Political Science)	13 Yrs	Independent Director	-
Name: M. A. Kamal Bhuiyan **Father's Name:** Late Azizul Haque Bhuiyan **Age:** 55 Yrs **Residential Address:** 6EB/1, Shurovi, Lakecity Concord, Khilkhet, Dhaka-1229	M.Com	31 Yrs	Represent Director	Representative of Disney Properties Limited Nominated for the period of 3 years

b) **Date of first Directorship and Expiry of Current Tenure of the directors:**

Directorship tenure in the Company:

SL	Name of the Director	Position	Date of first Directorship	Date of Expiration of Current term
1	Md. Shafiul Azam (Mohsin)	Director & MD	March 20, 2003	August 30, 2017
2	Md. Shadequl Alam (Yeasin)	Chairman	March 20, 2003	August 30, 2017
3	Md. Sohel Khan	Director	January 23, 2007	August 30, 2015
4	Md. Ashfak Ahmed Khan	Independent Director	August 30, 2013	August 30, 2016
5	M. A. Kamal Bhuiyan	Nominee Director (Representative of Disney Properties Ltd.)	August 30, 2013	August 30, 2016

c) **If any director has any type of interest in other businesses, names and types of business of such organizations. If any director is also a director of another company or owner or partner of any other concern, the names of such organizations**

Directors' interest in other Business:

Name	Designation in PDL	Directorship/Ownership with other Companies	Position
Md. Shafiul Azam (Mohsin)	Director & MD	Pacific Co. (BD) Ltd.	MD
		Disney Properties Ltd.	MD
		Pacific Automobiles Ltd.	MD
		Pacific Beverage & Food Ltd.	MD
Md. Shadequl Alam (Yeasin)	Chairman	Pacific Co. (BD) Ltd.	Director
		Disney Properties Ltd	Director
		Pacific Beverage & Food Ltd.	Director
		Pacific Automobiles Ltd.	Director
Md. Sohel Khan	Director	Pacific Jeans Collection Ltd.	MD
		Color Tex International	MD
Md. Ashfak Ahmed Khan	Independent Director	-	-
M. A. Kamal Bhuiyan	Nominee Director (Representative of Disney Properties Ltd.)	Pacific Jeans Collection Ltd.	Chairman

d) **Statement of if any Directors of the issuer are associated with the securities market in any manner and any director of the issuer company is also director of any issuer of other listed securities during last three years with dividend payment history and market performance:**

There is no involvement of any director of Pacific Denims Limited with securities market. No director of Pacific Denims Limited is a director of any issuer of the listed securities.

e) **Family relationship (father, mother, spouse, brother, sister, son, daughter, spouse's father, spouse's mother, spouse's brother, spouse's sister) among the directors and top five officers:**

Family relationship among directors:

SL	Name	Designation	Relationships
1	Md. Shafiul Azam (Mohsin)	Director & MD	Brother of Md. Shadequl Alam (Yeasin) and Cousin of Md. Sohel Khan
2	Md. Shadequl Alam (Yeasin)	Chairman	Brother of Md Shafiul Azam (Mohsin) and Cousin of Md. Sohel Khan
3	Md. Sohel Khan	Director	Cousin of Mohsin & Yeasin
4	Md. Ashfak Ahmed Khan	Independent Director	No family relationship
5	M. A. Kamal Bhuiyan	Represent Director	No family relationship

Family relationship among directors and top five officers of the Company:

There is no family relationship among the directors and top five officials of the company, except following relationships:

Md. Shadequl Alam (Yeasin), Chairman of the Company is the brother of Md. Shafiul Azam (Mohsin), Managing director of the Company and Cousin of Md. Sohel Khan, director of the Company.

f) **A very brief description of other businesses of the directors:**

Sl. No.	Name of Companies	Date of Incorporation	Nature of Business	Equity capital
1	Pacific Co. (BD) Ltd.	24/06/1988	Import Goods	10,000,000
2	Pacific Beverage & Food Ltd.	21/08/2010	The Business of Manufacturer All Kinds of Consumer Products and Grocery Items.	500,000
3	Disney Properties Ltd	20/12/2006	The Business of Land Purchase, Development and Sales, Housing & Properties Business	200,000
4	Pacific Jeans Collection Ltd.	13/04/2009	The objetives of the organization are to carry on the Business of Textile Mills, Weaving Mills for Ready Made Garments.	500,000
5	Pacific Automobiles Ltd.	23/03/2011	Automobiles manufacturing and maintenance, Showroom, Display, Supplier, assembling Sevicing Spare Parts etc.	500,000
6	Color Tex Corporation	06/05/2007	The objetives of the organization are to carry on the Business of Fabrics trading, Shoroom of Ready Made Garments.	-

g) **Short bio-data of each director:**

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.

Mr. Mohsin has visited most of the countries where commodities made of Bangladesh have a good and lucrative export market. He is young energetic business leader. He posses 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.

With his innovative leadership Md. Shafiul Azam Mohsin take Pacific Denims Ltd. to a renowned position in our Business community. 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 under his leadership. He has 12 year of valuable business experience in the existing space of garments sector. He obtained Textile Engineering graduation from Adword University Dhaka campus.

Mr. Shadequl Alam (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 ICMAB, Comilla Branch. He also served as Chief Executive in Mariners Bangladesh Limited (1993-1995) and production in Charge in Young Ill Mulsun, Kwangiu, South Korea (2001-2008).

h) **Loan status of the issuer, its directors and shareholders who hold 5% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank:**

Neither the Company nor any of its Directors or shareholders who hold 5% or more shares in the paid up capital of the issuer is loan defaulter in terms of the CIB report of Bangladesh Bank.

Mentionable here that, Md. Ashfak Ahmed Khan, Independent Director of PDL is loan defaulter because of third party personal loan guarantor. That's why High Court Division of the Supreme Court of Bangladesh stayed "Stay Order" on Loan Status of Pacific Denims Limited and it's all Directors as on 10.08.2014. It further extended the stay order till July 06, 2016.

i) **Name, position, educational qualification, age, date of joining in the company, overall experience (in year), previous employment, salary paid for the financial year of the CEO, MD, CFO, CS, Advisers, Consultants and all Departmental Heads. If the Chairman, any director or any shareholder received any monthly salary than this information should also be included:**

Particulars of Top Executives & Departmental heads of the Company:

Sl	Name	Position	Educational Qualification	Age	Date of Joining	Overall Experience	Previous Employment	Salary paid for the Financial Year
1	Md. Shadequl Alam (Yeasin)	Chairman	Textile Engineer	35	20.03.03	19	N/A	7,02,000
2	Md. ShafiulAzam (Mohsin)	Managing Director	B.Sc	48	20.03.03	19	N/A	12,00,000
3	Md. Abdul Halim	Chief Financial Officer	B.Com, DAIBB	69	12.02.07	30	Janat Bank Ltd., Mutual Trust Bank Ltd., City Bank Ltd.	6,60,000
4	Md. Sorhab Ali	Company Secretary	BBA & MBA (Accounting)	39	16.11.11	13	Siemex Textile Mills Ltd., DNS Software Ltd.	6,00,000
5	Md. Mainuddin Rubel	GM (Commercial)	MBA (Management)	39	15.04.14	19	Exim Bank Ltd., Onnesha Group, Fashion Kraft, Fahami Group	9,60,000
6	MD. Abdul Majid	Executive Director	M.Sc. (App. Chemistry)	42	15.05.06	15	Deep Denims Ltd., Beximco Denims Ltd.	10,80,000
7	A.H.M Shariful Kabir	GM (Marketing)	B.Sc. In Textile Eng, MBA (Mkt.)	38	01.01.09	12	Hoor-E Shams Textiles Ltd., Titas Spg. & Denim Co. Ltd., Shasha Denims Ltd.	10,20,000
8	Md. Sanaul Haque	DGM (Marketing)	M.A (Social Welfare)	39	01.03.07	17	BD Tex Ltd., Siddiq Sons Denim Mills Ltd.	9,00,000
9	Faruk Hossein	AGM (Accounts)	B.Com, CA-CC	45	10.06.99	17	Far-East Property Development Ltd., Garib-A-Newaz Cold Storage Pvt. Ltd.	5,94,000

10	H.M. Perveg Selim Shopon	Dyeing in charge	M.Sc. (Chemistry)	37	01.09.06	10	Jamuna Denims Ltd.	7,80,000
11	Md. Naharul Islam	Finishing in Charge	B.A	49	15.07.06	15	Beximco Denims Ltd.	8,04,000
12	Shafiqul Islam	Manager (Admin)	B.A	47	30.01.06	16	Impressive Apparels Ltd.	4,62,000

j) **Changes in the key management persons during the last three years Any change otherwise than by way of retirement in the normal course in the senior key management personnel particularly in charge of production, planning, finance and marketing during the last three years prior to the date of filing the information memorandum. If the turnover of key management personnel is high compared to the industry, reasons should be discussed:**

There was no change in the key management persons during the last three years.

k) **A profile of the sponsors including their names, father's names, age, personal addresses, educational qualifications, and experiences in the business, positions/posts held in the past, directorship held, other ventures of each sponsor and present position:**

Name, Father's Name, Age& Personal Address	Educational Qualification	Experience	Position/Post		Holding in other Venture
			Past	Present	
Name: Late. Rawshanara Khanum **Father's Name:** Late Noor Ahmed Khan **Age:** N/A (Not Alive) **Personal Address:** House# Ta-225, South Badda, Gulshan, Dhaka	S.S.C	20 Yrs	Chairman	N/A	-
Name: Md. Shafiul Azam (Mohsin) **Father's Name:** Late Abdur Rashid **Age:** 48 Yrs **Personal Address**: House#17, Road#12, Baridhara, Gulshan-1212**:**	B.Sc	20 Yrs	Director & MD	Director & MD	Pacific Co. (BD) Ltd. Disney Properties Ltd. Pacific Automobiles Ltd. Pacific Beverage & Food Ltd.
Name: Md. Shadequl Alam (Yeasin) **Father's Name:** Late Abdur Rashid **Age:**35 Yrs **Personal Address:** House# Ta-225, South Badda, Gulshan, Dhaka	Textile Engineer	13 Yrs	Chairman	Chairman	Pacific Co. (BD) Ltd. Disney Properties Ltd Pacific Beverage & Food Ltd. Pacific Automobiles Ltd.
Name: Tamanna Jasmine **Father's Name:** Dr. Shamsuddin **Age:** 45 Years **Personal Address:** : House#17, Road#12, Baridhara, Gulshan-1212**:**	M.A	13 Yrs	Director	-	-

Name: Shahida Kanom (Swarna) **Father's Name:** Late Abdur Rashid **Age:** 37 Years **Personal Address:** House# Ta-225, South Badda, Gulshan, Dhaka	MBA	13 Yrs	Sponsor	Sponsor	-
Name: Md. Moazzam Khan **Father's Name:** Late Noor Ahmed Khan **Age: 61 Years** **Personal Address:** Road # 102, House # 19, Gulshan-2, Dhaka	H.S.C	13 Yrs	Sponsor	Sponsor	-
Name: Md. Younus Ali **Father's Name:** Mokkel Ali **Age**: 49 Years **Personal Address**: 60, East Hazipara, Rampura, Dhaka	M.A	13 Yrs	Sponsor	Sponsor	-

l) **If the present directors are not the sponsors and control of the issuer was acquired within five years immediately preceding the date of filing prospectus details regarding the acquisition of control, date of acquisition, terms of acquisition, consideration paid for such acquisition etc.**

Name	Acquisition of Control (Date of Directorship)	Date of Acquisition	Terms of Acquisition	Consideration paid for such Acquisition
Md. Sohel Khan	23.01.2007	23.01.2007	No term of acquisition	Cash
Disney Properties Limited Represent by M.A Kamal Bhuiyan	23.01.2007	23.01.2007		Cash

m) **If the sponsors/directors do not have experience in the proposed line of business, the fact explaining how the proposed activities would be carried out/managed:**
All the directors have adequate knowledge to carry out this line of business.

n) **Interest of the key management persons:**
There is no other interest with the key management except board meeting fees received by all directors and Md. Shafiul Azam (Mohsin), Managing Director and Md. Shadequl Alam (Yeasin), Chairman as Compliance Director who are given remuneration.

o) **All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary:**
All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary are disclose under the head of "TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM" in Chapter (XII) page no. 119.

p) **Number of shares held and percentage of shareholding (pre issue):**

SL	Name	Position	No of Shares Held	% of Holdings
1	Md. Shafiul Azam (Mohsin)	MD & Director	16,340,950	43.003%
2	Md. Shadequl Alam (Yeasin)	Chairman	9,496,200	24.990%
3	Mr. Sohel Khan	Director	6,500,000	17.105%
4	Disney Properties Limited (Represent by M. A. Kamal Bhuiyan)	Director	2,660,000	7.000%
5	Md. Ashfak Ahmed Khan	Independent Director	-	0.000%
Total			**34,997,150**	**92.098%**

q) **Change in board of directors during last three years:**
On 30th August 2013, Disney Properties Limited (Represent by M. A. Kamal Bhuiyan) had been appointed as Director of the Board and the same date the Board has appointed Md. Ashfak Ahmed Khan as an Independent Director for the next three years.

r) **Director's engagement with similar business:**
None of the Directors are involve with similar business.

CHAPTER (IX): CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

(a) The Company does not have any transaction during the last two years, or any proposed transaction, between the issuer and any of the following persons:

(i) Any director or sponsor or executive officer of the issuer;

(ii) Any person holding 5% or more of the outstanding shares of the issuer;

(iii) Any related party or connected person of any of the above persons;

Except the transactions describe in the following table: (Certificate regarding this has been obtained from the auditor which is incorporated under the head of "**statements for the last five years or any shorter period of commercial operation certified by the auditors**" in Chapter (XXVI) page no. 237-238.)

A: Remuneration & Board Meeting Fee

Name	Designation/ Relationship	31-Dec-15		31-Dec-14		31-Dec-13		31-Dec-12		31-Dec-11	
		Nature of Transaction		Nature of Transaction		Nature of Transaction		Nature of Transaction		Nature of Transaction	
		Remuneration	Board Meeting Fee	Remuneration	Board Meeting Fee	Remuneration	Board Meeting Fee	Remuneration	Board Meeting Fee	Remuneration	Board Meeting Fee
Md. Shadequl Alam (Yeasin)	Chairman	702,000	25,000	702,000	25,000	702,000	25,000	702,000	Nil	702,000	Nil
Md. Shafiul Azam (Mohsin)	Managing Director	1,200,000	30,000	1,200,000	30,000	1,200,000	30,000	960,000	Nil	960,000	Nil
Md. Sohel Khan	Director	Nil	20,000	Nil	20,000	Nil	20,000	-	Nil	-	Nil
Md. Ashfak Ahmed Khan	Independent Director	Nil	20,000	Nil	20,000	Nil	20,000	-	Nil	-	Nil
M.A. Kamal Bhuiyan	Nominee Director	Nil	20,000	Nil	20,000	Nil	20,000	-	Nil	-	Nil
Sub Total		**1,902,000**	**115,000**	**1,902,000**	**115,000**	**1,902,000**	**115,000**	**1,662,000**	**Nil**	**1,662,000**	**Nil**

B: Other Transactions

Name	Relationship	Receivable/Payable	Receivable/Payable	Receivable/Payable	Receivable/Payable	Receivable/Payable
Pacific Automobiles Ltd.	Payable	615,340	(4,454,603)	(4,754,603)	(583,485)	1,500,000
Pacific Aviation Ltd.	Receivable	2,736,500	2,861,498	2,736,500	2,356,500	2,356,500

Pacific Beverage & Food Ltd.	Receivable	10,295,159	11,453,565	11,053,565	6,970,125	7,570,125
Pacific Ceramic Ltd.	Receivable	523,490	723,488	523,490	523,490	523,490
Pacific Co (BD) Ltd.	Payable	1,235,450	(15,507,023)	(21,788,676)	6,157,499	6,157,499
Pacific Electronics Ltd.	Receivable	-	132,445	57,445	-	-
Pacific Energy Ltd.	Receivable	219,125	269,125	219,125	219,125	219,125
Pacific Shipbuilding Ltd.	Receivable	84,295	94,295	84,295	84,295	84,295
Pacific Steel Mills Ltd.	Receivable	9,000	15,000	9,000	9,000	90,000
Pentex Fashions Ltd	Receivable/ Payable	60,000	83,638	60,000	(4,950,500)	4,437,457
Symphony Enterprise Ltd.	Receivable	99,585	174,583	99,585	99,585	-
Sub Total		**15,877,944**	**(4,153,989)**	**(11,700,274)**	**10,885,634**	**22,938,491**
Grand Total(A + B)		**17,894,944**	**(2,136,989)**	**(9,683,274)**	**12,547,634**	**24,600,491**

(b) There is no transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus except the transaction mentioned in CHAPTER (IX) (a).

(c) No such loan was taken or given from or to Directors or any person connected with the Directors of Pacific Denims Limited.

CHAPTER (X): EXECUTIVE COMPENSATION

a) **The total amount of remuneration/salary/perquisites paid to the top five salaried officers of the issuer in the last accounting year and the name and designation of each such officer:**

SL	Name	Designation	Salaries for the year ended 31 December, 2015 (Taka)
1	Md. Shafiul Azam (Mohsin)	Managing Director	1,200,000
2	Md. Shadequl Alam (Yeasin)	Chairman	702,000
3	Md. Abdul Halim	Chief Financial Officer	600,000
4	MD. Abdul Majid	GM (Factory)	960,000
5	Md. Sanaul Haque	DGM (Marketing)	900,000
Total			**4,362,000**

b) **Aggregate amount of remuneration paid to all directors and officers as a group during the last accounting year:**

Sl.	Particular	Nature of Payments	Remuneration for year ended 31 December, 2015 (Taka)
1.	Directors	Remuneration	1,902,000
		Board Meeting Fee	115,000
2.	Officers	Salary and Allowances	3,389,406

c) **If any shareholder director received any monthly salary/perquisite/benefit it must be mentioned along with date of approval in AGM/EGM, terms thereof and payments made during the last accounting year:**

Md. Shafiul Azam (Mohsin), Managing Director and Md. Shadequl Alam (Yeasin), Chairman of Pacific Denims Limited have been receiving remuneration since 2006 as per AGM held on 30 September, 2006.

d) **The board meeting attendance fees received by the director including the managing director along with date of approval in AGM/EGM:**
The board meeting attendance fees received by the director are as follows:

Name	Designation	Board Meeting Fee	Date of Approval in AGM
Md. Shadequl Alam (Yeasin)	Chairman	25,000	30 September, 2012
Md. Shafiul Azam (Mohsin)	Managing Director	30,000	
Md. Sohel Khan	Director	20,000	
Md. Ashfak Ahmed Khan	Independent Director	20,000	
M.A. Kamal Bhuiyan	Nominee Director (Representative of Disney Properties Limited)	20,000	
Total		**115,000**	

e) **Any contract with any director or officer providing for the payment of future compensation:**
There is no such contract with any director or officer providing for the payment of future compensation.

f) **If the issuer intends to substantially increase the remuneration paid to its directors and officers in the current year, appropriate information regarding thereto:**
The Company has no plan for substantially increasing remuneration to its directors and/or officers except for those that are paid as annual increment to their salaries.

g) **Any other benefit/facility provided to the above persons during the last accounting year:**
No other benefit/facility provided to the above persons during the last accounting year.

CHAPTER (XI): OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

Pacific Denims Limited did not grant any options to its directors, officers and/or any other employees for the purpose of issuing shares.

CHAPTER (XII): TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

(a) **Benefits from the Company during last five years:**

The Directors and subscribers to the memorandum of association have not received any benefits except remuneration & board meeting fees directly or indirectly during the last five years.

Remuneration & Board Meeting Fee

Name	Designation/ Relationship	31-Dec-15		31-Dec-14		31-Dec-13		31-Dec-12		31-Dec-11	
		Nature of Transaction		Nature of Transaction		Nature of Transaction		Nature of Transaction		Nature of Transaction	
		Remuneration	Board Meeting Fee	Remuneration	Board Meeting Fee	Remuneration	Board Meeting Fee	Remuneration	Board Meeting Fee	Remuneration	Board Meeting Fee
Md. Shadequl Alam (Yeasin)	Chairman	702,000	25,000	702,000	25,000	702,000	25,000	702,000	Nil	702,000	Nil
Md. Shafiul Azam (Mohsin)	Managing Director	1,200,000	30,000	1,200,000	30,000	1,200,000	30,000	960,000	Nil	960,000	Nil
Md. Sohel Khan	Director	Nil	20,000	Nil	20,000	Nil	20,000	-	Nil	-	Nil
Md. Ashfak Ahmed Khan	Independent Director	Nil	20,000	Nil	20,000	Nil	20,000	-	Nil	-	Nil
M.A. Kamal Bhuiyan	Nominee Director	Nil	20,000	Nil	20,000	Nil	20,000	-	Nil	-	Nil
Sub Total		**1,902,000**	**115,000**	**1,902,000**	**115,000**	**1,902,000**	**115,000**	**1,662,000**	**Nil**	**1,662,000**	**Nil**

(b) **Directors and Subscribers' Assets to the Company:**

No assets acquired or to be acquired from the Directors and Sponsors (subscribers to the memorandum) except fund against allotments of shares.

CHAPTER (XIII): OWNERSHIP OF THE COMPANY'S SECURITIES

a) The names, addresses, BO ID Number of all shareholders of the company before IPO, indicating the amount of securities owned and the percentage of the securities represented by such ownership:

SL	Name of the Shareholders	Address	BO ID	No. of Share	(%)
1	Md. ShafiulAzam (Mohsin)	Ta-225, South Badda, Gulshan, Dhaka.	1202090060736902	16,340,950	43.003%
2	Md. Shadequl Alam (Yeasin)	Ta-225, South Badda, Gulshan, Dhaka	1202090060736945	9,496,200	24.990%
3	Shahida Khanom (Swarna)	Ta-225, South Badda, Gulshan, Dhaka.	1202090060736988	950	0.003%
4	Md. Moazzem Khan	Ta-225, South Badda, Gulshan, Dhaka.	1202090060736961	950	0.003%
5	Md. Younus Ali	60, East Hazipara, Rampura, Dhaka.	1202090060736996	950	0.003%
6	Mr. Sohel Khan	Ka-64, South Badda Bazar, Gulshan, Dhaka.	1202090060736929	6,500,000	17.105%
7	Disney Properties Ltd.	9, Gulshan South Avenue, Symphony (3rd Floor), Gulshan, Dhaka.	1202090060736889	2,660,000	7.000%
8	Md. Ashfak Ahmed Khan	Ta-225, South Badda, Gulshan, Dhaka.	-	-	0.000%
9	Md. Tazul Islam	Hazinagar, SharuliaDemra, Dhaka.	1202830048267036	500,000	1.316%
10	Md. Kabiruddin Ahmed	Hazipur, Kachua, Chadpur	1204730058970110	50,000	0.132%
11	Md. Hamid Ullah Khan	529/C, Khilgoan, Dhaka.	1605550061066092	350,000	0.921%
12	Asif Iqbal Chowdhury	House # B-58/F-5, AGB Colony Motijheel, Dhaka.	1605550059758671	90,000	0.237%
13	Hoq Mahbub Morshed	248/6-A, Shipahi Bag Khilgoan, Dhaka.	1202300053815837	50,000	0.132%
14	Shajeda Begum	1/2, Lalmatia, Apt.# A-3, Dhaka.	1202300054217381	450,000	1.184%
15	Hoque Mahtab Morshed	248/6-A, Shipahi Bag Khilgoan, Dhaka.	1202300053815845	175,000	0.461%
16	Md. Sharif Hossain	MC Roy Lane, Posta Lalbag, Dhaka.	120473005613882	50,000	0.132%
17	Foysal Ahmed	186, Tejgoan I/A, Dhaka.	1203040058175818	100,000	0.263%
18	A.S.A Muiz	Green Delta Insurance Co. Ltd., 2, Dilkusha, Hadi Mansion, Dhaka.	1605550007748542	250,000	0.658%
19	Monjur Ahmed	House # 450/7, Road # 8, DOHS, Baridhara, Dhaka.	1201470004574669	250,000	0.658%
20	Howa Nur Begum	Village: Bhahadurpur, P.O. Sujabad, P.S. Muladi, Barishal.	1201950060733007	50,000	0.132%
21	Ahmed Tawfiqur Rahman	House # 389, Road # 10, Block-3, D, Bashundhara R/A, Dhaka-1229.	1201960058384794	100,000	0.263%
22	Sabrina Shabnam Rabbi	Apt # A1, House # 52, Road # 14, Niketon, Dhaka-1212.	1201710033880868	50,000	0.132%
23	ATM Tahmiduzzaman	Apt # A1, House # 52, Road # 14, Niketon, Dhaka-1212.	1201710033279399	50,000	0.132%
24	Md. Sayadur Rahman	Property Prime (Flat # B1), 42/A, Segun Bagicha, Dhaka.	1204220000101539	100,000	0.263%
25	S.M Iftheker Imam	D-125, Mohanagar Project, West Rampura, Dhaka.	1202300004237654	25,000	0.066%
26	Md. Abus Sultan	Village & Post: Nandina, District: Jamalpur.	1605570058021241	50,000	0.132%

27	Enter IT (BD) Limited	296, free School Street, Ground floor, Dhaka-1205.	1605550050784695	50,000	0.132%
28	Anita Sharmin	House # 40, Flat # 3B, Road # 01, Block-A, Niketon, Dhaka-1212.	1204500058527676	10,000	0.026%
29	Md. Moallem Hossain	20/25, Babor Road, Mohammadpur, Dhaka	1203570059189617	200,000	0.526%
Total				**38,000,000**	**100.00%**

b) There shall also be a table showing the name and address, age, experience, BO ID Number, TIN number, numbers of shares held including percentage, position held in other companies of all the directors before the public issue:

SL	Director's Name, Address, Age, Experience & BO ID	TIN	No. of Share	(%)	Position held in Other Organization	
					Other Organization	Position
1	**Name:** Md. Shafiul Azam (Mohsin) **Address:** Ta-225, South Badda, Gulshan, Dhaka. **Age:** 48 Yrs **Experience:** 19 Yrs **BO ID:** 1202090060736902	E-TIN-189851804294	16,340,950	43.003%	Pacific Co. (BD) Ltd.	MD
					Disney Properties Ltd.	MD
					Pacific Automobiles Ltd.	MD
					Pacific Beverage & Food Ltd.	MD
2	**Name:** Md. Shadequl Alam (Yeasin) **Address:** Ta-225, South Badda, Gulshan, Dhaka **Age:** 35 Yrs **Experience:** 12 Yrs **BO ID:** 1202090060736945	E-TIN-253764656950	9,496,200	24.990%	Pacific Co. (BD) Ltd.	Director
					Disney Properties Ltd	Director
					Pacific Beverage & Food Ltd.	Director
					Pacific Automobiles Ltd.	Director
3	**Name:** Mr. Sohel Khan **Address:** Ka-64, South Badda Bazar, Gulshan, Dhaka. **Age:** 36 Yrs **Experience:** 13 Yrs **BO ID:** 1202090060736929	E-TIN-164953543358	6,500,000	17.105%	Pacific Jeans Collection Ltd.	MD
					Color Tex International	MD
4	**Name:** Disney Properties Ltd. (Represent by M. A. Kamal Bhuiyan) **Address:** 9, Gulshan South Avenue, Symphony (3rd Floor), Gulshan, Dhaka. **Age:** 55 Yrs **Experience:** 31 Yrs **BO ID:** 1202090060736889	E-TIN-115254201016	2,660,000	7.000%	Pacific Jeans Collection Ltd.	Chairman
					Disney Properties Ltd.	Represent Director

5	**Name:** Md. Ashfak Ahmed Khan **Address:** Ta-225, South Badda, Gulshan, Dhaka. **Age:** 36 Yrs **Experience:** 13 Yrs **BO ID:** -	1551043271	-	0.000%	-	-

c) The average cost of acquisition of equity shares by the directors certified by the auditors:

To Whom It May Concern

This is to certify that the shares in the equity of **Pacific Denims Limited** have been allotted at face value in cash or bonus and the average cost of acquisition of equity by the directors is Tk. 10.00 each. Name wise shareholdings position, allotment date and consideration are given below:

Date of Allotment	Allotment/Transfer	Md. Shafiul Azam (Mohsin)	Md. Shadequl Alam (Yeasin)	Mr. Sohel Khan	M. A. Kamal Bhuiyan (Representative Director of Disney Properties Ltd.)	Md. Ashfak Ahmed Khan	Consideration	Face value of Share (Tk.)
20-Mar-03 (Incorporation)	Allotment	100,000	50,000	-	-	-	Cash	10.00
23-Jan-07	Allotment	3,700,000	2,449,000	2,500,000	700,000	-	Cash	10.00
5-Jul-12	Allotment	10,640,000	6,997,200	7,000,000	1,960,000	-	Bonus	10.00
30-Aug-13	Allotment	1,900,950	-	-	-	-	Cash	10.00
10-Aug-14	Transfer	-	-	(3,000,000)	-	-	Cash	10.00
Total		**16,340,950**	**9,496,200**	**6,500,000**	**2,660,000**	-	-	-

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Place: Dhaka
Date: 21 January, 2016

d) A detail description of capital built up in respect of shareholding (name-wise) of the issuer's sponsors/ directors. In this connection, a statement to be included: -

Md. Shafiul Azam (Mohsin)

Date of Allotment/ Transfer of fully paid-up shares	Consideration	Nature of issue	No. of Equity shares	Face value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-Mar-03	Cash	Ordinary Share	100,000	10.00	10.00	100,000	43.00%	14.46%	Own Source
23-Jan-07	Cash		3,700,000	10.00	10.00	3,800,000			
5-Jul-12	Bonus		10,640,000	10.00	10.00	14,440,000			
30-Aug-13	Cash		1,900,950	10.00	10.00	16,340,950			

Md. Shadequl Alam (Yeasin)

Date of Allotment/ Transfer of fully paid-up shares	Consideration	Nature of issue	No. of Equity shares	Face value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-Mar-03	Cash	Ordinary Share	50,000	10.00	10.00	50,000	24.99%	8.40%	Own Source
23-Jan-07	Cash		2,449,000	10.00	10.00	2,499,000			
5-Jul-12	Bonus		6,997,200	10.00	10.00	9,496,200			

Tamanna Jasmine

Date of Allotment/ Transfer of fully paid-up shares	Consideration	Nature of issue	No. of Equity shares	Face value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-Mar-03	Cash	Ordinary Share	2,500	10.00	10.00	2,500	0.00%	0.00%	Own Source
23-Jan-07	Cash		497,750	10.00	10.00	500,250			
5-Jul-12	Bonus		1,400,700	10.00	10.00	1,900,950			
30-Aug-13	Cash		(1,900,950)	10.00	10.00	-			

Shahida Khanom (Swarna)

Date of Allotment/ Transfer of fully paid-up shares	Consideration	Nature of issue	No. of Equity shares	Face value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-Mar-03	Cash	Ordinary Share	250	10.00	10.00	250	0.003%	0.001%	Own Source
5-Jul-12	Bonus		700	10.00	10.00	950			

Md. Moazzam Khan

Date of Allotment/ Transfer of fully paid-up shares	Consideration	Nature of issue	No. of Equity shares	Face value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-Mar-03	Cash	Ordinary Share	250	10.00	10.00	250	0.003%	0.001%	Own Source
5-Jul-12	Bonus		700	10.00	10.00	950			

Md. Yunus Ali

Date of Allotment/ Transfer of fully paid-up shares	Consideration	Nature of issue	No. of Equity shares	Face value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-Mar-03	Cash	Ordinary Share	250	10.00	10.00	250	0.003%	0.001%	Own Source
5-Jul-12	Bonus		700	10.00	10.00	950			

Mr. Sohel Khan

Date of Allotment/ Transfer of fully paid-up shares	Consideration	Nature of issue	No. of Equity shares	Face value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
23-Jan-07	Cash	Ordinary Share	2,500,000	10.00	10.00	2,500,000	17.11%	5.75%	Own Source
5-Jul-12	Bonus		7,000,000	10.00	10.00	9,500,000			
10-Aug-14	Cash		(3,000,000)	10.00	10.00	6,500,000			

Disney Properties Ltd.

Date of Allotment/ Transfer of fully paid-up shares	Consideration	Nature of issue	No. of Equity shares	Face value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
23-Jan-07	Cash	Ordinary Share	700,000	10.00	10.00	700,000	7.00%	2.35%	Own Source
5-Jul-12	Bonus		1,960,000	10.00	10.00	2,660,000			

e) Detail of shares issued by the company at a price lower than the issue price:
All the shares are issued by the Company at face value of Tk. 10.00 before this issue.

f) History of significant (5% or more) changes in ownership of securities from inception:

Date of Allotment/Transfer	Md. Shafiul Azam (Mohsin)	Md. Shadequl Alam (Yeasin)	Mr. Sohel Khan	M.A. Kamal Bhuiyan (Representative Director of Disney Properties Ltd.)
20-Mar-03	100,000	50,000	-	-
23-Jan-07	3,700,000	2,449,000	2,500,000	700,000
5-Jul-12	10,640,000	6,997,200	7,000,000	1,960,000
8/30/2013 (Transfer)	1,900,950	-	-	-
8/10/2014 (Transfer)	-	-	(3,000,000)	-
Total	**16,340,950**	**9,496,200**	**6,500,000**	**2,660,000**

CHAPTER (XIV): CORPORATE GOVERNANCE

a) Management disclosure regarding compliance with the requirements of Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission (BSEC);

The Company declares that it has been complied with the requirements of the applicable regulations of Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC) and accordingly constitutes several committees under the board for good governance. A certificate of compliance from competent authority has been incorporated accordingly.

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

b) A compliance report of Corporate Governance requirements certified by competent authority;

CERTIFICATE ON CORPORATE GOVERNANCE COMPLIANCE
OF
PACIFIC DENIMS LIMITED

We have examined the compliance to the BSEC guidelines on Corporate Governance by **Pacific Denims Limited** for the year ended 31 December 2014. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012, as amended vide notification dated 21 July 2013 and 18 August 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

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

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

Sd/-
Place: Dhaka. **Mazumdar Sikder and Associates**
Date: September 22, 2015 Cost & Management Accountants

Compliance Report on BSEC`s Notification

Pacific Denims Limited.

Status of Compliance with the conditions imposed by the Commission`s Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012, as amended vide notification dated 21 July 2013 and 18 August 2013 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 7.00)

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

Condition No.	Title	Compliance status (put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.2 (iii)	Independent Director(s) shall be nominated by the Board of Directors and approved by the shareholders in the Annual General Meeting (AGM).	√		
1.2 (iv)	The post of Independent Director(s) cannot remain vacant for more than 90 (ninety) days	√		
1.2(v)	The board shall lay down a code of conduct of all board members and annual compliance of the code to be recorded.	√		
1.2(vi)	The tenure of office of an independent directors shall be for a period of 3 (three) years, which may be extended for 1(one) term only.	√		
1.3	**Qualification of Independent Director (ID)**			
1.3 (i)	Independent Director shall be knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	√		
1.3 (ii)	The independent director must have at least 12 (Twelve) years of corporate management/professional experience	√		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.	-	-	N/A
1.4	**Chairman of the Board and Chief Executive Officer**			
	The positions of Chairman of the Board and Chief Executive Officer of the Companies shall be filled by different individuals. The Chairman of the Company shall be elected from among of the Directors of the Company. The Board of the Director shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer (CEO).	√		
1.5	**The Directors' report of the Shareholders**			
	The Directors' of the company shall include the following additional statements in the Director`s report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994)			
1.5(i)	Industry outlook and possible future developments in the industry	√		
1.5(ii)	Segment-wise or product-wise performance	-	-	N/A
1.5(iii)	Risks and concerns	√		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	√		
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss	-	-	N/A
1.5(vi)	Basis for related party transaction-a statement of all related party transactions should be disclosed in	√		

Condition No.	Title	Compliance status (put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	the annual report.			
1.5(vii)	Utilization of proceeds from public issues, right issues and/or through any others instruments.	-	-	N/A
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing etc.	-	-	N/A
1.5(ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance on their Annual Report.	-	-	N/A
1.5(x)	Remuneration to directors including independent director.	√		
1.5(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the results of its operation, cash flows and changes in equity.	√		
1.5(xii)	Proper books of account of the issuer company have been maintained.	√		
1.5(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
1.5(xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS). International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored	√		
1.5(xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed	√		
1.5(xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained	-	-	N/A
1.5(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized	√		
1.5(xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given	√		Business growth and reinvestment
1.5(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed	√		

Condition No.	Title	Compliance status (put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.5 (xxi)	**The pattern of Shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by: -**			
1.5(xxi)a.	Parent/Subsidiary/Associated Companies and other related parties (name wise details)	√		
1.5(xxi)b.	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details)	√		
1.5(xxi)c.	Executives	√		
1.5(xxi)d.	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	√		
1.5(xxii)	**In case of appointment / re-appointment of a director the company shall disclose the following information to the shareholders:**			
1.5(xxii)a)	A brief resume of the director	√		
1.5(xxii)b)	Nature of his/her expertise in specific functional areas	√		
1.5(xxii)c)	Name of the Companies in which the person also holds the directorship and the membership of committees of the board.	√		
2.0	**Chief Financial Officer, Head of Internal Audit and Company Secretary**			
2.1	**Appointment**			
	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	√		
2.2	**Requirement to attend the Board Meetings**			
	The CFO and the Company Secretary of the Companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	√		
3.00	**Audit Committee**			
3 (i)	The Company shall have an Audit Committee as a sub-committee of the Board of Directors.	√		
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	√		

Condition No.	Title	Compliance status (put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		
3.1	**Constitution of the Audit committee**			
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members.	√		
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) Independent Director.	√		
3.1(iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	√		
3.1(iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to the unable to hold office until expiration of the term of service, thus making the number of the committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	-	-	N/A
3.1(v)	The company secretary shall act as the secretary of the Committee.	√		
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director.	√		
3.2	**Chairman of the Audit Committee**			
3.2(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	√		
3.2(ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM).	√		
3.3	**Role of Audit Committee shall include the following:**			
3.3 (i)	Oversee the financial reporting process.	√		
3.3 (ii)	Monitor choice of accounting policies and principles.	√		
3.3 (iii)	Monitor Internal Control Risk management process	√		
3.3 (iv)	Oversee hiring and performance of external auditors.	√		
3.3 (v)	Review along with the management, the annual financial statements before submission to the board	√		

Condition No.	Title	Compliance status (put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	for approval.			
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	√		
3.3 (vii)	Review the adequacy of internal audit function.	√		
3.3 (viii)	Review statement of significant related party transactions submitted by the management.	√		
3.3(ix)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors.	√		
3.3(x)	When money is raised through IPO/RPO/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc.) on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	-	-	N/A
3.4	**Reporting of the Audit Committee**			
3.4.1	**Reporting of the Board of Directors**			
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
3.4.1(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any: -			
3.4.1 (ii) a)	Report on conflicts of interests;	-	-	N/A
3.4.1(ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	-	-	N/A
3.4.1(ii)c)	Suspected infringement of laws, including securities related laws, rules and regulations;	-	-	N/A
3.4.1(ii)d)	Any other matter which shall be disclosed to the Board of Directors immediately	-	-	N/A
3.4.2	Reporting to the Authorities.			
	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	-	-	N/A

Condition No.	Title	Compliance status (put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.5	Reporting to the Shareholders and General Investors.			
	Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under conditions 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	√		Conditions 3.4.1 (ii) N/A
4.00	**External/Statutory Auditors**			
4 (i)	Non-engagement in Appraisal/valuation/fairness opinions.	√		
4 (ii)	Non-engagement in designing & implementation of FIS.	√		
4(iii)	Non-engagement in Book-keeping or accounting.	√		
4(iv)	Non-engagement in Broker-dealer services	√		
4(v)	Non-engagement in Actuarial services.	√		
4(vi)	Non-engagement in Internal audit services.	√		
4(vii)	Non-engagement in services determined by the Audit Committee	√		
4(viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	√		
5.00	**Subsidiary Company**			
5 (i)	Provision relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	-	-	N/A
5(ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	-	-	N/A
5(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review Board meeting of the holding company.	-	-	N/A
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	-	-	N/A
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	-	-	N/A
6	**Duties of CEO and CFO**			
6 (i)	The CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief.	√		
6(i)a)	These statements do not contain any materially untrue statement or omit any material fact or	√		

Condition No.	Title	Compliance status (put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	contain statements that might be misleading.			
6 (i) b)	These statements together present a true and fair view of the company`s affairs and are in compliance with existing accounting standards and applicable laws.	√		
6 (ii)	There are, to the best of knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or violation of the company`s code of conduct.	√		
7.00	**Reporting and Compliance of Corporate Governance**			
7(i)	The company shall obtain a certificate from a Professional Accountant/Secretary (Chartered Accountant/Cost & Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	√		
7(ii)	The directors of the company shall state, in accordance with the Annexure attached, in directors' report whether the company has complied with these conditions.	√		

c) **Details relating to the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committees operate.**

The name of audit committee members and remuneration committee members are as follows:

Audit Committee Members Name	Remuneration Committee Members Name
• Md. Ashfak Ahmed Khan (Independent Director) Chairman of the Committee • Md. Shafiul Azam (Mohsin) • Mr. Sohel Khan • Md. Sorhab Ali	• Md. Shadequl Alam (Yeasin)-Chairman of the Committee • Md. Shafiul Azam (Mohsin) • Mr. Sohel Khan • Md. Ashfak Ahmed Khan (Independent Director) • Md. Abdul Halim, Chief Financial Officer • Md. Sorhab Ali, Company Secretary

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

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

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

- To assist the Board in developing and administering a fair and transparent procedure for setting policy on the remuneration of directors and senior management of the Company
- Determining the remuneration packages
- Review the Annual Confidential Report (ACR) of senior management of the company
- Review and oversee the Company's overall human resources strategy.

CHAPTER (XV): VALUATION REPORT OF SECURITIES PREPARED BY THE ISSUE MANAGER

The valuation report of securities offered is prepared and justified by the issue managers (AFC Capital Limited and Imperil Capital Limited) on the basis of the financial and all other information pertinent to the Issue.

Qualitative and Quantitative factors for Valuation:

Qualitative Justification:

1. 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 Mark & Spancer, Tesco, Zara, H&M, Wal-mart etc.

2. We have been using modern machineries that increase our productivity.

3. We have good market share of Denim Fabric that is helpful our business.

4. We have very strong distribution channels through which we can smoothly supply our products.

5. Sales growth from 2010 to 2014 is around 18% and Profitability growth from 2010 to 2014 is around 35%. From 2010 to 2014 debt to equity ratio has been decreasing to one.

Quantitative Justification:

The issue price of Tk. 10.00 each at par is justified as details below:

Particulars	Amount (in Tk.)
Method 1: Net Asset Value (NAV) per share/Equity based value per share	
Price based on Net Asset Value per share (with revaluation reserve)	26.43
Price based on Net Asset Value per share (without revaluation reserve)	22.59
Method 2: Historical Earnings based value per share	
Earnings based Value per share based on Overall Market P/E	21.44
Method 3: Average market price per share of similar stocks:	36.56

Calculation of Methodologies
Method 1: Share price on Net Asset Value (NAV)/Equity based value per share

Sl. No.	Particulars	Amount (in Tk.)
a)	Share Capital	380,000,000
b)	Revaluation reserve	145,690,413
c)	Tax Holiday reserve	145,760,152
d)	Retained Earnings	332,837,021
Total Shareholders' Equity (with revaluation reserve)		**1,004,287,587**
Total Shareholders' Equity (without revaluation reserve)		**858,597,174**
Number of Shares		38,000,000
Net Asset Value per share (with revaluation reserve) as per Audited Report as on 31 December, 2015		**26.43**
Net Asset Value per share (without revaluation reserve)as per Audited Report as on 31 December, 2015		**22.59**

Method 2: Historical Earnings based value per share

Average Price Earnings of Market & Sectoral		
Month	**Sectoral**	**Market**
Feb-16	10.83	15.17
Jan-16	10.93	15.22
Dec-15	10.52	15.23
Average	**10.76**	**15.21**
Considering Lesser P/E of 10.76 & 15.21 is 10.76		

Source: DSE Monthly Review.

Period	No. of Share	Net Profit after tax	Weight of No. of Shares	Weighted Average of Net Profit after tax
31-Dec-11	10,000,000	75,984,563	0.06	4,690,405
31-Dec-12	38,000,000	91,638,055	0.23	21,495,346
31-Dec-13	38,000,000	93,856,451	0.23	22,015,711
31-Dec-14	38,000,000	17,298,136	0.23	4,057,587
31-Dec-15	38,000,000	99,987,550	0.23	23,453,870
Total	**162,000,000**	**378,764,755**	**1.00**	**75,712,919**
No. of shares outstanding before IPO				38,000,000
Diluted EPS based on weighted Average of Net Profit after Tax				1.99
Present Market PE (Considering Lesser P/E of 10.76 & 15.21 is 10.76)				10.76
Earnings based Value per share based on overall Market P/E				**21.44**

Method 3: Average market price per share of similar stocks:

Last One Year (Month ended) Closing Share Price of Similar Stock				
Sl. No.	**Date**	**Argon Denims Ltd.**	**Envoy Textiles Ltd.**	**Shasha Denims Ltd.**
1	30-Apr-15	23.60	46.30	37.60
2	31-May-15	26.10	46.80	38.00
3	30-Jun-15	25.10	47.50	37.90
4	30-Jul-15	25.70	49.20	44.40
5	31-Aug-15	25.90	49.10	42.80
6	30-Sep-15	24.90	51.40	39.00
7	29-Oct-15	22.90	47.20	37.70
8	30-Nov-15	23.80	47.20	37.90
9	31-Dec-15	22.30	41.90	41.10
10	31-Jan-16	24.80	41.60	37.00
11	29-Feb-16	27.50	39.10	40.60
12	31-Mar-16	24.90	36.50	40.90
Average Price		***24.79***	***45.32***	***39.58***
Average Price of these 03 (Three) Stocks				***36.56***
Source: DSE Monthly Review.				

The management of the Company in consultation with the Issue Manager has set the issue price at Tk. 10.00 each at par value.

CHAPTER (XVI): DEBT SECURITIES

The Company has not issued or is planning to issue any debt security within six months.

CHAPTER (XVII): PARTIES INVOLVED AND THEIR RESPONSIBILITIES

Parties involve with PDL		Responsibilities
(a) Issue manager(s):	(1) AFC Capital Limited & (2) Imperial Capital Limited	The Issue Managers will act as the manager to the issue for the public issue as described in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.
(b) Underwriters:	(1) AIBL Capital Management Limited (2) Banco Finance and Investment Limited (3) EBL Investments Limited (4) Lankabangla Investments Limited (5) MTB Capital Limited (6) PLFS Investments Limited (7) SBL Capital Management Limited	The Underwriters will act as the underwriters to the public issue as described in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.
(c) Auditors:	**Mahfel Huq & Co.** Chartered Accountants	To express an opinion on these financial statements based on their audit. Auditor will conduct the audit in accordance with Bangladesh Standards on Auditing (BSA).
(d) Cost and Management Accountants	Not applicable for the Company	-
(e) Valuer	**Ata Khan & Co.** Chartered Accountants	The valuer's responsibility is to conduct and prepare an appraisal of valuation of assets owned by the company. Valuer's have to perform the necessary inspection, made relevant enquires and obtained such further information available for the purpose of providing the opinion on the value of assets. The valuer should cite the fundamental measurement assumptions of valuation. The valuer shall be straightforward and honest in all professional and business relationships. The valuer shall comply with relevant laws and regulations.
(f) Credit Rating Company	ARGUS Credit Rating Services Limited	Credit Rating Company is responsible for conducting the long term and short term rating of the company based on its financial statements and other relevant qualitative and quantitative information. Credit Rating Company shall publish the rating in its public website when it issues or updates a final rating.

CHAPTER (XVIII): MATERIAL CONTRACTS

	(a) Major agreements entered into by the Issuer	(b) Material parts of the agreements	(c) Fees payable to different parties
Issue Managers	Issue Management Agreement between the Company, Pacific Denims Limited and the Managers to the issue, AFC Capital Limited & Imperial Capital Limited.	To do the entire task as mentioned in the Bangladesh Securities of Exchange Commission (Public Issue) Rules, 2015.	To AFC Capital Limited Tk. 15.00 Lac. To Imperial Capital Limited Tk. 15.00 Lac.
Underwriters	Underwriting Agreement between the Company and the following underwriters: 1. AIBL Capital Management Limited 2. Banco Finance and Investment Limited 3. EBL Investments Limited 4. Lankabangla Investments Limited 5. MTB Capital Limited 6. PLFS Investments Limited 7. SBL Capital Management Limited	The issuer, in the event of under subscription, shall notice to the underwriters within ten days of closer of subscription calling upon them to subscribe the securities and pay for this in cash in full within 15 days of the date of said notice and said amount shall be credited in to securities subscription account within the said period. The issuer shall within 7 days of the expiry of the period mentioned above, sent to the commission proof of subscription and deposit of the money by the underwriters.	underwriting commission at the rate of 0.50% on 35% of the Total IPO amount (i.e. Tk. 2,625,000.00)

Copies of the above mentioned contracts and documents and the Consent Order from the Bangladesh Securities and Exchange Commission may be inspected on any working day during office hours at the Company's Registered Office.

CHAPTER (XIX): OUTSTANDING LITIGATIONS, FINE OR PENALTY

(a) **The following outstanding litigations against the issuer or any of its directors and fine or penalty imposed by any authority:**
The issuer or any of its directors was not involved in any of the following type of legal proceedings mentioned below;

(i) Litigation involving Civil Laws
(ii) Litigation involving Criminal Laws
(iii) Litigation involving Securities, Finance and Economic Laws
(iv) Litigation involving Labor Laws
(v) Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties)
(vi) Litigation involving any other Laws

Mentionable here that, Md. Ashfak Ahmed Khan, Independent Director of PDL is loan defaulter because of third party personal loan guarantor. That's why High Court Division of the Supreme Court of Bangladesh stayed "Stay Order" on Loan Status of Pacific Denims Limited and it's all Directors as on 10.08.2014. It further extended the stay order till July 06, 2016.

(b) **Outstanding cases filed by the Company or any of its directors:**
There are no outstanding cases filed by the issuer or any of its directors to any of the following types of legal proceedings mentioned below;

(i) Litigation involving Civil Laws;
(ii) Litigation involving Criminal Laws;
(iii) Litigation involving Securities, Finance and Economic Laws;
(iv) Litigation involving Labor Laws;
(v) Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties);
(vi) Litigation involving any other Laws.

CHAPTER (XX): RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS

(i) **Internal risk factors may include, among others:**

a) **Credit Risk:**
This is the risk of default on a debt that may arise because of default by the borrower to pay the loan. In operating any business there is always credit risk lies in the business. As there is always lending and borrowing between parties in the form of money and goods.

Management Perception:
Credit Risk mainly lies with Financial Institutions. Since Pacific Denims Ltd. is concentrating in Manufacturing, Dyeing, Weaving & Finishing Denim Fabrics and exporting the same, there is no such credit risk. However, there is interest free loan given to employees against salary which are recovered from salary on monthly basis. Apart from this there are some advance given to the suppliers.

b) **Liquidity Risk:**
The risk that a company may be unable to meet short term financial demands. This usually occurs due to the inability to convert its current assets to cash without a loss of capital or income. Liquidity is a common phenomenon of the business.

Management Perception:
Finance is an arts and science of managing fund so that it can manage working capital in efficient way. Pacific Denims Ltd. is also doing its level best to manage working capital management in efficient way to maintain liquidity risk. Management is dealing with accounts payable, inventory and accounts receivable efficiently.

c) **Risk associated with the issuer's interest in subsidiaries, joint ventures and associates:**

Management Perception:
As we do not have any interest in subsidiaries, joint ventures, there is no risk related as such.

d) **Significant revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the issuer.**

Management Perception:
Our management is always keen to find out new buyers which boost up the sales. So we are not dependent on any particular or limited number of customers to operate our business. Our buyers are Mark & Spancer, Tesco, Zara, H&M, Wal-mart and garments Exporters. *In addition, it is mentioned-worthy that we do not even meet up the 50% demand in supplying the denim fabric to our local Garments exporters.*

e) **Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely.**

Management Perception:
In business, having many suppliers of raw materials helps to get competitive advantage of cheaper price of raw materials. Because, it helps to bargain over price with suppliers. In addition, having many supplier helps to maintain doing business efficiently. As we hold the views, we are not dependent on a single or few suppliers.

f) **More than 20% revenue of the issuer comes from sister concern or associate or subsidiary**

Management Perception:
Our buyers are Mark & Spancer, Tesco, Zara, H&M, Wal-mart and garments Exporter. So we do not generate 20% revenue from our sister concerns or associate or subsidiary.

g) **Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during last five years, if any.**

Management Perception:
We have been operating our business efficiently. However, there was negative operating cash flow in the year 2012 and 2013. It is happened due to growth. Our accounts receivable and inventory had been increased in the year 2012 and 2013 that affected our operating cash flow. But it was not threat for going concern.

h) **Loss making associate/subsidiary/group companies of the issuer.**

Management Perception:
We do not have any investment in subsidiary or associates.

i) **Financial weakness and poor performance of the issuer or any of its subsidiary or associates**

Management Perception:
Sales is one of the key indicators of success of a business if there is good margin of profit. Pacific Denims Ltd. has been experiencing with increasing sales growth which is boosting up the profitability for last five years. Current and quick ratios are also in favor of the company. Debt to Equity ratio is less than 1 and it is in decreasing trend which means that company is reducing its dependency on debt capital and we do not have any subsidiary.

j) **Decline in value of any investment**

Management Perception:
We do not have any investment.

k) **Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned.**

Management Perception:
We are used to using new branded machineries. Hence, there is no chance to use second hand or reconditioned machineries.

l) **Adverse effect on future cash flow if interest free loan given to related party or such loans taken from directors may recall.**

Management Perception:
There is no as such loan given to related party or loan taken from directors.

m) **Potential conflict of interest, if the sponsors or directors of the issuer are involved with one or more ventures which are in the same line of activity or business as that of the issuer and if any supplier of raw materials or major customer is related to the same sponsors or directors.**

Management Perception:
There is common management with one or more ventures but business activities are not in the same line.

n) **Related party transactions entered into by the company those may adversely affect competitive edge.**

Management Perception:
There is no as such transaction which may adversely affect competitive edge except director's remuneration and equity investment.

o) **Any restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan/ credit limit and other banking facilities.**

Management Perception:
There are no restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement relating to debt or preference shares or any restrictive covenants of Banks in respect of loan or credit limit and other banking facilities.

p) **Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees.**

Management Perception:
We are habituated with the political unrest for long era and our business industries are used to dealing with this phenomenon. Pacific Denims Ltd. has been operating business since 2003 and it is a profitable entity. Employee unrest is part of business and it is important to deal with labor unrest efficiently. We have different incentive packages for our employees so that they can be beneficial to such package. Because we believe that employees are very important part of our business and we all know that there are government rules relating to paying minimum wage.

q) **Seasonality of the business of the issuer**

Management Perception:
Garment sector is the leading industry of our country. It is also the 2nd largest industry of the world. Bangladesh is looking forward to earn 50 billion US dollar from this industry in near future. We run our business throughout the year. So it is not seasonal business.

r) **Expiry of any revenue generating contract that may adversely affect the business**

Management Perception:
In our country there are demands for denims fabric that is around 60 million yards on monthly basis for the garments industry. But, in Bangladesh, there are 25 companies who can supply only 30 million of denims fabric. Hence, Garment Sector has to import rest of the 30 million yards to meet up the demand. So there is great opportunity to increase manufacturing denim fabric and we are not at risk of losing any revenue generating contract that may adversely affect the business.

s) **Excessive dependence on debt financing which may adversely affect the cash flow.**

Management Perception:
For last five years we have been reducing our dependence on debt financing and it is now less than 1 in comparison with debt to equity ratio.

t) **Excessive dependence on any key management personnel absence of whom may have adverse effect on the issuer's business performance.**

Management Perception:
*Corporate Governance is well practiced in our company. We have also well placed o*rganogram in our company. So any change in the key management can be replaced with other person. It is mentioned-worthy that the industry is growing over 30 years. So we can hire key management as per our needs.

u) **Enforcement of contingent liabilities which may adversely affect financial condition.**

Management Perception:
We do not have any contingent liabilities which may adversely affect financial condition.

v) **Insurance coverage not adequately protect against certain risks of damages.**

Management Perception:
We have different insurance coverage for all the relating issues that are risky to operating our business.

w) **Absence of assurance that directors will continue its engagement with Company after expiry of lock in period.**

Management Perception:
Our directors are involved in the business for long time and they will continue the business after expiry of lock in period.

x) **Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure.**

Management Perception:
We have been a profitable entity over a long time and the profit is on the uptrend. So we are in belief that we will be able to pay dividend from our earning profit.

y) **History of non-operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors.**
History of non-operation indicates weak operational management of the Company. Non-operation leads to negative cash flow, incurring of losses and bankruptcy in worst case scenario.

Management Perception:
As a manufacturer we take our operation very seriously. We know, if operation is closed for one day that can hamper supply to our customers. In any situation, we do not compromise with our operation. Our company started commercial operation from March, 2003 and we are proud to declare that the company has never been non-operative till date. For the smooth operation, we are very serious about our responsibilities towards our employees and the society as a whole. In addition, we are self-sufficient with an uninterrupted power supply.

z) **Risks related to engagement in new type of business, if any.**

Management Perception:
There is no as such risk relating to engagement in new type of business.

aa) **Risk in investing the securities being offered with comparison to other available investment options.**

Management Perception:
We are profitable entity over long time and we have been operating our business efficiently. Therefore, it is not risky in investing securities in comparison with other available investment option.

bb) **Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law.**

Management Perception:
Such case did not happen in the history of our company.

cc) **Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case**

Management Perception:
No, we did not have any litigation relating to Tax, VAT or other government claims against of our company.

dd) **Registered office or factory building or place of operation is not owned by the issuer.**

Management Perception:
Our factory building is owned by us but corporate office is rented. So it is not a risk.

ee) **Lack of renewal of existing regulatory permissions/ licenses.**

Management Perception:
There is no such issue relating to lack of existing regulatory permissions/ licenses.

ff) **Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any of its subsidiaries or associates**

Management Perception:
There is no incident of failure in holding AGM or declaring dividend or payment of interest by the issuers.

gg) **Issuances of securities at lower than the IPO offer price within one year**

Management Perception:
Pacific Denim Ltd. is a profitable entity and it is experienced with growth over the years. So we believe that our IPO offer price will not be lower within one year.

hh) **Refusal of application for public issue of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission.**

Management Perception:
Such cases did not happen for our company and associates.

(ii) **External risk factors may include among others:**

a) **Interest Rate Risks;**
A business entity tends to get exposed to the unpredictability in the interest rates in the money markets. Higher rate and/or rising in the rate, of interests adversely affect the profitability of the company having outsiders' loan in its financing, sometimes casting significant doubt on the sustainability of the company.

Management Perception:
PDL is financially sound and operates with low independence on long term and short term debt. Average impact of interest rate fluctuation is insignificant. Production capacity is expanded with own funds. The management of the Company emphasizes on equity based financing to reduce the dependency on borrowings. The management strongly believes that fluctuation of interest rate would have a little impact upon the performance of the Company.

b) **Exchange Rate Risks;**

A business involved in overseas transactions may face a potential loss arising from fluctuation of foreign currency rates. The loss may be aggravated due to consistently downwards trends of Bangladesh Taka against other foreign currencies.

Management Perception:

PDL *settles its foreign transaction through US Dollars in cases of both export and import. While the value of functional currency fluctuates, the loss or gain arising from currency fluctuation for export automatically sets off against the loss or gain arising currency fluctuation for import. As the value of export is always greater than the value of import, some balance is created in the foreign currency transaction. Furthermore, the Company is contemplating about setting a system of hedging on foreign currency transactions in the future.*

c) **Industry Risks;**

Company's sales and revenues are dependent on the aggregate demand of its products. Any economic recession, changes in requirements, national income and other related factors may cause to decline the market demand of the company products.

Management Perception:

Strong brand loyalty of the company's products (Jeans/Denim fabric) to its customers has enabled the company to capture significant market share in the sector. Our customer includes Mark & Spancer, Tesco, Zara, H&M, Wal-mart etc. We are doing business for a long time with these types of super shops for a long time. Additionally, the company is continuously penetrating into the market and upgrading the quality of the products to minimize the market risks.

d) **Economic and Political risks;**

Economic risks;

Our performance and growth are dependent on the health of the Bangladesh economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, commodity and energy prices and various other factors. Any significant changes may adversely affect our business and financials.

Management Perception:

Bangladesh economy is booming for last few years. Consistent industrial growth along with increased agricultural production has made the Per Capita Income higher than that of recent years. In addition, favorable government policies and industry friendly policies by other regulatory bodies have proved to be congenial to the economy of the country.

Political risks;

Bangladesh is prone to serious unrest in the political condition which produces Hartal, Road-Block and many other barriers to the business. This could also propel the cost of the product upwards.

Management Perception:

During the last forty years of post-independence period, Bangladesh has gone through a variety of political situations. But presently, a sound political atmosphere is prevailing in the country. Both the ruling and opposition parties are committed to the betterment of the country. Last democratic national assembly election and local council polls are instances of peaceful political situation in Bangladesh.

e) **Market and Technology-related Risks;**

Market risks;
Refer to the risk of adverse market conditions affecting the sales and profitability of the company. Such as, shortage in raw material supplies, inefficient labor supplies, fall in product demand, etc. which signifies the adverse external and internal business environment. Those types of risks may impede the success of the business.

Management perception:
The company operates in the back-ward linkage industry of textiles sector in Bangladesh. The product of the company (denim fabrics) is ultimately consumed by the garment manufacturers, who finally export their finished goods to the foreign markets. Examples of PDL's ultimate consumers include such world renowned brand name as George, Polo, Next, Tesco, Mexx, Tommy, Lee Hang Fat, Gemo, Aldi, Kik, Adams, Woolworth, Gulden Pfenning. It is notable that Bangladesh has recently been one of the prime denim producers in the world because of its low cost and superior quality. Therefore, aggregate demands of the company products remain always at high.

Technology-related risks;
Stems from the contemporary changes in the technology which make the existing technology obsolete or reduces its cost efficiency compared to that of the competitors. New entrant may come forward with a more sophisticated technology which can give a threat to the cost efficiency of the company.

Management perception:
The project is equipped with world's modern and latest machinery and technology and to cope with the pace in harmony with modern textile world the Company is continuing modernization program of its machinery. The plant and machinery implanted in the company's manufacturing plant, which are imported from world renowned brand name, are efficient and cost effective in its kind. The management of the company is aware of any technological changes in the future.

f) **Potential or existing government regulations;**
The Company operates under the Companies Act, 1994; Securities Related Ordinance, Act, Rules and Regulations; Income Tax Ordinance 1984; Value Added Tax (VAT) Act, 1991; and contemporary notifications made under those laws. Any unexpected changes of the policies made by the regulatory authorities may adversely affect the business of the Company.

Management perception:
Economy of Bangladesh has been developing over the decades because of business friendly rules and regulations adopted by the various regulatory bodies of the country. Our fiscal policy gives various incentives to the newly established companies so that it can grow and mature. Unless any policy change negatively and materially affects the industry as a whole, the business of the Company is expected not to be affected. The textile sector is largest contributor to the GDP and contributes to a major portion of the total foreign exchange earned by the country. This sector generates the maximum employment among all the industries. Therefore, it is highly unlikely that the Government will frustrate the growth of the industry with an adverse policy.

g) **Potential or existing changes in global or national policies;**
Every company operates under the economic policies formulated and imposed by the political government. The government tends to reshape these policies time to time for the sake of greater interest of the country's economy. Sometimes those changes in existing policy or any future policy framework adversely affects the smooth operation of the companies.

Management perception:
Since the independence, all the governments of our country have shown objectivity and sincerity in developing industrial sector of the country. In the fiscal policies, there are various protective measures to protect the local industries against any sort of aggressive moves by global entrants. The

government of the country has also taken a number of initiatives for the local business to market their products in the international arena. The company can prosper in a situation of political stability and a congenial business environment. The management of the company is always concerned about the prevailing and upcoming further changes in the global or national policy and shall response appropriately and timely to safeguard its interest.

h) **Statutory clearances and approvals those are yet to be received by the issuer;**

Management Perception:
We have been in the business over 12 years. We have collected all the statutory clearance to operate our business. Hence, there are no as such risk for our company.

i) **Competitive condition of the business;**
PDL is operating in a free market economy regime. The company might have to face stiff competition from its competitors. Easily availability of global products in the local markets adds to the competition, challenging the profitability of the business.

Management Perception:
Bangladesh is the prime source of cheapest labor in the world, gaining comparative advantages for its industries over their global competitors. Other overhead costs are also low in Bangladesh. As a result, the company has been able to maintain its cost of products most competitive. Moreover, over the last few years the company has built a trustworthy relationship with its customers, which helps the company avoid competition with others.

j) **Complementary and supplementary products/services which may have an impact on business of the issuer.**

Management Perception:
The company has not faced any challenges relating to supplementary and complementary products and Management are concerned with the issue. In future, if necessary, management may diversify the product to be competitive over the competitors.

CHAPTER (XXI): DESCRIPTION OF THE ISSUE

a) Issue Size:

a. Number of securities to be issued;
Public issue of 75,000,000 ordinary shares.

b. Authorized capital and paid-up capital;
Authorized capital: Tk. 1,200,000,000.00
Paid-up capital: Tk. 380,000,000.00

c. Face value, premium and offer price per unit of securities;
Face Value: Tk. 10.00
Offer Price per unit of securities: Tk. 10.00

d. Number of securities to be entitled for each category of applicants;

Category	Particulars	Number of Shares	Issue Price per Share	Amount in BDT
Eligible investors (EIs)	10% of IPO i.e. 2,000,000 Ordinary Shares shall be reserved for Mutual Funds	7,500,000	10.00	75,000,000
	40% of IPO i.e. 8,000,000 Ordinary Shares shall be reserved for Other Eligible Investors (EIs)	30,000,000		300,000,000
General public	10% of IPO i.e. 2,000,000 Ordinary Shares shall be reserved for Non Resident Bangladeshis (NRBs)	7,500,000		75,000,000
	40% of IPO i.e. 8,000,000 Ordinary Shares shall be reserved for ক্ষতিগ্রস্থ ক্ষুদ্র বিনিয়োগকারী and General Public	30,000,000		300,000,000
Total		75,000,000		750,000,000

e. Holding structure of different classes of securities before and after the issue;
The Company has issued only ordinary shares. Holding structure of different classes of securities before and after the issue are as follows:

Sl. No.	Category of Shareholders	No. of Ordinary Shares Hold		Percentage of Holding	
		Pre-IPO	Post-IPO	Pre-IPO	Post-IPO
1	Sponsors & Directors	35,000,000	35,000,000	92.11%	30.97%
2	Institutional	-	30,000,000	0.00%	26.55%
3	Mutual fund	-	7,500,000	0.00%	6.64%
4	Individual	3,000,000	33,000,000	7.89%	29.20%
5	Non Resident Bangladeshis (NRBs)	-	7,500,000	0.00%	6.64%
Total		38,000,000	113,000,000	100.00%	100.00%

f. Objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital.

Proceeds from Initial Public Offering (IPO) will be used for following purposes:

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
IPO Expenses	20,620,000
Total	**750,000,000**

Apart from above **Tk. 2.062** Crore will be used for IPO expenses out of total IPO proceeds. The Feasibility report in respect enhance paid-up capital as prepared by Mr. Sarker Abdullah Al Shafee, MBA (IBA), MBS (MGT) DU is enclosed below:

Feasibility in respect of enhanced paid-up capital.

Particulars	Audited	Projected		
	2015 Amount in Tk.	2016 Amount in Tk.	2017 Amount in Tk.	2018 Amount in Tk.
NON-CURRENT ASSETS	**860,497,363**	**1,060,403,638**	**1,228,281,583**	**1,168,152,079**
Property, Plant & Equipment	860,497,363	1,060,403,638	1,228,281,583	1,168,152,079
CURRENT ASSETS	**1,208,500,481**	**1,564,679,246**	**1,547,684,624**	**1,771,250,218**
Inventories	378,112,560	439,069,604	496,148,653	555,686,491
Trade & Other Receivables	526,419,836	594,854,415	693,952,017	762,881,834
Advances, Deposits & Prepayments	243,677,608	255,861,488	286,564,867	358,206,083
Fixed Deposit	38,833,257	38,833,257	38,833,257	38,833,257
Cash & Cash Equivalents	21,457,220	236,060,482	32,185,830	55,642,553
CURRENT LIABILITIES & PROVISIONS	**341,203,090**	**373,216,382**	**448,786,023**	**503,664,162**
Trade & Other Payables	17,598,438	13,198,828	24,417,832	28,324,685
Short-Term Borrowings	119,190,451	123,958,069	142,551,780	149,679,369
Long-Term Borrowings-Current portion	118,908,979	118,908,979	118,908,979	118,908,979
Provision for Income Tax	71,909,198	100,155,476	137,074,988	177,043,818
Accrued Expenses	13,596,023	16,995,029	25,832,444	29,707,311
NET CURRENT ASSETS	**867,297,391**	**1,191,462,864**	**1,098,898,601**	**1,267,586,056**
NET ASSETS	**1,727,794,754**	**2,251,866,502**	**2,327,180,184**	**2,435,738,135**
SHAREHOLDERS' EQUITY	**1,004,287,587**	**1,894,847,617**	**2,087,013,844**	**2,314,832,218**
Share capital	380,000,000	1,130,000,000	1,130,000,000	1,130,000,000
Revaluation Reserve	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
Retained Earnings	332,837,021	473,397,052	665,563,279	893,381,653
LONG TERM LIABILITY	**723,507,168**	**357,018,886**	**240,166,339**	**120,905,917**
Long Term Borrowings	671,810,437	302,901,458	183,992,479	65,083,500
Deferred Tax Liability	51,696,731	54,117,428	56,173,861	55,822,418
LIABILITIES & SAHREHOLDERS' EQUITY	**1,727,794,754**	**2,251,866,502**	**2,327,180,183**	**2,435,738,135**

Statement of Comprehensive Income (Projected)

Particulars	Audited	Projected		
	2015 Amount in Tk.	2016 Amount in Tk.	2017 Amount in Tk.	2018 Amount in Tk.
Turnover	1,682,536,409	1,934,916,870	2,128,408,557	2,256,113,071
Cost of Sales	(1,414,385,323)	(1,634,230,789)	(1,798,079,549)	(1,904,836,266)
Gross Profit	**268,151,086**	**300,686,082**	**330,329,008**	**351,276,805**
Less: Operating Expenses:	**26,366,525**	**47,621,142**	**29,387,135**	**31,619,745**
Office & Administrative Expenses	21,326,221	42,472,467	23,672,105	25,447,513
Selling & Distribution Expenses	5,040,304	5,148,675	5,715,029	6,172,232
Operating Profit	**241,784,560**	**253,064,940**	**300,941,873**	**319,657,060**
Financial Expenses	(125,880,088)	(82,545,589)	(70,758,466)	(53,245,845)
Other Income	2,259,613	707,654	958,764	1,024,546
Net Profit Before Tax	**118,164,085**	**171,227,005**	**231,142,171**	**267,435,761**
Income Tax Expenses	**(18,176,535)**	**(30,666,974)**	**(38,975,944)**	**(39,617,387)**
Current Income Tax Expenses	(17,870,053)	(28,246,278)	(36,919,511)	(39,968,830)
Deferred Tax Expenses	(306,482)	(2,420,697)	(2,056,433)	351,443
Net Profit for the year	**99,987,550**	**140,560,030**	**192,166,227**	**227,818,374**
Basic Earnings Per Share (EPS)	**2.63**	**1.24**	**1.70**	**2.02**

- Dividend is not considered

The assumptions for these projections are as follows:
(Each year calculation is made comparing with respective previous year)

The projected financial statement has been prepared on underlying assumption				
Assumption indicator	**Assumption's Basis**	**Assumptions Years**		
		31-Dec-16	**31-Dec-17**	**31-Dec-18**
Capacity Increase	Capacity will be increased as new instruments will be introduced.	12.06%	8.72%	0%
Capacity utilization	Capacity utilization will be almost same.	75-80%	80%	80%
Sales Revenue	Sales revenue will be increased for increasing quality, quantity and unit price.	15%	10%	6%
Operating expenses	Operating expenses will be increased due to increase of production and sales. IPO expense will lead to the higher increase of Operating expenses in the year 2016.	80.61%	-38.29%	7.60%
Fixed Asset Addition	Fixed Asset will be increased in every year for the purpose of production increase and office administration.	254,025,754	231,880,000	7,056,190
Paid up Capital	Paid up Capital will be increased by Tk. 750,000,000 through IPO in the year 2016.	750,000,000	0	0
Long term Loan Repayment	Tk. 250,000,000 will be paid from IPO proceeds & current portion will be paid in 2016 and the current portion will be paid in other years.	368,908,979	118,908,979	118,908,979
Dividend	Dividend is not considered here as the decision is not predetermined.	-	-	-

CHAPTER (XXII): USE OF PROCEEDS

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 (Detail as at page-83)		20,620,000
Net IPO Proceeds		**729,380,000**

(a) **Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up;**

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
Total	**729,380,000**

Business Expansion is as follows:

Particulars		Amount in Tk.
01. Building & Other Civil Works		298,373,723
02. Capital Machinery & Equipment:		
Cost of Machinery	158,496,000	
Excise duty, Clearing, Insurance, Commission, Pre-Shipment Inspection (PSI) & Carrying	12,186,187	
Installation	10,324,090	
Sub - Total		181,006,277
Total		**479,380,000**

Details of Building & Other Civil Works:

Sl.	Particulars	Area (sqft)	Rate per sqft	Amount in Tk.
A	Factory Building with heavy foundation for installing heavy machinery	150,000	1742.50	261,373,723
B	Factory Office Building			37,000,000
Total				**298,373,723**

A. Details of Factory Building with heavy foundation for installing heavy machinery:

a. Details of Heavy foundation:

Name of Work (Civil Work)	Item Name	Unit	Size	Qty.	Unite Rate (Tk.)	Amount (Tk.)
Pile	M.S. Rod		16mm	325,000	65	21,125,000
			10mm	165,000	65	10,725,000
	Cement			30,096	475	14,295,600
	Sand		Sylhet sand	25,000	35	875,000
	C. Aggregate		3/4" Stone	41,200	160	6,592,000
Pile Cap	M.S. Rod		20mm	25,000	65	1,625,000
			16mm	40,000	65	2,600,000
	Cement			4,752	475	2,257,200
	Sand		Sylhet sand	7,920	35	277,200
	C. Aggregate			15,840	140	2,217,600
Column	M.S. Rod		20mm	9,240	65	600,600
			16mm	10,560	65	686,400
			10mm	6,600	65	429,000
	Sand		Sylhet sand	1,422.4	35	49,784
	C. Aggregate		3/4" Stone	1,848	160	295,680
	Cement			396	475	188,100
Grade Beam	MS Rod		16mm	57,000	65	3,705,000
			10mm	12,000	65	780,000
	Cement			6,200	475	2,945,000
	Brick Chips			31,370	70	2,195,928
	Sand			15,664.8	35	548,268
Floor Finishing (RCC)	MS Rod	Ton	12mm	100,000	65	6,500,000
		Ton	10mm	30,000	65	1,950,000
	Cement			14,250	475	6,768,750
	Brick Chips			71,000	70	4,970,000
	Sand			35,712	35	1,249,920
Floor NCF		Bag		2,500	475	1,187,500
Floor NCF (Epoxy-1)		Sq.ft.		150,348	100	15,034,800
Floor NCF (Epoxy-2)		Sq.ft.		150,348	100	15,034,800
Column Plastering	Cement			64	475	30,400
	Sand	cft		326	35	11,403
Column Painting				4,224	40	168,960
Contractor (Piling)		rft		63,360	200	12,672,000
contractor (Civil)				150,348	204	30,644,284
					Total	171,236,177

b. Details of Factory Building Structure:

A. Basic Building Prices (Including Insulation)			
Particulars		**Covered Area (Sft)**	**Building Price, Taka**
Price of PEB Steel Structure (i.e. Column, Rafter, Purlin, Girt, Base Plate, Joint Plates, Purlin & Girt Cleats, Template, Bracing, Nut & Bolts etc.)		150,348	
Panels and Panel Accessories (Roof and Both Side Wall Sheeting, Capping, Flashing, Fasteners, Gutter, Down Pipe, End Stop, Gable Runner, Trims etc.)			81,957,546
Double Sliding Door (Height: 3m, Width: 3m)		10 Nos	780,000
Canopy (Projection: 2.5m, Width: 6.09m)		10 Nos.	750,000
			83,487,546
B. Supply, Transportation & Erection			
No.	Description	Quantity	Price (Tk.)
1	Transportation & Erection	Full Structure	4,586,000.00
Sub Total B			4,586,000.00
Total Price (A+B)		Tk. 8,80,73,546.00 (585.7 Tk./Sft)	
C. Additional Price			
No.	Description	Quantity	Price (Tk.)
1	Sky Lith (3.0mX1.0M)	184 Nos.	828,000.00
2	Site Painting (Two coat Enamel paint)	Steel Surface	1,236,000.00
Sub Total C			2,064,000.00
Total Price (A+B+C)		(599.52Tk./sft) **Tk. 9,01,37,546**	

B. Details of Factory Office Building:

Name of Work (Civil Work)	Item Name	Unit	Size	Quantity	Unit Rate (Tk)	Amount (Tk)
Earth Cutting		cft		20,000	40	800,000
Pile	M.S. Rod	kg	16 mm	15,000	65	975,000
		kg	8 mm	10,500	65	682,500
	Cement	bag	-	1,960	450	882,000
	Sand	cft	Sylhet Sand	3,745	55	205,975
		cft	Local Sand	6,661	28	186,508
	C. Aggregate	cft	Shingle	10,464	135	1,412,640
Pile Cap	M.S. Rod	kg	20 mm	3,857	65	250,705
		kg	16 mm	3,786	65	246,090
		kg	12 mm	7,750	65	503,750
	Cement	bag	-	428	450	192,600
	Sand	cft	Sylhet Sand	645	55	35,475
		cft	Local Sand	1,033	28	28,924
	C. Aggregate	cft	Stone chips	1,507	160	241,120
	B.F.S	Nos	Bricks	9,667	9.5	91,837
	C.C. Aggregate	bag	Cement	100	450	45,000
		cft	Sand	305	28	8,540
		cft	Brick chips	5,267	60	316,020
		cft	Picket Bricks	6,428	9.5	61,066
Column	M.S. Rod	kg	20 mm	7,000	65	455,000
		kg	16 mm	7,600	65	494,000
		kg	12 mm	8,500	65	552,500
		kg	10 mm	5,500	65	357,500
	Cement	bag		430	450	193,500
	Sand	cft	Sylhet Sand	650	55	35,750
	C. Aggregate	cft	Local Sand	650	28	18,200
		cft	Stone chips	1,500	160	240,000
		cft	Brick Chips	500	60	30,000
Beam & Slab	M.S. Rod	kg	20 mm	1,000	65	65,000
		kg	16 mm	6,500	65	422,500
		kg	12 mm	8,500	65	552,500
		kg	10 mm	12,000	65	780,000
	Cement	bag	-	2,000	450	900,000
	Sand	cft	Sylhet Sand	800	55	44,000

		cft	Local Sand	5,500	28	154,000
	C. Aggregate	cft	Stone chips	1,500	160	240,000
		cft	Brick Chips	5,500	60	330,000
	Bricks	cft	Picket Bricks	85,000	9.5	807,500
Septic Tank, U.G.W.R & Stair	M.S. Rod	kg	12 mm	4,500	65	292,500
		kg	10 mm	4,500	65	292,500
	Cement	bag	-	250	450	112,500
	Sand	cft	Sylhet Sand	600	55	33,000
		cft	Local Sand	1,000	28	28,000
	C. Aggregate	cft	Stone chips	600	160	96,000
		cft	Brick Chips	500	60	30,000
	Bricks	Nos	Picket	7,000	9.5	66,500
Brick Work	1st class Brick	Nos	-	14,0000	9.5	1,330,000
	Cement	bag	-	200	450	90,000
	Sand (Local)	cft	-	1,000	28	28,000
Ceiling Plaster, Inner & Outer	Cement	bag	-	100	450	45,000
	Sand (Local)	cft	-	500	28	14,000
Finishing Work:						-
Tiles	-	SFT	Floor	13,000	135	1,755,000
	-	SFT	Wall	7,000	120	840,000
Thai Glass	Including labor cost			2,200	400	880,000
Grill	-	SFT	-	1,400	135	189,000
Door	-	Nos	-	70	20000	1,400,000
Paint	Distemper	Dram	-	25	3800	95,000
	Plastic Paint	Dram	-	60	4200	252,000
	Weather Coat	Dram	-	25	5500	137,500
	Sealer	Dram	-	59	3200	188,800
	Putty	Dram	-	50	2000	100,000
Ceramic Bricks	-	-	-	8,750	120	1,050,000
Sanitary	Toilet	Nos	-	20	25000	500,000
	Kitchen	Nos	-	10	12000	120,000
Electrical	-	-	-	-	-	800,000
Tiles (Roof Top & Parking)	-	SFT	-	1,200	60	72,000
Railing (Verandah & Stair)	-	-	-	1	150000	150,000
Lift	-	-	-	2	2000000	4,000,000
Generator	-	-	-	1	2000000	2,000,000
Substation	-	-	-	1	1500000	1,500,000
Labor Cost	Civil			20,000	200	4,000,000

	Electrical					150,000
	Sanitary					150,000
	Tiles					250,000
	Paint					125,000
Total Cost of Construction						-
						37,000,000

Details of Cost of Machinery:

SL.	Name of the Machinery	Country of Origin & Supplier	Qty	Unit Price (US $)	(Fig. in US$)	Amount in Tk.
1	Loom	Picanol, Belgium	25	50,000	1,250,000	97,500,000
2	Dyeing Jigger Machine (Neuweg) HRJR101-180	Neuweg Machinery M. Co. Ltd., China	1	35,000	35,000	2,730,000
3	Compressor Machine	Confidence Int., China	1	140,000	140,000	10,920,000
4	ETP	Protex International, Korea	1	100,000	100,000	7,800,000
5	Generator (Gas/Diesel) (Caterpillar)	BTO Singapore Pte Ltd., USA	1	307,000	307,000	23,946,000
6	Boiler	Neuweg Machinery M. Co. Ltd., China	1		150,000	11,700,000
7	Standard Accessories				50,000	3,900,000
Total (A)					**2,032,000**	**158,496,000**

Excise duty, Clearing, Insurance, Commission, Pre-Shipment Inspection (PSI) & Carrying (B)	12,186,187
Installation (C)	10,324,090
Total Machinery cost (A+B+C)	**181,006,277**

(b) **Where the sponsors' contribution or privately placed fund has been brought prior to the public issue and has already been deployed by the issuer, indication of use of such funds in the cash flow statement;**
TK. 280,000,000.00 (Twenty-Eight Crore) has been raised through bonus prior to the public issue on dated 05.07.2012.

(c) **If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture;**
The Company has no objects to investment in such type of ventures by using Use of IPO proceeds.

(d) **If IPO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds;**
The Company has been running its business with name and fame and enjoying profit growth over the years. For the year ended 31 December 2015, Company's net profit after tax stood at Tk. 99,987,550. Therefore, the additional fund required to complete the proposed expansion will be arranged from its organic sources of cash generation.

(e) **A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer;**

Sl. No.	Particulars	Progress made so Far	Approximate date of Completion of the projects	Projected date of full commercial operation
1	Partial Loan Pay off	After receiving IPO fund	After 3 (Three) month of receiving IPO fund	-
2	Land Acquisition	No land is required to acquired	-	-
3	Building & Other Civil Works	Construction & other civil works will be started after receiving of IPO fund	After 24 (Twenty-Four) months of receiving IPO fund	Within six month of the completion of the project
4	Capital Machinery & Equipment	Acquisition and Installation of Machineries will be started after receiving of IPO fund		

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

Sd/-
Md. Abdul Halim
Chief Financial Officer

Sd/-
Md. Shadequl Alam (Yeasin)
Chairman

(f) **If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus;**
There is no such contract yet to be engaged by the Company.

(g) **If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item wise break-up of last three years working capital and next two years projection;**
Not applicable for the Company.

(h) **Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project wise, as the case may be;**
The company has a plan to implement expansion by using IPO proceeds, which have been mentioned in use of IPO Proceeds and project implementation schedule.

(i) **Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented;**
The Company has a plan to implement expansion by using IPO proceeds after receiving the funds, which have been mentioned in use of IPO Proceeds and project implementation schedule.

(j) **The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies;**
There is no existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies.

(k) **Summary of the project appraisal/ feasibility report by the relevant professional people with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal/ feasibility report.**

Summary

Under The Entity	:	Pacific Denims Limited
Type of the Industry	:	Textile
Factory Location	:	Natun Charchasi, Gazaria, Munshiganj, Bangladesh.
Cost of the Expansion (in Crore)	:	47.938
Total Equity of the Expansion (in Crore)	:	47.938

Capacity of the Expansion:

Yds/Year

Particulars	2015	2016	2017	2018
	Actual	Projected		
Installed Capacity	18,450,000	20,675,070	22,477,936	22,477,936

Means of finance

The aforesaid expansion will be established through using IPO Proceeds.

Sd/-

Sarker Abdullah Al Shafee

MBA (IBA), MBS (MGT) DU

CHAPTER (XXIII): LOCK-IN

Ordinary shares of the issuer shall be subject to lock-in, from the date of issuance of prospectus or commercial operation, whichever comes later, in the following manner:

(1) All shares held, at the time of according consent to the public offer, by sponsors, directors and shareholders holding 5% or more shares, other than alternative investment funds, for 03(three) years;

(2) All shares allotted, before 02(two) years of according consent to the public offer, to any person, other than alternative investment funds, for 03(three) years;

(3) In case any existing sponsor or director of the issuer transfers any share to any person, other than existing shareholders, within preceding 12 (twelve) months of submitting an application for raising of capital or initial public offer (IPO), all shares held by those transferee shareholders, for 03(three) years;

(4) 25% of the shares allotted to eligible investors, for 03 (three) months and other 25% of the shares allotted to them, for 06 (Six) months;

(5) All shares held by alternative investment funds, for 01(one) year; and

(6) Shares allotted, within two years of according consent to the public offer, to any person other than the shares mentioned in sub-rules (1), (2), (3), (4), and (5) above, for 01(one) year.

The following table indicates the **Lock-In** status of the shareholders of Pacific Denims Limited:

SL	Name of Shareholders	Position	No. of Shares	Holding %	BO ID	Date of acquisition	*Lock-in Period
1	Md. Shafiul Azam (Mohsin)	MD & Director	16,340,950	43.003%	1202090060736902	20-Mar-03	3 Yrs.
2	Md. Shadequl Alam (Yeasin)	Chairman	9,496,200	24.990%	1202090060736945	20-Mar-03	3 Yrs.
3	Shahida Khanom (Swarna)	Shareholder	950	0.003%	1202090060736988	20-Mar-03	3 Yrs.
4	Md. Moazzem Khan	Shareholder	950	0.003%	1202090060736961	23-Jan-07	3 Yrs.
5	Md. Younus Ali	Shareholder	950	0.003%	1202090060736996	20-Mar-03	3 Yrs.
6	Mr. Sohel Khan	Director	6,500,000	17.105%	1202090060736929	23-Jan-07	3 Yrs.
7	Disney Properties Ltd.	Director	2,660,000	7.000%	1202090060736889	23-Jan-07	3 Yrs.
8	Md. Ashfak Ahmed Khan	Independent Director	-	0.000%	-	-	-
9	Md. Tazul Islam	Shareholder	500,000	1.316%	1202830048267036	5-Jul-12	3 Yrs.
10	Md. Kabiruddin Ahmed	Shareholder	50,000	0.132%	1204730058970110	5-Jul-12	3 Yrs.
11	Md. Hamid Ullah Khan	Shareholder	350,000	0.921%	1605550061066092	5-Jul-12	3 Yrs.
12	Asif Iqbal Chowdhury	Shareholder	90,000	0.237%	1605550059758671	5-Jul-12	3 Yrs.
13	Hoq Mahbub Morshed	Shareholder	50,000	0.132%	1202300053815837	5-Jul-12	3 Yrs.
14	Shajeda Begum	Shareholder	450,000	1.184%	1202300054217381	5-Jul-12	3 Yrs.
15	Hoque Mahtab Morshed	Shareholder	175,000	0.461%	1202300053815845	5-Jul-12	3 Yrs.

16	Md. Sharif Hossain	Shareholder	50,000	0.132%	120473005613882	5-Jul-12	3 Yrs.
17	Foysal Ahmed	Shareholder	100,000	0.263%	1203040058175818	5-Jul-12	3 Yrs.
18	A.S.A Muiz	Shareholder	250,000	0.658%	1605550007748542	5-Jul-12	3 Yrs.
19	Monjur Ahmed	Shareholder	250,000	0.658%	1201470004574669	5-Jul-12	3 Yrs.
20	Howa Nur Begum	Shareholder	50,000	0.132%	1201950060733007	5-Jul-12	3 Yrs.
21	Ahmed Tawfiqur Rahman	Shareholder	100,000	0.263%	1201960058384794	5-Jul-12	3 Yrs.
22	Sabrina Shabnam Rabbi	Shareholder	50,000	0.132%	1201710033880868	5-Jul-12	3 Yrs.
23	ATM Tahmiduzzaman	Shareholder	50,000	0.132%	1201710033279399	5-Jul-12	3 Yrs.
24	Md. Sayadur Rahman	Shareholder	100,000	0.263%	1204220000101539	5-Jul-12	3 Yrs.
25	S.M Iftheker Imam	Shareholder	25,000	0.066%	1202300004237654	5-Jul-12	3 Yrs.
26	Md. Abus Sultan	Shareholder	50,000	0.132%	1605570058021241	5-Jul-12	3 Yrs.
27	Enter IT (BD) Limited	Shareholder	50,000	0.132%	1605550050784695	5-Jul-12	3 Yrs.
28	Anita Sharmin	Shareholder	10,000	0.026%	1204500058527676	5-Jul-12	3 Yrs.
29	Md. Moallem Hossain	Shareholder	200,000	0.526%	1203570059189617	5-Jul-12	3 Yrs.
Total			**38,000,000**	**100.000%**			

[From the issue date of Prospectus]

CHAPTER (XXIV): MARKETS FOR THE SECURITIES BEING OFFERED

Stock Exchanges:
The issuer shall apply to the following bourses for listing shares within 7 (seven) working days from the date of consent accorded by the Commission to issue the prospectus:

Dhaka Stock Exchange Limited (DSE)
9/F, Motijheel C/A, Dhaka-1000; and

Chittagong Stock Exchange Limited (CSE)
CSE Building, 1080 Sheikh Mujib Road, Chittagong.

Declaration about Listing of Shares with Stock Exchanges:
None of the Stock Exchanges, if for any reason, grant listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the Company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchange, or from the date of expiry of the said 75 (seventy-five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the Company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer Company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days' time period allowed for refund of the subscription money.

Trading and Settlement;
Trading and Settlement Regulation of the stock exchanges will apply in respect of trading and settlement of the shares of the Company.

THE ISSUE SHALL BE PLACED IN "N" CATEGORY

CHAPTER (XXV): DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

(a) Dividend, voting and preemption rights;

The Share Capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting rights in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra-ordinary. On a show of hand, every shareholder presents in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the BSEC from time to time.

(b) Conversion and liquidation rights;

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

(c) Dividend policy;

i. The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
ii. No large dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net profit of the Company shall be conclusive.
iii. No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
iv. The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.
v. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
vi. No limitation in payment of dividend is stipulated in any debt instrument or otherwise.

(d) Other rights of the securities holders;

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as par law and International Accounting Standard to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as un audited, published by the company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition extra ordinary General Meeting of the company as provided for the section 84 of the Companies Act 1994.

CHAPTER (XXVI): FINANCIAL STATEMENTS

(a) **The latest financial statements prepared and audited by the Commission's panel auditors in adherence to the provisions of the Securities and Exchange Rules, 1987, the Companies Act, 1994, International financial Reporting and Auditing Standards as adopted in Bangladesh from time to time and Financial Reporting Act;**

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

We have audited the accompanying Financial Statements of **Pacific Denims Ltd,** Dhaka which comprises the Statement of Financial Position as at 31 December 2015 and Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and other explanatory notes forming part of the financial statements.

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

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

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

Basis of Opinion:
We have conducted audit in accordance with Bangladesh Standards on Auditing (BSA) and accordingly we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation.

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

Opinion
In our opinion and to the best of our information and according to the explanation given to us, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS) / Bangladesh Financial Reporting Standard (BFRS) present fairly in all material respects the financial position of the company as at 31 December 2015 and the result of its operation and its cash flows for the year then ended and comply with the Companies Act 1994, Bangladesh Securities and Exchange Commission Rules 1987 and other applicable laws and regulations.

We further report that:

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

b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;

c) the company's financial statements dealt with by the report are in agreement with the books of account; and

d) The expenditure incurred was for the purpose of the company's business.

Sd/-
MAHFEL HUQ & Co.
Chartered Accountants

Dated, Dhaka;
16 March 2016

PACIFIC DENIMS LIMITED
Statement of Financial Position
As at December 31, 2015

Particulars	Notes	2015 Amount in Tk	2014 Amount in Tk
NON-CURRENT ASSETS		**860,497,363**	**848,396,282**
Property, Plant & Equipment	18	860,497,363	820,224,742
Capital Work-in-Progress	19	-	28,171,540
CURRENT ASSETS		**1,208,500,481**	**1,088,864,476**
Inventories	20	378,112,560	328,250,641
Trade & Other Receivables	21	526,419,836	528,385,014
Advances, Deposits & Pre-Payments	22	243,677,608	224,290,120
Fixed Deposit	23	38,833,257	4,500,000
Cash & Cash Equivalents	24	21,457,220	3,438,701
CURRENT LIABILITIES & PROVISIONS		**341,203,090**	**359,635,746**
Trade & Other Payables	25	17,598,438	46,274,240
Short-Term Borrowings	26	119,190,451	125,797,685
Long-Term Borrowings-Current portion	33	118,908,979	118,908,979
Provision for Income Tax	27	71,909,198	59,039,146
Accrued Expenses	28	13,596,023	9,615,696
NET CURRENT ASSETS		**867,297,392**	**729,228,731**
NET ASSETS		**1,727,794,754**	**1,577,625,013**
SHAREHOLDERS' EQUITY		**1,004,287,586**	**904,300,037**
Share capital	29	380,000,000	380,000,000
Revaluation Reserve	30	145,690,413	145,690,413
Tax Holiday Reserve	31	145,760,152	145,760,152
Retained Earnings	32	332,837,021	232,849,471
LONG TERM LIABILITY		**723,507,168**	**673,324,976**
Long Term Borrowings net off Current portion	33	671,810,437	621,934,728
Deferred Tax Liability	34	51,696,731	51,390,249
LIABILITIES & SAHREHOLDERS' EQUITY		**1,727,794,754**	**1,577,625,013**
Net Asset Value Per Share (NAVPS)		**26.43**	**23.80**

These financial statements should be read in conjunction with the annexed notes 1 to 50 and were approved by the Board of Directors and were signed on its behalf by:

Sd/-	Sd/-	Sd/-
Chairman	**Managing Director**	**Chief Financial Officer**

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

Sd/-
Dhaka **Mahfel Huq & Co.**
Dated: 16 March 2016 **Chartered Accountants**

PACIFIC DENIMS LIMITED
Statement of Profit or Loss and other Comprehensive Income
For the year ended December 31, 2015

Particulars	Notes	2015 Amount in Tk.	2014 Amount in Tk.
Turnover	35	1,682,536,409	1,604,853,996
Cost of Goods Sold	36	(1,414,385,323)	(1,356,106,354)
Gross Profit		**268,151,086**	**248,747,642**
Operating Expenses:		**26,366,525**	**25,249,523**
Office & Administrative Expenses	37	21,326,221	20,350,186
Selling & Distribution Expenses	38	5,040,304	4,899,337
Operating Profit		**241,784,560**	**223,498,119**
Financial Expenses	39	(125,880,088)	(109,780,820)
Other Income	40	2,259,612	405,000
Net Profit Before Tax		**118,164,085**	**114,122,300**
Income Tax Expenses		**(18,176,535)**	**(17,298,136)**
Current Tax Expenses	41	(17,870,053)	(15,449,882)
Deferred Tax Expenses	42	(306,482)	(1,848,254)
Net Profit after Tax		**99,987,550**	**96,824,164**
Basic Earnings Per Share (EPS)	43	**= 2.63**	**= 2.55**

These financial statements should be read in conjunction with the annexed notes 1 to 50 and were approved by the Board of Directors and were signed on its behalf by:

Sd/-	Sd/-	Sd/-
Chairman	**Managing Director**	**Chief Financial Officer**

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

Sd/-
Dhaka **Mahfel Huq & Co.**
Dated: 16 March 2016 **Chartered Accountants**

PACIFIC DENIMS LIMITED

Statement of Changes in Equity
For the year ended December 31, 2015

Particulars	Share Capital	Share Money Deposit	Revaluation Reserve	Tax Holiday Reserve	Retained Earning	Total Equity
For 2014						
Balance at January 01 , 2014	380,000,000	58,200,000	145,690,413	145,760,152	185,646,052	915,296,618
Adjustment for previous year Income Tax	-	-	-	-	(78,750)	(78,750)
Adjustment for Deferred Tax Liability	-	-	-	-	(49,541,995)	(49,541,995)
	380,000,000	58,200,000	145,690,413	145,760,152	136,025,307	865,675,873
Net Profit Before Tax	-	-	-	-	114,122,300	114,122,300
Share Money Deposit	-	(58,200,000)	-	-	-	(58,200,000)
Current Tax Expenses	-	-	-	-	(15,449,882)	(15,449,882)
Deferred Tax Expenses	-	-	-	-	(1,848,254)	(1,848,254)
Balance at Decmber 31, 2014	380,000,000	-	145,690,413	145,760,152	232,849,471	904,300,037
For 2015						
Balance at January 01, 2015	380,000,000	-	145,690,413	145,760,152	232,849,471	904,300,037
Net Profit Before Tax	-	-	-	-	118,164,085	118,164,085
Current Tax Expenses	-	-	-	-	(17,870,053)	(17,870,053)
Deferred Tax Expenses	-	-	-	-	(306,482)	(306,482)
Balance at Decmber 31, 2015	380,000,000	-	145,690,413	145,760,152	332,837,021	1,004,287,586

These financial statements should be read in conjunction with the annexed notes 1 to 50 and were approved by the Board of Directors and were signed on its behalf by:

Sd/-	Sd/-	Sd/-
Chairman	**Managing Director**	**Chief Financial Officer**

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

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Dhaka
Dated: 16 March 2016

PACIFIC DENIMS LIMITED
Statement of Cash Flows
For the year ended December 31,2015

Particulars	2015 Taka	2014 Taka
A. Cash Flow from Operating activities :		
Cash Received from Customers & Others	1,684,501,587	1,575,491,018
Cash Received from other Income	2,259,612	405,000
Cash Paid to Suppliers, Employees and Others	(1,476,693,225)	(1,369,484,557)
Cash Generated from Operations	**210,067,975**	**206,411,461**
Interest Paid	(125,880,088)	(109,780,820)
Income Tax Paid	(8,268,019)	(2,711,385)
Net Cash from operating activities	**75,919,868**	**93,919,256**
B. Cash Flow from Investing activities :		
Acquisition of Property, Plant and Equipment	(66,836,567)	(8,895,150)
Paid against Capital Work-in-Progress	-	(10,402,962)
Fixed Deposit	(34,333,257)	-
Net Cash used by investing activities	**(101,169,824)**	**(19,298,112)**
C. Cash Flow from Financing activities :		
Received/Repaid of share Money Deposit	-	(58,200,000)
Received/Repaid of Short-term loan	(6,607,234)	(91,409,711)
Received/Repaid of Long-term loan	49,875,709	74,603,669
Net Cash used in Financing activities	**43,268,476**	**(75,006,042)**
Net Increase/(Decrease) in Cash and Cash Equivalents	18,018,520	(384,898)
Cash and Cash Equivalents at Beginning of year	3,438,701	3,823,599
F. Cash and cash equivalents at the end of the period (A+B+C)	**21,457,220**	**3,438,701**
Net Operating Cash Flow Per Share	**2.00**	**2.47**

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Financial Officer

Signed in terms of our separate report of even date annexed.

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Dhaka
Dated: 16 March 2016

PACIFIC DENIMS LIMITED
Notes to the Financial Statements as at and
For the year ended December 31, 2015

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 vide Extra Ordinary General meeting dated January 12, 2011.

2.00 Authorized Capital

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

3.00 Corporate Business

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

4.00 Corporate Financial Statements and Reportings

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

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

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

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

i) Statement of Financial Position as at December 31, 2015

ii) Statement of Profit or Loss and other Comprehensive Income for the year ended December 31, 2015

iii) Statement of Changes in Equity for the year ended December 31, 2015

iv) Statement of Cash Flows for the year ended December 31, 2015

v) Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements for the year ended December 31, 2015

5.00 Fundamental Accounting Concepts/ Assumption

The financial statements have been prepared based on Historical Cost Concept, Going concern assumption and on Accrual basis and such other convention as required by BAS-1 for fair presentation of financial statements.

6.00 Going Concern

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

7.00 Compliance with Bangladesh Accounting Standards (BAS)

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

BAS 1	Presentation of Financial Statements
BAS 2	Inventories
BAS 7	Statement of Cash Flows
BAS 10	Events after the Reporting Period
BAS 12	Income Taxes
BAS 16	Property, Plant And Equipment
BAS 17	Leases
BAS 18	Revenues
BAS 19	Employee Benefits
BAS 21	Effects of Changes in Foreign Currency Rates
BAS 23	Borrowing Costs
BAS 24	Related Party Disclosures
BAS 33	Earnings Per Share
BAS 36	Impairment of Assets
BAS 37	Provisions, Contingent Liabilities and Contingent Assets
BAS 39	Financial Instruments: Recognition and Measurement

8.00 Reporting Period

The period of the financial statements covers from 1st January to 31st December consistently.

9.00 Provisions

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

a. when the company has an obligation (legal or constructive) as a result of past events;

b. when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

c. when reliable estimates can be made of the amount of the obligation.

10.00 Segmental Reporting

No segmental reporting is applicable for the company as required by BAS 14: Segment Reporting as the company operates in a single industry segment and within a single geographical segment.

11.00 Events after the Reporting Period

In compliance with the requirements of BAS 10: Events After the Reporting Period, post balance events that provide additional information about the company's position at the balance date are reflected in the financial statements and events after the balance sheet date that are not adjusting events are disclosed in the notes when material.

12.00 Related Party Transactions

As per Bangladesh Accounting Standard -24: Related party disclosure. Parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decision. Pacific Denims Ltd carried out some transactions in the ordinary course of the business on arm's length basis at commercial rate with its related parties.

During the year the company carried out following related party transactions;

SL.	Related Parties	Relationship	Nature of Transaction Remuneration, Salary & Allowance/Receivable & Payable	Board Meeting Fees
1	Pacific Automobiles Ltd.	Payable	615,340	-
2	Pacific Aviation Ltd.	Receivable	2,736,500	-
3	Pacific Beverage & Food Ltd.	Receivable	10,295,159	-
4	Pacific Ceramic Ltd.	Receivable	523,490	-
5	Pacific Co (BD) Ltd.	Payable	1,235,450	-
7	Pacific Energy Ltd.	Receivable	219,125	-
8	Pacific Shipbuilding Ltd.	Receivable	84,295	-
9	Pacific Steel Mills Ltd.	Receivable	9,000	-
10	Pentex Fashions Ltd	Receivable	60,000	-
11	Symphony Enterprise Ltd.	Receivable	99,585	-
12	Md. Shadequl Alam (Yeasin)	Chairman	702,000	25,000
13	Md. Shafiul Azam (Mohsin)	Managing Director	1,200,000	30,000
14	Md. Sohel Khan	Director	-	20,000
15	Md. Ashfak Ahmed Khan	Independent Director	-	20,000
16	M.A. Kamal Bhuiyan	Nominee Director (Disney Properties Ltd.)	-	20,000

13.00 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

14.00 Functional and Presentational (Reporting) Currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), Which is the companys' functional currency. All financial information presented have been rounded off to the nearest Taka except where indicated otherwise. Figures in brackets indicate deductions.

15.00 Comparative Information and Rearrangement Thereof

Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

16.00 Effects of Changes in Foreign Currency Rates

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

17.00 Principal Accounting Policies

The specific accounting policies selected and applied by the company's directors for significant transactions and events that have material effect within the framework of BAS-1 "Presentation of

Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years. For a proper understanding of the financial statements, these accounting policies were set out above in one place as prescribed by the BAS-1 "Presentation of Financial Statements". The recommendations of BAS-1 relating the format of financial statements were also taken into full consideration for fair presentation.

17.01 Recognition of Tangible Fixed Assets

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

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

17.02 Capital Work-in-progress

Capital work-in-progress is stated at cost. These are expensed of a capital nature directly incurred in the construction of factory building and erection of Plant & Machinery. No depreciation is charged on the capital work-in-progress which is in accordance with BAS-16. Entire amount of capital work in progress has been added to property, plant & equipment.

17.03 Depreciation of Tangible Fixed Assets

Depreciation on property, plant & equipment other than Land & Land Development is computed using the reducing balance method so as to write off the assets over their expected useful life. After considering the useful life of assets as per BAS-16 Property, Plant and Equipment the annual depreciation rates have been applied as under which is considered reasonable by the management.

Particulars/Name of Assets	2015	2014
Land & 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%

17.04 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. BAS 36.

17.05 Revenue Recognition

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

17.06 Revaluation of Property, Plant and Equipment

The increase value of land and land development arisen due to revaluation of assets as per BAS-16. The effective date of revaluation to the Financial Statements was 31st December 2010. In the year 2010 , the Company made valuation of its Land and Land Development by independent valuation specialist M/S. Ata Khan & Co, Chartered Accountants following current cost method at Tk. 18,00,00,000/- resulting a valuation surplus of Tk. 14,56,90,413/-. Revaluation surplus has been transferred to revaluation reserve.

17.07 Accrued Expenses and Other Payables

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

17.08 Inventories

Valuation of inventories have made on cost or market value which ever is less as per BAS-2. Inventories comprises of raw materials, Work-in-Process, Finished goods and Stores & Spares. Raw materials and Stores and Spares have been valued at average cost. Work-in-Process have been valued at prime cost basis as required by BAS-2 with proportionate addition of Factory Overheads. Finished goods have been valued at cost of material and other production OH attributable to bringing the goods to the state of sale under the convention of BAS-2.

17.09 Income Tax-Current

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

Provision for Tax Holiday Reserve

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

Deferred Tax Liability

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

The company introduces Deferred Tax since 2014 which is recognized in Statement of Financial Position and Statement of Profit or Loss and other Comprehensive Income. The prior year adjustment is also recognized in the Retained Earnings.

Income Tax Payments Status

Income Tax Assessment was completed up to the year 2007-2008 to 2011-2012 and certificates already collected and completed for the year 2012-2013 by Deputy Commissioner of Taxes against which appeal is pending. The assessment year 2013-2014 & 2014-2015 is under process. The company has tax liability of Tk.7,19,09,198 against which advance tax paid Tk.1,69,72,244.

17.10 Cash and Cash Equivalents

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

17.11 Statement of Cash Flows

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

17.12 Borrowing Costs

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

17.13 Earnings Per Share

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

Basic Earnings

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

Weighted Average Number of Ordinary Shares Outstanding during the year

The basis of computation of number of shares is in line with the provisions of BAS-33 : Earnings Per Share. Therefore, the total number of shares outstanding at the end of the year multiplied by a time weighting factor which is the number of days the specific shares were outstanding as a proportion of total number of days in the period. The company had no such reason as to which shares to be weighted.

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.

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

As per Section 232 of Bangladesh Labor Act. 2006, which states that in sub-section 2 "The Government may, by notification in the official Gazette apply this chapter to such other companies as it may specify therein." And in sub-section 3 "Notwithstanding anything contained in sub-section (1) and (2), in industrial sector which is hundred percent export oriented or which is hundred percent foreign invested, the government may, by rules, for the beneficiaries working in such sectors, from sector-wise a central fund consolidating buyers and owners, fund management board, determine amount of donation and procedure for recovery thereof, adopt rules for using money of that fund and relevant other necessary rules. Provided that, such board, may adopt regulations for the purpose of this section."

17.15 Financial Instruments

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

Financial Assets

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

Initial Recognition

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

Trade Receivable

Trade receivable are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amount at the period end.

Financial Liabilities

The company initially recognizes financial liabilities on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities are recognised initially at fair value less any directly attributable transactions cost. Subsequently to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Financial liabilities include loan and borrowing, trade creditors, liabilities for expenses and liabilities for other finance.

		Amount in Taka	
		2015	2014
18.00	**Property, Plant and Equipments**	**Tk. 860,497,363**	**Tk. 820,224,742**

This represents the written down value of assets as at 31-12-2015 at historical cost.
This has been arrived as under:

A. Cost:		
Opening Balance	1,277,084,876	1,268,189,726
Add: Addition during the period	95,008,107	8,895,150
	1,372,092,983	**1,277,084,876**
B. Accumulated Depreciation		
Opening Balance	456,860,134	399,407,949
Add: Depreciation Charged during the year	54,735,486	57,452,185
	511,595,620	456,860,134
(A-B) Written down Value	**860,497,363**	**820,224,742**

The details of above has been shown in Annexure " A"

19.00	**Capital Work-in-Progress**	**Tk. 0**	**Tk. 28,171,540**
	Plant & Machinery and Building & Other Construction		
	a) Opening:		
	Plant & Machinery	17,768,578	17,768,578
	Add: Installation	910,230	
		18,678,808	
	Transfer to Fixed Asset Sch.	**(18,678,808)**	
	Ending Balance	-	**17,768,578**
	b) Opening:		
	Buildings & Other Construction	10,402,962	10,402,962
	Add: During the year	60,366,357	-
		70,769,319	
	Transfer to Fixed Asset Sch.	**(70,769,319)**	
	Ending Balance	-	**10,402,962**
	Total Ending Balance	-	**28,171,540**

20.00	**Inventories :**		**Tk. 378,112,560**	**Tk. 328,250,641**
	The break-up of the amount is given below:			
	Yarn	(Notes #36.01)	80,433,796	67,654,963
	Dyes & Chemicals	(Notes #36.01)	33,266,246	31,114,588
	Packing Materials	(Notes #36.01)	7,455,810	6,778,009
	Spares & Parts	(Notes #36.04)	3,695,934	3,422,161
	Work-in- process	(Notes #36)	72,915,206	68,145,052
	Finished Goods	(Notes #36)	180,345,568	151,135,869
			378,112,560	**328,250,641**

Item wise details along quantity shown in Annex-B

21.00	**Trade and Other Receivables:**	**Tk. 526,419,836**	**Tk. 528,385,014**
	This is made-up as follows:		
	Trade Receivables (Notes-21.01)	512,392,682	508,129,552
	Other Receivables (Notes- 21.02)	14,027,154	20,255,462
		526,419,836	**528,385,014**

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

21.01	**Trade Receivables:**	**Tk. 512,392,682**	**Tk. 508,129,552**
	This is made-up as follows:		
	Opening Balance	508,129,552	478,766,574
	Add: Export During the year	1,682,536,409	1,604,853,996
		2,190,665,961	2,083,620,570
	Less: Realized during the year	(1,678,273,279)	(1,575,491,018)
		512,392,682	**508,129,552**

21.02	**Other Receivables :**	14,027,154	20,255,462
		14,027,154	**20,255,462**

The details of above has been shown in Schedule: Annex-D

22.00	**Advances, Deposits & Pre-Payments:**		**Tk. 243,677,608**	**Tk. 224,290,120**
	The break-up of the amount is given below:			
	Advances	(Notes #22.01)	242,775,608	223,388,120
	Deposits	(Notes #22.02)	902,000	902,000
			243,677,608	**224,290,120**

22.01	**Advances :**	**Tk. 242,775,608**	**Tk. 223,388,120**
	The break-up of the amount is given below:		
	Advance Against Salary	801,439	647,799
	Advance Against Goods, Spare, Services & Others **(Annex-E)**	49,173,142	41,900,438
	Advance to Suppliers & Contractors **(Annex-E)**	175,828,783	167,135,658
	Advance Income Tax (At Source)	16,972,244	13,704,225
		242,775,608	**223,388,120**

22.02	**Deposits:**	**Tk. 902,000**	**Tk. 902,000**
	Bank Guarantee	902,000	902,000
		902,000	**902,000**

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

Advance, Deposit and pre-payments exceeding 6 Months and considered good and secured	242,876,169	223,642,321
Advance, deposit and pre-payments considered good without security	-	-
Advance, deposit and pre-payments considered doubtful and bad	-	-
Advance, deposit and pre-payments due by directors or others officers	801,439	647,799
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	-	-
	243,677,608	**224,290,120**

23.00	**Fixed Deposit**	**Tk. 38,833,257**	**Tk. 4,500,000**
	Fixed Deposit with Prime Bank	38,833,257	4,500,000
		38,833,257	**4,500,000**
24.00	**Cash & Cash Equivalents:**	**Tk. 21,457,220**	**Tk. 3,438,701**
	The break-up of the amount is given below:		
	Cash in Hand	470,561	413,602
	Cash at Banks (Note- 24.01)	20,986,659	3,025,099
		21,457,220	**3,438,701**
24.01	**Cash at Bank :**	**Tk. 20,986,659**	**Tk. 3,025,099**
	The break-up of the amount is given below:		
	Agrani Bank Principal Branch CD A/c No 69782	-	8,270
	Al-Arafa Islami bank Ltd CD A/c No 2121	4,622	6,232
	BRAC Bank Ltd. Banani A/c No 63001	7,818	43,385
	Bank Asia Scotia Branch A/c No 03387	5,309	18,135
	Dutch Bangla Bank Ltd Banani A/c 8291	-	1,255
	Exim bank Ltd Corporate Br. Gulshan A/c 9359	545,652	18,511
	Exim bank Ltd Corporate Br. Gulshan A/c 153791	5,023,804	116,068
	Eastern Bank Ltd Banani Br. A/c 2244	17,212	41,100
	Farmers Bank Ltd Gulsan Br. A/c 0409	-	11,570
	Islami Bank Bangladesh Ltd. A/c No 17704	3,119	2,460
	Jamuna Bank Ltd. A/c 2667	-	1,660
	Jamuna Bank Ltd. Banani Br. A/c 5077	701,706	210,415
	Janata Bank Local Office A/c N0-59448	502	20,887
	NCC Bank Ltd. Foreign Ex. CD A/c No 8224	7,113	53
	National bank Ltd. Gulshan A/c 1749	10,411	928,507
	National bank Ltd. Pragati Sarani Gulshan A/c 5819	5,600	6,439
	Prime Bank Ltd Foreign Exchange A/c No 13421	10,840,397	45,867
	Social Islami Bank Ltd Gulshan A/c No 4768	3,699,709	1,293,591
	Social Islami Bank Ltd Banani A/c No 5092	14,900	-
	Southeast Bank Ltd. Banani Br. A/c No 5020	36,192	37,492
	South Bangla Agriculture & Commerce Bank A/C-2369	10,388	152,107
	Trust bank Ltd SKB Br. A/c No 1885	11,705	17,855
	Woories Bank Ltd Gulsan Br. A/c 8402	40,500	43,240
		20,986,659	**3,025,099**

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

25.00	**Trade & Other Payables:**	**Tk. 17,598,438**	**Tk. 46,274,240**
	The break-up of the amount is given below:		
	Acceptance Liabilities (Payable within six months)	15,747,648	26,312,614
	Pacific Automobiles Ltd.	615,340	4,454,603
	Pacific Co (BD) Ltd.	1,235,450	15,507,023
		17,598,438	**46,274,240**
26.00	**Short-Term Bank Borrowings:**	**Tk. 119,190,451**	**Tk. 125,797,685**
	The break-up of the amount is given below:		
	Agrani Bank Ltd C.C Hypothecation Loan	69,229,341	69,229,341
	Prime Bank Ltd (LTR)	49,961,110	56,568,344
		119,190,451	**125,797,685**

This represents the present outstanding balances of the above Short term loans. The above loans are secured by personal guarantee of the directors of the company, corporate guarantee of Pacific

Group and the pari passu sharing agreement between banks on fixed and floating assets of the company. The interest rate of these loans is varying from 13% -15%.

27.00	**Provision for Income Tax**	**Tk. 71,909,198**	**Tk. 59,039,146**
	The break-up of the amount is given below:		
	Opening Balance	59,039,146	43,589,263
	Add: During the Year	17,870,053	15,449,882
	Less: Adjustment/Paid	5,000,000	-
		71,909,198	**59,039,146**

28.00	**Accrued Expenses:**	**Tk. 13,596,023**	**Tk. 9,615,696**

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

The break-up of the amount is given below:

Salary & Allowance	852,550	1,180,820
Salary & Wages	4,442,000	3,407,030
Telephone bill	46,332	43,758
Mobile bill	68,720	66,300
Gas bill	7,956,421	4,842,788
Audit fee	230,000	75,000
	13,596,023	**9,615,696**

29.00	**Share Capital :**	**Tk. 380,000,000**	**Tk. 380,000,000**
29.01	**Authorised Capital :**		
	120,000,000 ordinary shares of tk. 10/- each	**1,200,000,000**	**1,200,000,000**

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

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

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

SL No.	Name of Share Holders	Percentage	No. of Shares	2015	2014
1	Mr. Shafiul Azam (Mohsin)	43.00	16,340,950	163,409,500	163,409,500
2	Mr. Shadequl Alam (Yasin)	24.99	9,496,200	94,962,000	94,962,000
3	Shahida Khanom (Swarna)	0.0025	950	9,500	9,500
4	Md. Moazzam khan	0.0025	950	9,500	9,500
5	Md. Yunus khan	0.0025	950	9,500	9,500
6	Md. Sohel Khan	17.11	6,500,000	65,000,000	65,000,000
7	Disney Properties Ltd.	7.00	2,660,000	26,600,000	26,600,000
8	Md. Tazul Islam	1.32	500,000	5,000,000	5,000,000
9	Md. Kabiruddin Ahmed	0.13	50,000	500,000	500,000
10	Md. Hamid Ullah Khan	1.18	450,000	4,500,000	4,500,000
11	Asif Iqbal Chowdhury	0.24	90,000	900,000	900,000
12	Hoq Mahbub Morshed	0.46	175,000	1,750,000	1,750,000
13	Shajeda Begum	1.18	450,000	4,500,000	4,500,000
14	Hoque Mahtab Morshed	0.13	50,000	500,000	500,000
15	Md. Sharif Hossain	0.13	50,000	500,000	500,000
16	Foysal Ahmed	0.26	100,000	1,000,000	1,000,000
17	A.S.A Muiz	0.66	250,000	2,500,000	2,500,000
18	Md. Sayadur Rahman	0.26	100,000	1,000,000	1,000,000
19	Md. Jahangir Alam	0.26	100,000	1,000,000	1,000,000
20	Ahmed Tawfiqur Rahman	0.26	100,000	1,000,000	1,000,000
21	ATM Tahmiduzzaman	0.13	50,000	500,000	500,000
22	Md. Abdus Sultan	0.13	50,000	500,000	500,000
23	Enter IT (BD) Limited	0.13	50,000	500,000	500,000
24	Anita Sharmin	0.03	10,000	100,000	100,000
25	Howa Nur Begum	0.13	50,000	500,000	500,000

26	Sabrina Shabnam Rabbi	0.13	50,000	500,000	500,000
27	S.M Iftheker Imam	0.07	25,000	250,000	250,000
28	Monjur Ahmed	0.66	250,000	2,500,000	2,500,000
		100	38,000,000	380,000,000	380,000,000

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

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

Name of Assets	Book value as on Dec 2010	Revalued amount as on Dec 2010	Revalued Surplus as on Dec 2010
Land & Land Development	34,309,587	180,000,000	145,690,413
	34,309,587	180,000,000	145,690,413

31.00 Tax Holiday Reserve : **Tk. 145,760,152** **Tk. 145,760,152**

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

The period of tax holiday of the company expired in March 31, 2011. The company has made Tax Holiday reserve for the period from 01-01-2007 to 31-03-2011@ 40% on net profit.

32.00 Retained Earnings: **Tk. 332,837,021** **Tk. 232,849,471**

This is made up as follows :

Balance at January 01 , 2015	232,849,471	185,646,053
Adjustment for Deferred Tax Liability	-	(49,541,995)
	232,849,471	136,104,058
Add: Earning before tax During the year	118,164,085	114,122,300
Accumulated Earnings	351,013,556	250,226,357
Provision for Income Tax	(17,870,053)	(15,449,882)
Deferred Tax Expense	(306,482)	(1,848,254)
Adjustment for previous year Income Tax	-	(78,750)
	332,837,021	232,849,471

33.00 Long Term Borrowings net off Current portion: **Tk. 671,810,437** **Tk. 621,934,728**

The break-up of the amount is given below:

Long Term Loan from Bank (Note # 33.01)	676,515,114	610,312,464
Lease Liabilities (Note # 33.02)	114,204,302	130,531,243
	790,719,416	740,843,707
Less: Long -Term Borrowings-Current portion	118,908,979	118,908,979
Long- Term Borrowings net off Current portion	671,810,437	621,934,728

33.01 Long- Term Bank Loan (Secured): **Tk. 676,515,114** **Tk. 610,312,464**

The break-up of the amount is given below:

Agrani Bank Principal Branch (Project Loan)	500,341,498	470,341,498
NCC Bank Ltd Foreign Ex. Branch (Term Loan)	97,040,410	93,639,566
Brac Bank Term Loan	27,790,301	-
Bank Asia Term Loan	51,342,905	46,331,400
	676,515,114	610,312,464

This represents the present outstanding balances of the above term loans. The above loans are secured by personal guarantee of the directors of the company, corporate guarantee of Pacific Group and the pari passu sharing agreement between banks on fixed and floating assets of the

company. The interest rate of these loans is varying from 13% -16%. The loan is payable on equal monthly and quarterly installments.

33.02	**Leases :**	**Tk. 114,204,302**	**Tk. 130,531,243**
	The loan was taken against machinery and is made up as follows :		
	IDLC	31,152,625	35,065,924
	IIDFC	33,990,500	47,804,907
	First Lease Finance & Investment Ltd.	49,061,177	47,660,412
		114,204,302	**130,531,243**
34.00	**Deferred Tax Liability**	**Tk. 51,696,731**	**Tk. 51,390,249**
	WDV of Assets Accounting Base	860,497,363	820,224,742
	WDV of Assets Tax Base	515,852,488	477,623,083
	Temporary Difference	344,644,875	342,601,659
	Tax Rate	15%	15%
	Deferred Tax Liability	**51,696,731**	**51,390,249**
	Deferred Tax Expenses	**306,482**	**1,848,254**
35.00	**Turnover:**	**Tk. 1,682,536,409**	**Tk. 1,604,853,996**
	Export Sales	1,682,536,409	1,604,853,996
		1,682,536,409	**1,604,853,996**
36.00	**Cost of Goods Sold**	**Tk. 1,414,385,323**	**Tk. 1,356,106,354**
	The break-up of the amount is given below:		
	Raw materials Consumed (Note # 36.01)	1,282,985,308	1,262,813,018
	Manufacturing Overhead (Note # 36.03)	165,379,869	149,708,575
	Opening WIP	68,145,052	36,256,346
	Closing WIP	(72,915,206)	(68,145,052)
	Cost of Production	**1,443,595,023**	**1,380,632,888**
	Finished Goods (Opening)	151,135,869	126,609,335
	Finished Goods (Closing)	(180,345,568)	(151,135,869)
	Cost of Sales	**1,414,385,323**	**1,356,106,354**
36.01	**Raw Material Consumed:**	**1,282,985,308**	**1,262,813,018**
	Opening Stock of Raw Materials	**105,547,560**	**137,019,181**
	Raw Materials- Yarn	67,654,963	82,535,829
	Dyes & Chemicals	31,114,588	45,644,872
	Packing Materials	6,778,009	8,838,480
	Add: Raw Material Purchased	**1,298,593,600**	**1,231,341,397**
	Raw Materials- Yarn	1,089,292,694	1,030,121,570
	Dyes & Chemicals	127,959,525	123,237,787
	Packing Materials	81,341,381	77,982,040
	Raw Material available for Consumption	**1,404,141,160**	**1,368,360,578**
	Less: Closing Stock of Raw Materials	**121,155,853**	**105,547,560**
	Raw Materials- Yarn	80,433,796	67,654,963
	Dyes & Chemicals	33,266,246	31,114,588
	Packing Materials	7,455,810	6,778,009
	Raw Material Consumption	**1,282,985,308**	**1,262,813,018**

36.02	**Purchase of Materials:**		**Tk. 1,304,304,796**	**Tk. 1,236,440,679**
	Breakup of the above amount is given below:			
	Yarn Purchases		1,089,292,694	1,030,121,570
	Dyes & Chemicals		127,959,525	123,237,787
	Packing Materials		81,341,381	77,982,040
	Raw Materials Purchase		**1,298,593,600**	**1,231,341,397**
	Spares parts		5,711,196	5,099,282
			1,304,304,796	**1,236,440,679**

36.03	**Manufacturing Overhead:**		**Tk. 165,379,869**	**Tk. 149,708,575**
	The break-up of the amount is given below:			
	Wages & Allowances		58,446,190	50,484,526
	Festival Bonus		6,538,330	4,944,938
	Overtime Expenses		538,103	480,449
	Gas Bill		24,234,404	18,995,284
	Medical Expenses		436,464	389,700
	Insurance Premium		1,482,393	1,231,906
	Postage & Stamp		116,561	104,072
	Factory Maintenance		1,366,169	1,219,793
	Generator Maintenance & Lubricants		11,965,842	9,299,877
	ETP Expenses		82,502	73,663
	Spare Parts	(Note # 36.04)	5,437,423	5,032,181
	Depreciation	(Annexure-A)	54,735,486	57,452,185
			165,379,869	**149,708,575**

36.04	**Spares Parts**	**Tk. 5,437,423**	**Tk. 5,032,181**
	Stock of Spare parts Opening	3,422,161	3,355,060
	Purchase of Spare parts	5,711,196	5,099,282
	Stock of Spare parts - Closing	(3,695,934)	(3,422,161)
	Consumption	**5,437,423**	**5,032,181**

37.00	**Office & Administrative Expenses:**	**Tk. 21,326,221**	**Tk. 20,350,186**
	The break-up of the amount is given below:		
	Salary & Allowances	5,406,406	4,916,434
	Car maintenance	789,526	772,459
	Audit Fees	230,000	75,000
	Renewal & registration fees	315,965	282,112
	Repair & Maintenance	162,342	159,841
	Tour & Travels	582,230	575,261
	Donation	250,007	241,003
	Legal & Consultancy fees	89,311	82,530
	Conveyance	159,544	157,516
	Entertainment	108,579	98,542
	Misc. Expenses	164,338	214,759
	Mobile & Telephone bill	916,036	860,972
	Printing & Stationery	1,029,437	980,142
	Fees & Forms	170,621	141,790
	Charge & Commission (C&F Expenses)	6,146,651	6,105,250
	Office Rent	1,800,000	1,800,000
	Internet bill	371,314	308,571
	Transportation	2,061,770	2,019,438
	Paper & periodical	28,607	23,773
	Office Maintenance	543,536	534,794
		21,326,221	**20,350,186**

38.00	**Selling & Distribution Expenses**	**Tk. 5,040,304**	**Tk. 4,899,337**
	The break-up of the amount is given below:		
	Salary & Allowances	2,407,231	2,337,226
	Entertainment	121,897	109,610
	Printing & Stationery	122,747	118,626
	Advertisement	876,084	852,702
	Misc. Expenses	506,620	495,806
	Travelling & Conveyance	368,204	355,848
	Sales promotion Exp.	637,521	629,518
		5,040,304	**4,899,337**

39.00	**Financial Expenses**	**Tk. 125,880,088**	**Tk. 109,780,820**
	The break-up of the amount is given below:		
	Interest on Project Loan general (Agrani bank)	67,687,711	51,594,686
	Interest on Term (N.C.C Bank)	22,209,623	19,318,071
	Interest on Hypothecation Loan (Agrani Bank)	-	13,003,701
	Interest on First Lease Finance (IDLC)	6,762,255	5,681,090
	Interest on Lease Financing (IIDFC)	7,020,177	6,527,829
	Interest on First Lease Financing	10,312,101	9,866,091
	Interest on Term Loan (Bank Asia Ltd.)	7,800,559	-
	Interest on Term Loan (Brac Bank Ltd.)	474,056	-
	Interest on LTR	1,379,314	1,576,359
	Bank Charge/Bank Misc./Service Charge etc.	2,234,293	2,212,993
		125,880,088	**109,780,820**

40.00	**Other Income**	**Tk. 2,259,612**	**Tk. 405,000**
	This amount consist of		
	Interest Received from FDR	1,931,156	405,000
	Exchange Gain	328,457	-
		2,259,612	**405,000**

41.00	**Current Tax Expenses**	**Tk. 17,870,053**	**Tk. 15,449,882**
	Income Tax Expenses for the Year 2015	**17,870,053**	**15,449,882**

42.00	**Deferred Tax Expenses**		
		Tk. 306,482	**Tk. 1,848,254**
	Balance at December 31, 2015	51,696,731	51,390,249
	Balance at December 31, 2014	51,390,249	49,541,995
		306,482	**1,848,254**

43.00	**Calculation of Basic Earnings Per Share:**		
	Net Profit After Tax	99,987,550	96,824,164
	Number of Ordinary Shares Outstanding during the year the year	38,000,000	38,000,000
	Earnings per Share	**= 2.63**	**= 2.55**

44.00 Other Commitments, Contingencies and relevant information

44.01 The requirements of Schedule XI, Part II, Para 3, 4, 7 & 8 of the Companies Act. 1994

The requirement of schedule XI part-II, Para 3 :

Employees	2015	2014
Number of employees whose salary was below Tk. 8,250	0	0
Number of employees whose salary was above Tk. 8,250	417	413
	417	413

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

Turnover in BDT.	1,682,536,409	1,604,853,996
Turnover in Quantity (Yds)	14,097,721	14,318,670

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

Raw Material (Yarn) (Kgs)	5,188,469	4,822,181
Raw Material (Yarn) (Value in BDT.)	1,076,513,861	1,045,002,436
Dyes & Chemical (Kgs)	1,331,589	1,378,371
Dyes & Chemical (Value in BDT.)	125,807,866	137,768,072

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

Finished Goods

Opening (Yds)	522,789	441,459
Production (Yds)	14,220,000	14,400,000
Closing (Yds)	645,068	522,789

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

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

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

Sl. No	Name of Product	Production Capacity	Actual Production Yds	Utilization (%)
1	Denims Fabrics	18,000,000	14,220,000	79.00

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

Particulars	Opening Balane	Total Purchase during the Year	Material Available (Taka)	Consumption	% of Consumption
Raw Material (Yarn)	67,654,963	1,089,292,694	1,156,947,657	1,076,513,861	93.05%
Dyes & Chemical	31,114,588	127,959,525	159,074,112	125,807,866	79.09%
Packing Material	6,778,009	81,341,381	88,119,391	80,663,581	91.54%
Spare Parts	3,422,161	5,711,196	9,133,357	5,437,423	59.53%

Value of Export:

Particulars	2015	2014
Export of Denims Fabrics (US Dollar)	US $ 21,570,979	US $ 20,428,386
Export of Denims Fabrics (BDT.)	1,682,536,409	1,604,853,996

45.00 Capital Expenditure Commitment

There was no Capital expenditure contracted but not incurred or provided for as on 31.12.2015 There was no Material Capital expenditure authorised by the Board but not contracted for as on 31.12.2015

46.00 Contingent Liabilities

There was no sum for which the company is contingently liable as on 31.12.2015

47.00 Claims Not Acknowledged

There was no claims against the company not acknowledged as debt as on 31.12.2015

48.00 Credit Facilities Not Availed

There was no credit facilities available to the company but not availed of as on 31.12.2015 under any contract other than Trade Credit available in the ordinary course of business.

49.00 Commission Brokerage Or Discount Against Sales

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

50.00 Post Balance Sheet Events

There were no adjusting or non-adjusting events after the reporting period.

Annex-A

PACIFIC DENIMS LIMITED
Schedule of Property, Plant & Equipment
For the year ended December 31 ,2015

Particulars	At Cost				Rate	Depreciation				W.D. Value Balance as at 31-12-2015	W.D. Value Balance as at 31-12-2014
	Balance as at 01.01.2015	Addition during the year	Revaluation Reserve	Balance as at 31-12-2015	%	Balance as at 01.01.2015	Charge During the Year	Adjustment	Balance as at 31-12-2015		
Land & Land Development	185,018,960	-	-	185,018,960	-	-	-	-	-	185,018,960	185,018,960
Building & other Construction	180,403,359	70,769,319	-	251,172,678	2.50%	30,868,026	4,917,872	-	35,785,898	215,386,780	149,535,333
Furniture & Fixture	28,478,161	741,820	-	29,219,981	10%	10,549,097	1,829,997	-	12,379,094	16,840,887	17,929,064
Electric Installation	64,772,051	-	-	64,772,051	10%	35,193,023	2,957,903	-	38,150,925	26,621,126	29,579,028
Deep-Tube-well	452,632	-	-	452,632	10%	257,789	19,484	-	277,273	175,359	194,843
Office Equipment	7,271,901	182,560	-	7,454,461	10%	1,732,360	563,082	-	2,295,442	5,159,019	5,539,541
Plant & Machinery Imported	737,596,807	18,678,808	-	756,275,615	10%	340,214,746	40,672,146	-	380,886,893	375,388,722	397,382,061
Plant & Machinery Local	70,275,003	2,510,240	-	72,785,243	10%	36,559,235	3,518,007	-	40,077,242	32,708,001	33,715,768
Fire Fighting Equipment	350,000	2,125,360	-	2,475,360	10%	199,337	139,046	-	338,382	2,136,978	150,663
Vehicles & Transport	2,466,002	-	-	2,466,002	10%	1,286,521	117,948	-	1,404,469	1,061,533	1,179,482
Total	**1,277,084,876**	**95,008,107**	**-**	**1,372,092,983**		**456,860,134**	**54,735,486**	**-**	**511,595,619**	**860,497,363**	**820,224,742**

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

Annex-B

Pacific Denims Ltd
Details Item wise Inventories list
For the year ended December 31, 2015

Sl. No	Items	As at 31 December,2015			As at 31 December,2014		
		Rate TK	Quantity KG	Amount in Taka	Rate TK	Quantity KG	Amount in Taka
1	**Yarn**						
	Cotton open end	198	110,350	21,862,542	198	92,500	18,315,000
	Cotton OE Slu	203	90,500	18,353,400	210	75,000	15,750,000
	Cotton Ring Slub	241	43,620	10,512,420	282	31,000	8,742,000
	Cotton Elastane	352	29,440	10,371,418	325	22,000	7,150,000
	Polyester Filament	141	55,824	7,871,152	170	45,906	7,803,963
	Poly Elastane	194	59,020	11,462,864	194	51,000	9,894,000
	Total		**388,754**	**80,433,796**		**317,406**	**67,654,963**
2	**Dyes & Chemicals**						
	Indigo Dye	445	47,269	21,015,999	532	37,399	19,896,523
	Sulphar Black Dye	145	16,737	2,432,438	135	14,988	2,023,373
	Caustic soda	55	39,300	2,145,778	55	37,429	2,058,570
	Hydrose	122	33,779	4,123,343	129	30,265	3,904,217
	Native Starch	57	16,808	958,077	62	16,008	992,495
	Modified Starch	77	9,802	754,763	79	9,335	737,496
	Sodium Sulphide	61	21,141	1,289,593	58	20,134	1,167,781
	Catinic Softener	358	1,526	546,254	342	977	334,134
	Total		**186,362**	**33,266,246**		**166,536**	**31,114,588**
3	**Packing Materials**			**7,455,810**			**6,778,009**
4	**Spares & Parts**			**3,695,934**			**3,422,161**
5	**Work-in-process**						
	Warping			7,691,160			7,188,000
	Dyeing-Sizing			23,477,484			21,941,574
	Weaving			35,703,593			33,367,844
	Finishing			6,042,968			5,647,634
	Total			**72,915,206**			**68,145,052**
6	**Finished Goods**						
	100% Cotton	249	98,028	24,408,872	252	89,116	22,457,232
	Cotton- Polyester	232	13,313	3,088,686	235	12,103	2,844,205
	Cotton- Elastane	310	139,747	43,321,570	342	99,770	34,121,340
	Cotton- Poly-elastane	278	393,980	109,526,440	285	321,800	91,713,092
	Total		**645,068**	**180,345,568**		**522,789**	**151,135,868**
	Grand Total			**378,112,560**			**328,250,641**
	Yarn			80,433,796			67,654,963
	Dyes & Chemicals			33,266,246			31,114,588
	Packing Materials			7,455,810			6,778,009
	Spares & Parts			3,695,934			3,422,161
	Work-in- process			72,915,206			68,145,052
	Finished Goods			180,345,568			151,135,868
	Total			**378,112,560**			**328,250,641**

Annex-C

Pacific Denims Ltd.
(A) Trade Receivables
For the year ended December 31, 2015

S.L No.	Name of Parties	Address	Balance as at 31.12.15	Balance as at 31.12.14
1	Nucon garments Ltd.	375, Shah Plaza (2nd Floor), Bandartilla, Airport Road, Chittagong, Bangladesh.	-	1,215,020
2	Raina Fasion	9/1, Shah Ali Bag, Mirpur-1, Dhaka-1216, Bangladesh.	-	1,696,414
3	Brothers Fasion Ltd.	29, Kawran Bazar Lane, Dhaka-1215, Bangladesh.	-	15,064,710
4	HRB Apparels Ltd.	Kawran Bazar, Dhaka, Bangladesh.	-	1,608,748
5	Turjo Apparels Ltd.	Avenue -1, Block # B, Plot # 35, Mirpur-10, Dhaka, Bangladesh.	4,444,050	441,408
6	M- Yew fasion Ltd.	H.S.S Complex (2nd Floor), 52,Shaheed Taj Uddin Saroni (Old : Ka-15/6), Rasulbagh, Mohakhali, Dhaka-1212, Bangladesh.	22,857,374	45,763,994
7	Chancellor Garments Ltd	295/JA/4, Rayar Bazar, Dhaka-1209, Bangladesh.	-	14,249,570
8	Quality Appearls	63/C-2, Katasur, Mohammadpur, Dhaka-1207, Bangladesh	28,417,292	15,239,404
9	Gemini Garments Ltd.	76, Mohakhali C/A, Dhaka, Bangladesh.	12,546,300	20,155,338
10	Liberty Fasion wear Ltd.	Plot # 101, Mouja- Tenguri Zirani Bazar, Dhaka, Bangladesh.	18,536,400	26,202,658
11	Anika Apparels (Pvt) Ltd.	1/1 Gha Part, Section-2, Mirpur, Dhaka-1216,Bangladesh.	6,868,945	14,087,657
12	Spotfame Apparels Ltd.	Section # 07, Road # 04, Plote # 22, Mirpur, Dhaka, Bangladesh.	-	14,621,152
13	Mayc's Garments Ltd.	House # 09(2nd floor),Road # 01,Block # KHA,section # 6, Mirpur, Dhaka, Bangladesh.	30,962,510	22,338,111
14	Centex fasion Ltd.	76, Ibrahimpur, Kafrul, Dhaka-1206, Bangladesh	1,996,840	629,787
15	Reza Fasions Ltd.	Great Asulia, Savar, Dhaka	-	21,734,697
16	Jaycee's Apparels Ltd	227 Outer Circular Road, Mogbazar, Dhaka, Bangladesh	-	3,300,024
17	Fasionn House(s) Ltd.	Road # 41, House # 7/A,Left # 5, Gulshan-1, Dhaka,Bangladesh.	10,546,546	26,815,865
18	Majumder Fasions Ltd.	Mauja: Kunia, KB Bazar, Boro Bari, Gazipur,Bangladesh.	-	5,574,492
19	Lynda Fasions Ltd.	Samir Plaza Shopping Complex (5th Floor), Jamgar, Ashulia, Savar, Dhaka, Bangladesh.	7,536,430	14,525,016
20	Green World Fasions Ltd.	30, Shahid Captain Monsur Ali Shawrani, Moghbazar, Dhaka-1217, Bangladesh.	-	5,060,916
21	Chantik Garments Ltd.	Kumkumari, Gouripur, Ashulia, Savar, Dhaka, Bangladesh	28,681,400	20,282,459
22	Annanta Sportswear Ltd.	Nischintapur, Asulia, Savar, Dhaka, Bangladesh.	-	5,133,375
23	R- Rahman Knitwear Ltd.	1373, Khandakar Bari More, Vatara , Badda, Dhaka-1212, Bangladesh.	5,985,397	8,777,242
24	Rafi Texmode Ltd.	Plot # 103, Dhaka- Mymansingh Road, Sector # 7, Uttora C/A, Dhaka-1230, Bangladesh.	9,836,320	18,458,495

25	Cassiopea Fashion Ltd.	Borkan Monipur, Hotapara, Mirzapur Union, P.S. Joydevpur, Gazipur, Bangladesh.	49,450,440	12,534,600
26	Pole Star Fashions Design Ltd.	Vogra, National University Gazipur Sadar, Gazipur, Bangladesh.	27,536,420	52,987,218
27	Aftabunnessa Garments Ltd.	Moghal Nagar, Wazkqruni Road, Matuail (South), Demra, Dhaka-1362, Bangladesh.	-	15,993,712
28	Progressive Apparels Ltd.	840/838, Dhanialapara (5th Floor), Dhaka Trunk Road, Chittagong-4100, Bangladesh.	23,914,488	17,402,509
29	Samrana Enterprise Ltd.	458/459, Asulia, Shavar, Dhaka, Bangladesh	-	10,197,675
30	Sadma Fasions wear Ltd.	Mouchak, Kaliakore, Gazipur, Bangladesh.	12,546,300	32,489,500
31	HRB Apparels Ltd.	Kawran Bazar, Dhaka, Bangladesh.	12,013,564	13,584,375
32	Youth Fashion Ltd.	Youth Tower, 882/2, Rokeya Sharani, Dhaka-1216, Bangladesh	-	-
33	AFCO Abedin Garments Ltd.	House # 84 (4th Floor), New Airport Road, Banani, Dhaka, Bangladesh.	5,468,050	4,540,176
34	KRK Garments Ltd.	107, DIT Road, Malibagh, Dhaka-1217, Bangladesh.	7,536,400	10,753,620
35	Jeans Stitch House Ltd	Plot # 03, Road # 01, Chad Uddan, Mohammadpur, Dhaka-1207, Bangladesh.	-	4,559,625
36	Bottom Gallery Pvt. Ltd	Bulbul Tower, Digir Chala, Chandona, Mymensing Road, Gazipur, Bangladesh.	-	4,535,240
37	Tafop Apparels Ltd.	Block # A, Plot # 1,2,3, (Part), Bacic # I/A, Sagorica Road, Chittagong, Bangladesh.	-	1,319,604
38	Image Garments Ltd	1014/A, Baizid Bostami Road, Baby Super Market, Chittagong, Bangladesh.	-	1,505,202
39	ABC Garments Ltd.	26, Mirpur Road, Dhaka, Bangladesh.	-	2,749,944
40	Alliance Garments Ltd.	House # 8, Road # 3, Section # 07, Mirpur I/A, Dhaka-1216	49,632,648	-
41	Nofs Garments Ltd.	Plot and Holding No. 01(3rd Floor), Turag Housing Ltd. (ramchandra pur, Beribadh, Mohammadpur, Dhaka.	8,972,234	-
42	Arrival Fashions Ltd.	Colomesshor, P/O Natoinal University, gazipur, Bangladesh.	11,991,252	-
43	Shin Shin Apparels Ltd.	Dag No,RS 228, JL No. 73, Gorat, East Norshinghopur, Jirabo, Savar, Dhaka	3,549,390	-
44	DANA Bottoms Ltd.	77/20, Dagarmora, CRP Road, Savar, Dhaka.	2,173,002	-
45	Modiste (CEPZ) Ltd.	Plot-33-36, Sector # 7, CEPZ.	8,796,060	-
46	W Apparels Ltd.	295/JA/4, Rayar Bazar, Dhaka-1209, Bangladesh.	16,895,278	-
47	Yagi Bangladesh Garmenrts	HP Tower, North Barun, Alia Madrasa, Ashulia Savar, Dhaka.	12,834,042	-
48	Design and Sources Ltd.	30, Kawran Bazar, C/A, Kawran Bazar, Dhaka.	4,141,410	-
49	East West Services Ltd.	232-234, Tejgaon Industrial Area, Dhaka-1208	9,566,466	-
50	Amena (PVT) Ltd.	Abdul Latif Market, Sector # 05, Ahlia, Uttara, Dhaka.	27,448,200	-
51	Rider Fashions Ltd.	103, Mohakhali I/A, Dhaka	11,967,072	-
52	Adams Apparels Ltd.	ETDA Bhaban, Block # D, Road # 6, Shahidbagh, Mirpur-12, Dhaka	3,746,535	-
53	Mouli Fashions Ltd.	A-100 (North), BSCIC Industriial Estate, Tongi, Gazipur-1710	2,675,400	-
54	Atlantic Garments Ltd.	Plot # 4, Road # 7, Block # C, Section # +6, Mirpur, Dhaka-1216	1,456,591	-
55	Padma Satel Arab Fashions Ltd.	Luna Complex (6th Floor), Joybangla Road, Khailkur, Barobari, Gazipur.	670,176	-
56	Chancellor Garments Ltd.	295/JA/4, Rayar Bazar, Dhaka-1209, Bangladesh.	8,195,460	-
Total			**512,392,682**	**508,129,552**

Annex-D

Pacific Denims Ltd.
(B) Other Receivables
For the year ended December 31, 2015

SL No.	Name of Parties	Address	Balance as at 31.12.15	Balance as at 31.12.14
1	Impressive Apparels Ltd.	Road # 3, House # 5, Gulshan-1, Dhaka, Bangladesh.	-	4,303,525
2	Mirpur Site	Paris Road # 1, Plot # 1, Mirpur-10, Dhaka, Bangladesh	-	144,300
3	Pacific Aviation Ltd.	Pacific Group H/Q , Symphony (3rd floor), Symphony (3rd floor), 9,Gulshan South Avenue, Gulshan-1, Dhaka-1212, Bangladesh	2,736,500	2,861,498
4	Pacific Beverage & Food Ltd.	Pacific Group H/Q , Symphony (3rd floor), Symphony (3rd floor), 9,Gulshan South Avenue, Gulshan-1, Dhaka-1212, Bangladesh	10,295,159	11,453,565
5	Pacific Ceramic Ltd.	Pacific Group H/Q , Symphony (3rd floor), Symphony (3rd floor), 9,Gulshan South Avenue, Gulshan-1, Dhaka-1212, Bangladesh	523,490	723,488
6	Pacific Electronics Ltd.	Pacific Group H/Q , Symphony (3rd floor), Symphony (3rd floor), 9,Gulshan South Avenue, Gulshan-1, Dhaka-1212, Bangladesh	-	132,445
7	Pacific Energy Ltd.	Pacific Group H/Q , Symphony (3rd floor), Symphony (3rd floor), 9,Gulshan South Avenue, Gulshan-1, Dhaka-1212, Bangladesh	219,125	269,125
8	Pacific Shipbuilding Ltd.	Pacific Group H/Q , Symphony (3rd floor), Symphony (3rd floor), 9,Gulshan South Avenue, Gulshan-1, Dhaka-1212, Bangladesh	84,295	94,295
9	Pacific Steel Mills Ltd.	Pacific Group H/Q , Symphony (3rd floor), Symphony (3rd floor), 9,Gulshan South Avenue, Gulshan-1, Dhaka-1212, Bangladesh	9,000	15,000
10	Pentex Fashions Ltd	Pacific Group H/Q , Symphony (3rd floor), Symphony (3rd floor), 9,Gulshan South Avenue, Gulshan-1, Dhaka-1212, Bangladesh	60,000	83,638
11	Symphony Enterprise Ltd.	Pacific Group H/Q , Symphony (3rd floor), Symphony (3rd floor), 9,Gulshan South Avenue, Gulshan-1, Dhaka-1212, Bangladesh	99,585	174,583
Total			**14,027,154**	**20,255,462**

A)Total Trade Receivables	512,392,682	508,129,552
B)Total Other Receivables	14,027,154	20,255,462
Trade & Other Receivables	**526,419,836**	**528,385,014**

Annex-E

Pacific Denims Ltd.
Advance To Supplier & Contractor and Advance against Goods, Machinery, Spare, Services & Others
For The Year Ended December 31, 2015

SL. NO.	Parties Name	L/C No. & Date	L/C Value	30% Margin of L/C Value	Mode of Transaction (Advance)	Amount In BDT
1	BASF SE, Singapore	155815010173	$ 27,840.00	$ 8,352.00	L/C Margin	668,160
		02.09.2015				-
2	Friends Group Co., Ltd,	155815010177	$ 92,405.00	$ 27,721.50	L/C Margin	2,217,720
	Vietnam.	02.09.2015				-
3	Tianjin Guli International	155815010174	$ 75,360.00	$ 22,608.00	L/C Margin	1,808,640
	Trading Co., Ltd, China.	02.09.2015				-
4	Archroma Singapore, Pte Ltd,	155815010176	$ 72,240.00	$ 21,672.00	L/C Margin	1,733,760
	Singapore.	02.09.2015				-
5	Archroma Singapore, Pte Ltd,	155815010175	$ 81,375.00	$ 24,412.50	L/C Margin	1,953,000
	Singapore.	02.09.2015				-
6	Siam Quality Starch Co.	155815010182	$ 81,725.00	$ 24,517.50	L/C Margin	1,961,400
	Thailand.	05.09.2015				-
7	Mastone Group Ltd.	155815010185	$ 38,000.00	$ 11,400.00	L/C Margin	912,000
	Hong Kong.	09.09.2015				-
8	Seven Colour Int'l China.	155815010188	$ 58,000.00	$ 17,400.00	L/C Margin	1,392,000
		10.09.2015				-
9	Antony Industry (Hong Kong)	155815010193	$ 54,600.00	$ 16,380.00	L/C Margin	1,310,400
	Ltd, Hong Kong.	18.09.2015				-
10	Zhejiang Hengyi Petrochemicals	155815020057	$ 94,550.40	$ 28,365.12	L/C Margin	2,269,210
	Co., Ltd, China.	18.09.2015				-
11	Tianjin Tiankai Chemical	155815010201	$ 80,250.00	$ 24,075.00	L/C Margin	1,926,000
	Ind. Imp and Exp. Corp.	30.09.2015				-
12	Seven Colour Int'l China.	155815010232	$ 57,300.00	$ 17,190.00	L/C Margin	1,375,200
		20.10.2015				-
13	BASF SE, Singapore	155815010233	$ 86,880.00	$ 26,064.00	L/C Margin	2,085,120
		20.10.2015				-
14	Zhejiang Hengyi Petrochemicals	155815020074	$ 59,335.20	$ 17,800.56	L/C Margin	1,424,045
	Co., Ltd, China.	20.10.2015				-
15	Zhejiang Hengyi Petrochemicals	155815020078	$ 59,697.00	$ 17,909.10	L/C Margin	1,432,728
	Co., Ltd, China.	26.11.2015				-

16	Siam Quality Starch Co.	155815010254	$ 92,395.00	$ 27,718.50	L/C Margin	2,217,480
	Thailand.	29.11.2015				-
17	Tianjin Tiankai Chemical	155815010255	$ 71,250.00	$ 21,375.00	L/C Margin	1,710,000
	Ind. Imp and Exp. Corp.	29.11.2015				-
18	Friends Group Co., Ltd,	155815010256	$ 89,120.00	$ 26,736.00	L/C Margin	2,138,880
	Vietnam.	29.11.2015				-
19	Archroma Singapore, Pte Ltd,	155815010257	$ 121,380.00	$ 48,552.00	L/C Margin	3,884,160
	Singapore.	29.11.2015				-
20	Silver sand polymers DMCC	155815010258	$ 99,850.00	$ 29,955.00	L/C Margin	2,396,400
	UAE	30.11.2015				-
21	Seven Colour Int'l China.	155815010280	$ 57,300.00	$ 17,190.00	L/C Margin	1,375,200
		31.12.2015				-
22	Zhejiang Hengyi Petrochemicals	155815010281	$ 56,389.60	$ 16,916.88	L/C Margin	1,353,350
	Co., Ltd, China.	31.12.2015				-
23	ASM Chemical Ind.Ltd.	155815990037	$ 70,000.00	$ 21,000.00	L/C Margin	1,680,000
		08.09.2015				-
24	Badsha Textiles Ltd.	155815990031	$ 50,750.00	$ 15,225.00	L/C Margin	1,218,000
		11.09.2015				-
25	Salek Textiles Ltd.	155815990032	$ 73,250.00	$ 21,975.00	L/C Margin	1,758,000
		17.09.2015				-
26	Badsha Textiles Ltd.	155815990033	$ 73,750.00	$ 22,125.00	L/C Margin	1,770,000
		17.09.2015				-
27	Nassa Spinning Ltd.	155815100005	$ 60,000.00	$ 18,000.00	L/C Margin	1,440,000
		22.09.2015				-
28	Colortex Corporation	155815990034	$ 36,390.00	$ 10,917.00	L/C Margin	873,360
		22.09.2015				-
29	ASM Chemical Ind.Ltd.	155815990035	$ 70,000.00	$ 21,000.00	L/C Margin	1,680,000
		28.09.2015				-
30	Nassa Spinning Ltd.	155815100006	$ 65,000.00	$ 19,500.00	L/C Margin	1,560,000
		29.09.2015				-
31	Nassa Taipei Spinners Ltd.\	155815990036	$ 76,000.00	$ 22,800.00	L/C Margin	1,824,000
		29.09.2015				
32	Unique Enterprise	155815990038	$ 100,000.00	$ 30,000.00	L/C Margin	2,400,000
		08.09.2015				-
33	Nassa Spinning Ltd.	155815100007	$ 157,500.00	$ 47,250.00	L/C Margin	3,780,000
		13.09.2015				-
34	Salek Textiles Ltd.	155815990039	$ 186,000.00	$ 55,800.00	L/C Margin	4,464,000
		16.09.2015				-

35	NRG Hometex Ltd.	155815990040	$ 161,500.00	$ 48,450.00	L/C Margin	3,876,000
		22.09.2015				-
36	Badsha Textiles Ltd.	155815990041	$ 210,500.00	$ 63,150.00	L/C Margin	5,052,000
		22.09.2015				-
37	Badsha Textiles Ltd.	155815990042	$ 210,000.00	$ 63,000.00	L/C Margin	5,040,000
		03.09.2015				-
38	Salek Textiles Ltd.	155815990049	$ 167,500.00	$ 50,250.00	L/C Margin	4,020,000
		06.09.2015				-
39	AA Synthetic Fibres Ltd.	155815990050	$ 84,096.00	$ 25,228.80	L/C Margin	2,018,304
		10.09.2015				-
40	Salek Textiles Ltd.	155815990051	$ 159,000.00	$ 47,700.00	L/C Margin	3,816,000
		10.09.2015				-
41	ASM Chemical Ind.Ltd.	155815990053	$ 86,550.00	$ 25,965.00	L/C Margin	2,077,200
		15.09.2015				-
42	Badsha Textiles Ltd.	155815990052	$ 166,650.00	$ 49,995.00	L/C Margin	3,999,600
		15.09.2015				-
43	Unique Enterprise	155815990054	$ 150,000.00	$ 45,000.00	L/C Margin	3,600,000
		21.09.2015				-
44	Nassa Taipei Spinners Ltd.\	155815990055	$ 150,000.00	$ 45,000.00	L/C Margin	3,600,000
		21.09.2015				-
45	Nassa Spinning Ltd.	155815100009	$ 158,000.00	$ 47,400.00	L/C Margin	3,792,000
		21.09.2015				-
46	Badsha Textiles Ltd.	155815990057	$ 156,250.00	$ 46,875.00	L/C Margin	3,750,000
		23.09.2015				-
47	Badsha Textiles Ltd.	155815990058	$ 154,000.00	$ 46,200.00	L/C Margin	3,696,000
		08.10.2015				-
48	NRG Hometex Ltd.	155815990059	$ 230,060.00	$ 69,018.00	L/C Margin	5,521,440
		08.10.2015				-
49	Salek Textiles Ltd.	155815990060	$ 228,500.00	$ 68,550.00	L/C Margin	5,484,000
		10.09.2015				-
50	Badsha Textiles Ltd.	155815990061	$ 135,400.00	$ 40,620.00	L/C Margin	3,249,600
		20.10.2015				-
51	Badsha Textiles Ltd.	155815990062	$ 168,450.00	$ 50,535.00	L/C Margin	4,042,800
		20.10.2015				-
52	Nassa Spinning Ltd.	155815100010	$ 167,750.00	$ 50,325.00	L/C Margin	4,026,000
		20.10.2015				-
53	Badsha Textiles Ltd.	155815990063	$ 189,500.00	$ 56,850.00	L/C Margin	4,548,000
		19.11.2015				-

54	Badsha Textiles Ltd.	155815990064	$ 197,750.00	$ 59,325.00	L/C Margin	4,746,000
		26.11.2015				-
55	NRG Hometex Ltd.	155815990065	$ 276,250.00	$ 82,875.00	L/C Margin	6,630,000
		26.11.2015				-
56	Nassa Spinning Ltd.	155815100011	$ 195,250.00	$ 58,575.00	L/C Margin	4,686,000
		26.11.2015				-
57	Badsha Textiles Ltd.	155815990066	$ 214,000.00	$ 64,200.00	L/C Margin	5,136,000
		09.12.2015				-
58	NRG Hometex Ltd.	155815990067	$ 146,374.00	$ 43,912.20	L/C Margin	3,512,976
		09.12.2015				-
59	Nassa Spinning Ltd.	155815100012	$ 265,250.00	$ 79,575.00	L/C Margin	6,366,000
		09.12.2015				-
60	Badsha Textiles Ltd.	155815990068	$ 209,000.00	$ 62,700.00	L/C Margin	5,016,000
		31.12.2015				
61	Advance to Port Labor Contractor	-	-	-	-	534,650
	Sub Total					**175,828,783**
62	Advance against Goods, Spare, Services & Others	-	-	-	-	49,173,142
	Grand Total		**$ 6,587,366.80**	**$ 1,988,348.04**		**225,001,925**

(b) **Information as is required under section 186 of the কোম্পানি আইন, ১৯৯৪ relating to holding company;**
Not applicable for Pacific Denims Limited as it is not a holding Company.

(c) **Selected ratios as specified in Annexure-D;**

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				
I. Liquidity Ratios:					
(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
II. Operating Ratios:					
(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
III. Profitability Ratios:					
(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%

IV. Coverage Ratios:					
(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

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Place: Dhaka
Dated: 31 March, 2016

Ratio Calculation

Particulars	Formula	31.12.2015		31.12.2014		31.12.2013		31.12.2012		31.12.2011	
		Calculation	Ratio	Calculation	Ratio	Calculation	Ratio	Calculation	Ratio	Calculation	Ratio
I. Liquidity Ratios:											
(i) Current Ratio	Current Assets/Current Liabilities	1,208,500,481	3.54	1,088,864,476	3.03	1,008,705,240	2.56	734,436,306	3.29	598,528,297	2.76
		341,203,090		359,635,746		394,082,666		223,545,589		216,576,594	
(ii) Quick Ratio	(Current Assets-Inventories-Advance, Deposit & Prepayments)/Current Liabilities	586,710,313	1.72	536,323,715	1.49	479,712,726	1.22	382,176,405	1.71	386,022,111	1.78
		341,203,090		359,635,746		394,082,666		223,545,589		216,576,594	
(iii) Times Interest Earned Ratio	Operating Profit/Financial Expenses	241,784,560	1.92	223,498,120	2.04	218,544,996	2.01	218,825,896	2.00	202,756,500	1.90
		125,880,088		109,780,820		108,614,191		109,258,157		106,450,666	
(iv) Debt to Equity Ratio	Total Debt/Total Equity	909,909,867	0.91	866,641,392	0.96	883,447,434	0.97	775,135,403	0.94	713,329,166	0.98
		1,004,287,586		904,300,037		915,296,618		821,440,166		729,802,111	
II. Operating Ratios:											
(i) Accounts Receivable Turnover Ratio	Net Sales/Average Accounts Receivables	1,682,536,409	3.19	1,604,853,996	3.21	1,569,637,160	3.75	1,543,265,624	4.47	1,410,194,088	4.74
		527,402,425		499,887,071		418,770,307		345,181,230		297,569,865	
(ii) Inventory Turnover Ratio	Cost of Goods Sold /Average inventory	1,414,385,323	4.00	1,356,106,353	4.29	1,326,694,111	5.53	1,304,404,784	8.29	1,191,864,641	9.89
		353,181,601		315,745,282		239,964,723		157,252,821		120,546,402	
(iii) Asset Turnover Ratio	Net Sales/Average Total Assets	1,682,536,409	0.84	1,604,853,996	0.84	1,569,637,160	0.89	1,543,265,624	0.97	1,410,194,088	0.97
		2,003,129,301		1,907,373,888		1,768,831,613		1,594,265,144		1,458,909,940	
III. Profitability Ratios:											
(i) Gross Margin Ratio	Gross Profit/Net Sales	268,151,086	15.94%	248,747,643	15.50%	242,943,049	15.48%	238,860,840	15.48%	218,329,448	15.48%
		1,682,536,409		1,604,853,996		1,569,637,160		1,543,265,624		1,410,194,088	
(ii) Operating Income Ratio	Operating Profit/Net Sales	241,784,560	14.37%	223,498,120	13.93%	218,544,996	13.92%	218,825,896	14.18%	202,756,500	14.38%
		1,682,536,409		1,604,853,996		1,569,637,160		1,543,265,624		1,410,194,088	
(iii) Net Income Ratio	Net Profit after Tax/Net Sales	99,987,550	5.94%	96,824,164	6.03%	93,856,451	5.98%	91,638,055	5.94%	75,984,563	5.39%
		1,682,536,409		1,604,853,996		1,569,637,160		1,543,265,624		1,410,194,088	

(iv) Return on Assets Ratio	Net Profit after Tax/Average Total assets	99,987,550	4.99%	96,824,164	5.08%	93,856,451	5.31%	91,638,055	5.75%	75,984,563	5.21%
		2,003,129,301		1,907,373,888		1,768,831,613		1,594,265,144		1,458,909,940	
(v) Return on Equity Ratio	Net Profit after Tax/Average Total Shareholders' Equity	99,987,550	10.48%	96,824,164	10.64%	93,856,451	10.81%	91,638,055	11.81%	75,984,563	11.06%
		954,293,811		909,798,327		868,368,392		775,621,139		686,985,414	
(vi) Basic Earnings Per Share (EPS)	Net Profit after Tax/Weighted Average number of Shares Outstanding	99,987,550	2.63	96,824,164	2.55	93,856,451	2.47	91,638,055	3.20	75,984,563	7.60
		38,000,000		38,000,000		38,000,000		28,666,667		10,000,000	
(vii) EBITDA Margin	EBITDA/Net Sales	298,779,659	17.76%	281,355,304	17.53%	282,383,117	17.99%	281,689,363	18.25%	272,486,602	19.32%
		1,682,536,409		1,604,853,996		1,569,637,160		1,543,265,624		1,410,194,088	
IV. Coverage Ratios:											
(i) Debt to total Assets Ratio	Total Debt/Total Assets	909,909,867	0.44	866,641,392	0.45	883,447,434	0.47	775,135,403	0.47	713,329,166	0.47
		2,068,997,844		1,937,260,759		1,877,487,017		1,660,176,210		1,528,354,079	
(ii) Debt Service Coverage Ratio	Net Operating Profit / Total Debt Service	296,520,046	1.70	280,950,305	2.25	281,894,567	2.74	283,447,625	1.38	272,304,102	1.52
		174,047,365		125,014,447		102,879,046		205,177,039		179,485,576	
V. Cash Flow:											
(iii) Net Operating Cash Flow per Share	Net Operating Cash Flow/ Number of Ordinary Shares Outstanding	75,919,868	2.00	93,919,256	2.47	(109,621,906)	(2.88)	4,943,397	0.13	66,873,622	6.69
		38,000,000		38,000,000		38,000,000		38,000,000		10,000,000	
(iv) Net Operating Cash Flow per Share/EPS	Net Operating Cash Flow per Share/EPS	2.00	0.76	2.47	0.97	(2.88)	(1.17)	0.13	0.04	6.69	0.88
		2.63		2.55		2.47		3.20		7.60	

Comparison with the industry average ratios of same periods:

Pacific Denims Limited			Industry Average ***		
Particulars	31.12.2015 Ratio		2015 Ratio		Remark/ Explanation
I. Liquidity Ratios:					
(i) Current Ratio	3.54		0.99		PDL's Current Ratio is better than the industry average current ratio because of relatively lower current liabilities.
(ii) Quick Ratio	1.72		0.57		PDL's Ratio is better than the industry average ratio as quick assets are relatively higher.
(iii) Times Interest Earned Ratio	1.92		3.39		PDL's Ratio is satisfactory with the industry average ratio.
(iv) Debt to Equity Ratio	0.91		0.83		PDL's Ratio is satisfactory with the industry average ratio.
II. Operating Ratios:					
(i) Accounts Receivable Turnover Ratio	3.19		3.70		PDL's Ratio is satisfactory as collection period is shorter than the average industry.
(ii) Inventory Turnover Ratio	4.00		3.45		PDL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	0.84		0.50		PDL's Ratio is better than the industry average ratio.
III. Profitability Ratios:					
(i) Gross Margin Ratio	15.94%		21.34%		PDL's Ratio is satisfactory with the industry average ratio.
(ii) Operating Income Ratio	14.37%		17.26%		PDL's Ratio is satisfactory with the industry average ratio.
(iii) Net Income Ratio	5.94%		10.43%		PDL's Ratio is satisfactory with the industry average ratio.
(iv) Return on Assets	4.99%		5.19%		PDL's Ratio is satisfactory with the industry average ratio.

Ratio				
(v) Return on Equity Ratio	10.48%	10.19%		PDL's Ratio is satisfactory with the industry average ratio.
(vi) Basic Earnings Per Share (EPS)	2.63	3.94		PDL's Ratio is satisfactory with the industry average ratio.
(vii) EBITDA Margin	17.76%	23.15%		PDL's Ratio is satisfactory with the industry average ratio.
IV. Coverage Ratios:				
(i) Debt to total Assets Ratio	0.44	0.41		PDL's Ratio is satisfactory with the industry average ratio.
(ii) Debt Service Coverage Ratio	1.70	Not Available		PDL's Ratio is satisfactory as net operating profit is relatively more sufficient to pay financial expense and long term debt.
V. Cash Flow:				
(iii) Net Operating Cash Flow per Share	2.00	2.08		PDL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(iv) Net Operating Cash Flow per Share/EPS	0.76	0.53		PDL's Ratio is satisfactory as Net Operating Cash Flow is positive.

N.B: For wider range of data, we communicated with Bangladesh Bureau of Statistics, Bangladesh Textile Mills Association and Bangladesh Bank. But, we were informed that none of them maintains such ratios with regard to industry concern.

******* The Industry average ratio is calculated through using the ratio of listed similar company namely Envoy Textiles Limited for the year ended September 30, 2015. (Source: Annual Report) (Annual Report of Shasha Denims Limited, Argon Denims Limited for the year ended December 31, 2015 are yet not available)

Pacific Denims Limited			Industry Average ***		
Particulars	**31.12.2014 Ratio**		**2014 Ratio**		**Remark/ Explanation**
I. Liquidity Ratios:					
(i) Current Ratio	3.03		1.11		PDL's Current Ratio is better than the industry average current ratio because of relatively lower current liabilities.
(ii) Quick Ratio	1.49		0.84		PDL's Ratio is better than the industry average ratio as quick assets are relatively higher.
(iii) Times Interest Earned Ratio	2.04		2.37		PDL's Ratio is satisfactory with the industry average ratio.
(iv) Debt to Equity Ratio	0.96		0.94		PDL's Ratio is satisfactory with the industry average ratio.
II. Operating Ratios:					
(i) Accounts Receivable Turnover Ratio	3.21		2.49		PDL's Ratio is satisfactory as collection period is shorter than the average industry.
(ii) Inventory Turnover Ratio	4.29		3.71		PDL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	0.84		0.50		PDL's Ratio is better than the industry average ratio.
III. Profitability Ratios:					
(i) Gross Margin Ratio	15.50%		19.83%		PDL's Ratio is satisfactory with the industry average ratio.
(ii) Operating Income Ratio	13.93%		17.13%		PDL's Ratio is satisfactory with the industry average ratio.
(iii) Net Income Ratio	6.03%		7.56%		PDL's Ratio is satisfactory with the industry average ratio.
(iv) Return on Assets	5.08%		4.06%		PDL's Ratio is satisfactory with the industry average ratio.

Ratio				
(v) Return on Equity Ratio	10.64%	8.46%		PDL's Ratio is satisfactory with the industry average ratio.
(vi) Basic Earnings Per Share (EPS)	2.55	3.11		PDL's Ratio is satisfactory with the industry average ratio.
(vii) EBITDA Margin	17.53%	22.41%		PDL's Ratio is satisfactory with the industry average ratio.
IV. Coverage Ratios:				
(i) Debt to total Assets Ratio	0.45	0.35		PDL's Ratio is satisfactory with the industry average ratio.
(ii) Debt Service Coverage Ratio	2.25	Not Available		PDL's Ratio is satisfactory as net operating profit is relatively more sufficient to pay financial expense and long term debt.
V. Cash Flow:				
(iii) Net Operating Cash Flow per Share	2.47	2.49		PDL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(iv) Net Operating Cash Flow per Share/EPS	0.97	0.78		PDL's Ratio is satisfactory as Net Operating Cash Flow is positive.

N.B: For wider range of data, we communicated with Bangladesh Bureau of Statistics, Bangladesh Textile Mills Association and Bangladesh Bank. But, we were informed that none of them maintains such ratios with regard to industry concern.

******* The Industry average ratio is calculated through using the ratio of 3 listed similar companies namely Shasha Denims Limited, Argon Denims Limited for the year ended December 31, 2014 and Envoy Textiles Limited for the year ended September 30, 2014. (Source: Annual Report)

Pacific Denims Limited			Industry Average ***		
Particulars	**31.12.2013 Ratio**		**2013 Ratio**		**Remark/ Explanation**
I. Liquidity Ratios:					
(i) Current Ratio	2.56		1.05		PDL's Current Ratio is better than the industry average current ratio because of relatively lower current liabilities.
(ii) Quick Ratio	1.22		0.69		PDL's Ratio is better than the industry average ratio as quick assets are relatively higher.
(iii) Times Interest Earned Ratio	2.01		2.80		PDL's Ratio is satisfactory with the industry average ratio.
(iv) Debt to Equity Ratio	0.97		0.81		PDL's Ratio is satisfactory with the industry average ratio.
II. Operating Ratios:					
(i) Accounts Receivable Turnover Ratio	3.75		2.46		PDL's Ratio is satisfactory as collection period is shorter than the average industry.
(ii) Inventory Turnover Ratio	5.53		3.89		PDL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	0.89		0.50		PDL's Ratio is better than the industry average ratio.
III. Profitability Ratios:					
(i) Gross Margin Ratio	15.48%		21.34%		PDL's Ratio is satisfactory with the industry average ratio.
(ii) Operating Income Ratio	13.92%		18.85%		PDL's Ratio is satisfactory with the industry average ratio.
(iii) Net Income Ratio	5.98%		8.43%		PDL's Ratio is satisfactory with the industry average ratio.

(iv) Return on Assets Ratio	5.31%	4.20%		PDL's Ratio is satisfactory with the industry average ratio.
(v) Return on Equity Ratio	10.81%	8.88%		PDL's Ratio is satisfactory with the industry average ratio.
(vi) Basic Earnings Per Share (EPS)	2.47	3.36		PDL's Ratio is satisfactory with the industry average ratio.
(vii) EBITDA Margin	17.99%	24.97%		PDL's Ratio is satisfactory with the industry average ratio.
IV. Coverage Ratios:				
(i) Debt to total Assets Ratio	0.47	0.64		PDL's Ratio is satisfactory with the industry average ratio.
(ii) Debt Service Coverage Ratio	2.74	Not Available		PDL's Ratio is satisfactory as net operating profit is relatively more sufficient to pay financial expense and long term debt.
V. Cash Flow:				
(iii) Net Operating Cash Flow per Share	(2.88)	8.41		PDL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(iv) Net Operating Cash Flow per Share/EPS	(1.17)	2.37		PDL's Ratio is satisfactory as Net Operating Cash Flow is positive.

N.B: For wider range of data, we communicated with Bangladesh Bureau of Statistics, Bangladesh Textile Mills Association and Bangladesh Bank. But, we were informed that none of them maintains such ratios with regard to industry concern.

*** The Industry average ratio is calculated through using the ratio of 3 listed similar companies namely Shasha Denims Limited, Argon Denims Limited for the year ended December 31, 2013 and Envoy Textiles Limited for the year ended September 30, 2013. (Source: Annual Report)

Pacific Denims Limited		Industry Average ***	
Particulars	**31.12.2012 Ratio**	**2012 Ratio**	**Remark/ Explanation**
I. Liquidity Ratios:			
(i) Current Ratio	3.29	1.14	PDL's Current Ratio is better than the industry average current ratio because of relatively lower current liabilities.
(ii) Quick Ratio	1.71	0.87	PDL's Ratio is better than the industry average ratio as quick assets are relatively higher.
(iii) Times Interest Earned Ratio	2.00	2.61	PDL's Ratio is satisfactory with the industry average ratio.
(iv) Debt to Equity Ratio	0.94	1.10	PDL's Ratio is satisfactory with the industry average ratio.
II. Operating Ratios:			
(i) Accounts Receivable Turnover Ratio	4.47	2.65	PDL's Ratio is satisfactory as collection period is shorter than the average industry.
(ii) Inventory Turnover Ratio	8.29	3.87	PDL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	0.97	0.53	PDL's Ratio is better than the industry average ratio.
III. Profitability Ratios:			
(i) Gross Margin Ratio	15.48%	22.17%	PDL's Ratio is satisfactory with the industry average ratio.
(ii) Operating Income Ratio	14.18%	20.17%	PDL's Ratio is satisfactory with the industry average ratio.
(iii) Net Income Ratio	5.94%	9.99%	PDL's Ratio is satisfactory with the industry average ratio.

(iv) Return on Assets Ratio	5.75%	5.36%		PDL's Ratio is satisfactory with the industry average ratio.
(v) Return on Equity Ratio	11.81%	13.25%		PDL's Ratio is satisfactory with the industry average ratio.
(vi) Basic Earnings Per Share (EPS)	3.20	5.31		PDL's Ratio is satisfactory with the industry average ratio.
(vii) EBITDA Margin	18.25%	25.80%		PDL's Ratio is satisfactory with the industry average ratio.
IV. Coverage Ratios:				
(i) Debt to total Assets Ratio	0.47	0.42		PDL's Ratio is satisfactory with the industry average ratio.
(ii) Debt Service Coverage Ratio	1.38	Not Available		PDL's Ratio is satisfactory as net operating profit is relatively more sufficient to pay financial expense and long term debt.
V. Cash Flow:				
(iii) Net Operating Cash Flow per Share	0.13	(1.15)		PDL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(iv) Net Operating Cash Flow per Share/EPS	0.04	(0.06)		PDL's Ratio is satisfactory as Net Operating Cash Flow is positive.

N.B: For wider range of data, we communicated with Bangladesh Bureau of Statistics, Bangladesh Textile Mills Association and Bangladesh Bank. But, we were informed that none of them maintains such ratios with regard to industry concern.

******* The Industry average ratio is calculated through using the ratio of 3 listed similar companies namely Shasha Denims Limited, Argon Denims Limited for the year ended December 31, 2012 and Envoy Textiles Limited for the year ended September 30, 2012. (Source: Annual Report)

Pacific Denims Limited			Industry Average ***		
Particulars	**31.12.2011**		**2011**		**Remark/ Explanation**
	Ratio		**Ratio**		
I. Liquidity Ratios:					
(i) Current Ratio	2.76		1.23		PDL's Current Ratio is better than the industry average current ratio because of relatively lower current liabilities.
(ii) Quick Ratio	1.78		0.76		PDL's Ratio is better than the industry average ratio as quick assets are relatively higher.
(iii) Times Interest Earned Ratio	1.90		2.68		PDL's Ratio is satisfactory with the industry average ratio.
(iv) Debt to Equity Ratio	0.98		1.27		PDL's Ratio is satisfactory with the industry average ratio.
II. Operating Ratios:					
(i) Accounts Receivable Turnover Ratio	4.74		2.57		PDL's Ratio is satisfactory as collection period is shorter than the average industry.
(ii) Inventory Turnover Ratio	9.89		2.97		PDL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	0.97		0.52		PDL's Ratio is better than the industry average ratio.
III. Profitability Ratios:					
(i) Gross Margin Ratio	15.48%		24.33%		PDL's Ratio is satisfactory with the industry average ratio.
(ii) Operating Income Ratio	14.38%		23.63%		PDL's Ratio is satisfactory with the industry average ratio.
(iii) Net Income Ratio	5.39%		10.49%		PDL's Ratio is satisfactory with the industry average ratio.

(iv) Return on Assets Ratio	5.21%	5.48%		PDL's Ratio is satisfactory with the industry average ratio.
(v) Return on Equity Ratio	11.06%	14.02%		PDL's Ratio is satisfactory with the industry average ratio.
(vi) Basic Earnings Per Share (EPS)	7.60	5.92		PDL's Ratio is satisfactory with the industry average ratio.
(vii) EBITDA Margin	19.32%	30.05%		PDL's Ratio is satisfactory with the industry average ratio.
IV. Coverage Ratios:				
(i) Debt to total Assets Ratio	0.47	0.52		PDL's Ratio is satisfactory with the industry average ratio.
(ii) Debt Service Coverage Ratio	1.52	Not Available		PDL's Ratio is satisfactory as net operating profit is relatively more sufficient to pay financial expense and long term debt.
V. Cash Flow:				
(iii) Net Operating Cash Flow per Share	6.69	13.16		PDL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(iv) Net Operating Cash Flow per Share/EPS	0.88	1.43		PDL's Ratio is satisfactory as Net Operating Cash Flow is positive.

N.B: For wider range of data, we communicated with Bangladesh Bureau of Statistics, Bangladesh Textile Mills Association and Bangladesh Bank. But, we were informed that none of them maintains such ratios with regard to industry concern.

******* The Industry average ratio is calculated through using the ratio of 3 listed similar companies namely Shasha Denims Limited, Argon Denims Limited for the year ended December 31, 2011 and Envoy Textiles Limited for the year ended September 30, 2011. (Source: Annual Report)

(d) **Auditors report under Section 135(1), Para 24(1) of Part II of Schedule III of the কোম্পানি আইন, ১৯৯৪. The report shall include comparative income statements and balance sheet and aforementioned ratios for immediate preceding five accounting years of the issuer. If the issuer has been in commercial operation for less than five years, the above mentioned inclusion and submission will have to be made for the period since commercial operation;**

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:

	Amount in Taka				
Particulars	**31.12.2015**	**31.12.2014**	**31.12.2013**	**31.12.2012**	**31.12.2011**
APPLICATION OF FUND					
NON-CURRENT ASSETS					
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	-	-	-
Total Non-Current Assets	**860,497,363**	**848,396,282**	**868,781,777**	**925,739,903**	**929,825,782**
CURRENT ASSETS					
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
Total Current Asset	**1,208,500,481**	**1,088,864,476**	**1,008,705,240**	**734,436,306**	**598,528,297**
CURRENT LIABILITIES & PROVISIONS					
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
Total Current Liabilities	**341,203,090**	**359,635,746**	**394,082,666**	**223,545,589**	**216,576,594**
Net Current Assets	**867,297,391**	**729,228,731**	**614,622,574**	**510,890,717**	**381,951,703**
TOTAL ASSETS	**1,727,794,754**	**1,577,625,013**	**1,483,404,351**	**1,436,630,621**	**1,311,777,485**

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
Total Shareholders' Equity	**1,004,287,586**	**904,300,037**	**915,296,618**	**821,440,166**	**729,802,111**
LONG TERM BORROWINGS					
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	-	-	-
Total Long Term Borrowings	**723,507,168**	**673,324,976**	**568,107,733**	**615,190,455**	**581,975,374**
TOTAL EQUITY AND LIABILITIES	**1,727,794,754**	**1,577,625,013**	**1,483,404,351**	**1,436,630,621**	**1,311,777,485**
NET ASSETS VALUE (NAV) PER SHARE	26.43	23.80	22.56	20.09	67.16
ADJUSTED NET ASSETS VALUE (NAV) PER SHARE	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
Gross Profit	**268,151,086**	**248,747,643**	**242,943,049**	**238,860,840**	**218,329,448**
Operating Expenses	**26,366,525**	**25,249,523**	**24,398,053**	**20,034,944**	**15,572,948**
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
Operating Profit	**241,784,560**	**223,498,120**	**218,544,996**	**218,825,896**	**202,756,500**
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	-
Net profit before tax	**118,164,085**	**114,122,300**	**110,419,355**	**107,809,476**	**96,488,334**
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
Net Profit after tax	**99,987,550**	**96,824,164**	**93,856,451**	**91,638,055**	**75,984,563**
Earnings per Share (EPS)	2.63	2.55	2.47	3.20	7.60
Adjusted Earnings per Share (EPS)	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.

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Place: Dhaka
Dated: 31 March, 2016

(e) **Financial spread sheet analysis for the latest audited financial statements;**

Worksheet Analysis

For the year ended December 31, 2015

Particulars	Trial Balance		Adjustment		Adjusted Trial balance		Statement of Profit or Loss and Other Comprehensive Income		Statement of Changes in Equity (Retained Earnings)		Statement of Financial Position	
	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr
Property, Plant & Equipment	1,372,092,983				1,372,092,983						1,372,092,983	
Accumulated Depreciation		456,860,133		54,735,486		511,595,619						511,595,619
Inventories	378,112,560				378,112,560						378,112,560	
Trade & Other Receivables	526,419,836				526,419,836						526,419,836	
Advances, Deposits & Pre-Payments	17,874,244		225,803,364		243,677,608						243,677,608	
Fixed Deposit	38,833,257				38,833,257						38,833,257	
Cash & Cash Equivalents	21,457,220				21,457,220						21,457,220	
Trade & Other Payables		17,598,438				17,598,438						17,598,438
Short-Term Borrowings		119,190,451				119,190,451						119,190,451
Long-Term Borrowings-Current portion		118,908,979				118,908,979						118,908,979
Provision for Income Tax		54,039,146		17,870,053		71,909,198						71,909,198
Accrued Expenses		-		13,596,023		13,596,023						13,596,023
Share capital		380,000,000				380,000,000						380,000,000
Revaluation Reserve		145,690,413				145,690,413						145,690,413
Tax Holiday Reserve		145,760,152				145,760,152						145,760,152
Opening Retained Earnings		232,849,471				232,849,471				232,849,471		
Long Term Borrowings		671,810,437				671,810,437						671,810,437
Deferred Tax Liability		51,390,249		306,482		51,696,731						51,696,731
Turnover		1,682,536,409				1,682,536,409		1,682,536,409				

Cost of Sales (Excluding Depreciation)	1,572,253,341		12,398,421	225,001,925	1,359,649,837		1,359,649,837					
Office & Administrative Expenses	20,930,058		1,197,602	801,439	21,326,221		21,326,221					
Selling & Distribution Expenses	5,040,304				5,040,304		5,040,304					
Depreciation Expense	-		54,735,486		54,735,486		54,735,486					
Financial Expenses	125,880,088				125,880,088		125,880,088					
Other Income		2,259,613				2,259,613		2,259,613				
Current Tax Expenses	-		17,870,053		17,870,053		17,870,053					
Deferred Tax Expenses/ (Income)	-		306,482		306,482		306,482					
	4,078,893,890	4,078,893,890	312,311,408	312,311,408	4,165,401,934	4,165,401,934	1,584,808,472	1,684,796,022				
Net Profit							99,987,550			99,987,550		
							1,684,796,022	1,684,796,022	-	332,837,021		
Closing Retained Earnings									332,837,021			332,837,021
									332,837,021	332,837,021		
											2,580,593,463	2,580,593,463

(f) **Earnings Per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS;**

Particulars	Amount in Taka
Net profit after Tax	99,987,550
No. of shares before IPO	38,000,000
Earnings per Share (EPS)	**2.63**

(g) **All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings Per Share;**

Particulars	Amount in Taka
Net profit before Tax	99,987,550
Less: Other Income	2,259,613
Net profit before tax except other income	**97,727,937**
Less: Provision for Taxation	18,176,535
Net profit after tax except other income	**79,551,402**
No. of shares before IPO	38,000,000
Earnings per Share (EPS)	**2.09**

(h) **Quarterly or half-yearly EPS should not be annualized while calculating the EPS;**
This information is not applicable for us.

(i) **Net asset value (with and without considering revaluation surplus/reserve) per unit of the securities being offered at the date of the latest audited statement of financial position.**

Particulars	Amount in Taka
Share Capital	380,000,000
Revaluation reserve	145,690,413
Tax Holiday reserve	145,760,152
Retained Earnings	332,837,021
Total Shareholders' Equity (with Revaluation Reserve)	**1,004,287,587**
Total Shareholders' Equity (without Revaluation Reserve)	**858,597,174**
Total Number of Ordinary Share	38,000,000
Net Assets Value (NAV) at BDT 10.00 per share (with Revaluation Reserve)	**26.43**
Net Assets Value (NAV) at BDT 10.00 per share (without Revaluation Reserve)	**22.59**

(j) **The Commission may require the issuer to re-audit the audited financial statements, if any deficiency/anomaly is found in the financial statements. In such a case, cost of audit should be borne by the concerned issuer.**
This information is not applicable for us.

(k) **Following statements for the last five years or any shorter period of commercial operation certified by the auditors: -**

(i) **Statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid/accrued;**

Certification on Statement of Long Term and Short Term Borrowings Including Borrowing from Related Party or Connected Persons

After due verification, we certify that the Long Term and Short Term Borrowings Including Borrowing from Related Party or Connected Persons of Pacific Denims Ltd. for the last five years made up as follows:

For the Year ended December 31, 2015:

Name of the Parties	Nature of Relationship	Nature of Borrowings	Balance as on 31 Dec. 2015	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
Agrani Bank Ltd., Principal Branch	Lender	Long Term	500,341,498	17.50	-	-
NCC Bank Ltd., Foreign Ex. Branch	Lender	Long Term	97,040,410	18.00	-	-
Brac Bank	Lender	Long Term	27,790,301	16.50		
Bank Asia Ltd.	Lender	Long Term	51,342,905	15.50	-	-
IDLC	Lender	Long Term	31,152,625	18.00	-	-
IIDFC	Lender	Long Term	33,990,500	17.00	-	-
First Lease Finance & Investment Ltd.	Lender	Long Term	49,061,177	18.00	-	-
Sub Total			**790,719,416**		**122,266,481**	Nil
Agrani Bank Ltd.	Lender	Short Term	69,229,341	17.50	-	-
Prime Bank Ltd.	Lender	Short Term	49,961,110	14.00	-	-
Sub Total			**119,190,451**		**1,379,314**	**Nil**
Grand Total			**909,909,867**		**123,645,795**	**Nil**

For the Year ended December 31, 2014:

Name of the Parties	Nature of Relationship	Nature of Borrowings	Balance as on 31 Dec. 2014	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
Agrani Bank Ltd.	Lender	Long Term	470,341,498	17.50	-	-
NCC Bank Ltd., Foreign Ex. Branch	Lender	Long Term	93,639,566	18.00	-	-
Bank Asia Ltd.	Lender	Long Term	46,331,400	15.50	-	-
IDLC	Lender	Long Term	35,065,924	18.00	-	-
IIDFC	Lender	Long Term	47,804,907	17.00	-	-
First Lease Finance & Investment Ltd.	Lender	Long Term	47,660,412	18.00	-	-
Sub Total			**740,843,707**		**92,987,767**	**Nil**
Agrani Bank Ltd. Principal Branch	Lender	Short Term	69,229,341	17.50	-	-
Prime Bank Ltd.	Lender	Short Term	56,568,344	16.00	-	-
Sub Total			**125,797,685**		**14,580,060**	**Nil**
Grand Total			**866,641,392**		**107,567,827**	**Nil**

For the Year ended December 31, 2013:

Name of the Parties	Nature of Relationship	Nature of Borrowings	Balance as on 31 Dec. 2013	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
Agrani Bank Ltd.	Lender	Long Term	373,874,538	17.50	-	-
NCC Bank Ltd., Foreign Ex. Branch	Lender	Long Term	99,855,284	17.50	-	-
Bank Asia Ltd.	Lender	Long Term	53,600,000	16.00	-	-
IDLC	Lender	Long Term	42,057,414	18.00	-	-
IIDFC	Lender	Long Term	48,873,071	15.50	-	-
First Lease Finance & Investment Ltd.	Lender	Long Term	47,979,731	18.00	-	-
Sub Total			**666,240,038**		**90,021,032**	**Nil**
Agrani Bank Ltd.	Lender	Short Term	68,507,396	16.00		
Prime Bank Ltd.	Lender	Short Term	49,500,000	16.00		
Agrani Bank Ltd.,	Lender	Short Term	99,200,000	17.50		-
Sub Total			**217,207,396**		**16,550,396**	**Nil**
Grand Total			**883,447,434**		**106,571,428**	**Nil**

For the Year ended December 31, 2012:

Name of the Parties	Nature of Relationship	Nature of Borrowings	Balance as on 31 Dec. 2012	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
Agrani Bank Ltd., Principal Branch	Lender	Long Term	378,864,538	17.50	-	-
NCC Bank Ltd., Foreign Ex. Branch	Lender	Long Term	98,103,791	16.00	-	-
IDLC	Lender	Long Term	40,805,936	14.57	-	-
IIDFC	Lender	Long Term	42,153,524	15.50	-	-
First Lease Finance & Investment Ltd.	Lender	Long Term	55,262,666	16.00	-	-
Sub Total			**615,190,455**		**86,228,508**	**Nil**
Bank Asia Ltd.	Lender	Short Term	7,472,119	16.00	-	-
Agrani Bank Ltd.	Lender	Short Term	57,963,441	16.00	-	-
Prime Bank Ltd.	Lender	Short Term	14,733,634	15.50	-	-
Agrani Bank Ltd., Pr. Br.	Lender	Short Term	79,775,754	14.00	-	-
Sub Total			**159,944,948**		**20,795,321**	**Nil**
Grand Total			**775,135,403**		**107,023,829**	**Nil**

For the Year ended December 31, 2011:

Name of the Parties	Nature of Relationship	Nature of Borrowings	Balance as on 31 Dec. 2011	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
Agrani Bank Ltd., Principal Branch	Lender	Long Term	208,702,694	13.00	-	-
Agrani Bank Ltd., Principal Branch	Lender	Long Term	128,901,014	13.00	-	-
NCC Bank Ltd Foreign Ex. Branch	Lender	Long Term	147,003,154	16.00	-	-
IDLC	Lender	Long Term	48,731,022	14.57	-	-
IIDFC	Lender	Long Term	48,637,490	15.50	-	-
Sub Total			**581,975,374**		**89,568,583**	**Nil**
Bank Asia Ltd.	Lender	Short Term	3,180,120	14.00	-	-
Agrani Bank Ltd.	Lender	Short Term	56,802,919	13.00	-	-
Standard Charterd Bank Ltd.	Lender	Short Term	4,623,079	16.00	-	-
Agrani Bank Ltd.	Lender	Short Term	66,747,674	14.00	-	-
Sub Total			**131,353,792**		**7,494,448**	**Nil**
Grand Total			**713,329,166**		**97,063,031**	**Nil**

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Place: Dhaka
Date: 31 March, 2016

(ii) **Statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral/other security, re-payment schedule and status;**

Certification on Statement of Principal Terms of Secured Loans and Assets on which Charge have been Created Against Those Loans

After due verification, we certify that the Principal Terms of Secured Loans as per Loan Agreement and Assets on which Charge have been Created Against those Loans of Pacific Denims Ltd. for the last five years were as follows;

Particulars	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	Agrani Bank Ltd.	Agrani Bank Ltd.	Agrani Bank Ltd.	Agrani Bank Ltd.	Agrani Bank Ltd.
Purpose	Project	Project	Project	Project	Project
Collateral Asset	450 Decimal Land	450 Decimal Land	450 Decimal Land	450 Decimal Land	450 Decimal Land
Sanctioned Amount	54.53 Crore	54.53 Crore	38.18 Crore	38.18 Crore	21.52 Crore
Rate of Interest	17.50%	17.50%	17.50%	17.50%	13.00%
Primary/Collateral/Other Security	19 post dated cheques	19 post dated cheques	19 post dated cheques	19 post dated cheques	19 post dated cheques
Re-payment schedule	19 Equal Monthly Installment	19 Equal Monthly Installment	19 Equal Monthly Installment	19 Equal Monthly Installment	19 Equal Monthly Installment
Status (Outstanding balance Tk.)	500,341,498	470,341,498	373,874,538	378,864,538	208,702,694

Particulars	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	Agrani Bank Ltd.	Agrani Bank Ltd.	Agrani Bank Ltd.	Agrani Bank Ltd.	Agrani Bank Ltd.
Purpose	N/A	N/A	N/A	N/A	BMRE
Collateral Asset					450 Decimal Land
Sanctioned Amount					11.00 Crore
Rate of Interest					13.00%
Primary/Collateral/Other Security					19 post dated cheques
Re-payment schedule					19 Equal Monthly Installment
Status (Outstanding balance Tk.)	Nil	Nil	Nil	Nil	128,901,014

Particulars	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	**Agrani Bank Ltd.**	**Agrani Bank Ltd.**	**Agrani Bank Ltd.**	**Agrani Bank Ltd.**	**Agrani Bank Ltd.**
Purpose	Working Capital	Working Capital	Working Capital	Working Capital	Working Capital
Collateral Asset	N/A	N/A	N/A	N/A	N/A
Sanctioned Amount	6.57 Crore	6.57 Crore	6.57 Crore	6.57 Crore	6.57 Crore
Rate of Interest	17.50%	17.50%	16%	16.00%	13.00%
Primary/Collateral/Other Security	Stock of Raw Materials, WIP, Personal Guarantee	Stock of Raw Materials, WIP, Personal Guarantee	Stock of Raw Materials, WIP, Personal Guarantee	Stock of Raw Materials, WIP, Personal Guarantee	Stock of Raw Materials, WIP, Personal Guarantee
Re-payment schedule	Within one year	Within one year	Within one year	Within one year	Within one year
Status (Outstanding balance Tk.)	69,229,341	69,229,341	68,507,396	57,963,441	56,802,919

Particulars	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	**Agrani Bank Ltd.**	**Agrani Bank Ltd.**	**Agrani Bank Ltd.**	**Agrani Bank Ltd.**	**Agrani Bank Ltd.**
Purpose	N/A	N/A	Working Capital	Working Capital	**Working Capital**
Collateral Asset			N/A	N/A	N/A
Sanctioned Amount			6.75 Crore	6.75 Crore	6.75 Crore
Rate of Interest			17.50%	14.00%	14.00%
Primary/Collateral/Other Security			2 advance cheques	2 advance cheques	2 advance cheques
Re-payment schedule			Within 120 days	Within 120 days	Within 120 days
Status (Outstanding balance Tk.)			99,200,000	79,775,754	66,747,674

Particulars	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	Bank Asia Ltd.	Bank Asia Ltd.	Bank Asia Ltd.	Bank Asia Ltd.	Bank Asia Ltd.
Purpose	Adjustment of Overdue Demand Loan	Adjustment of Overdue Demand Loan	Adjustment of Overdue Demand Loan	N/A	N/A
Collateral Asset (Third party)	3.24 khata land along with 1 stories residential building and 2.95 khata land.	3.24 khata land along with 1 stories residential building and 2.95 khata land.	3.24 khata land along with 1 stories residential building and 2.95 khata land.		
Sanctioned Amount	10.43 Million	10.43 Million	10.43 Million		
Rate of Interest	15.50%	15.50%	16.00%		
Primary/Collateral/Other Security	Hypothecation of goods, Machinery, Equipment duly insured covering the risk of fire.	Hypothecation of goods, Machinery, Equipment duly insured covering the risk of fire.	Hypothecation of goods, Machinery, Equipment duly insured covering the risk of fire.		
Re-payment schedule	45 Equal Monthly Installment	45 Equal Monthly Installment	45 Equal Monthly Installment		
Status (Outstanding balance Tk.)	51,342,905	46,331,400	53,600,000	Nil	Nil

Particulars	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	Bank Asia Ltd.	Bank Asia Ltd.	Bank Asia Ltd.	Bank Asia Ltd.	Bank Asia Ltd.
Purpose	N/A	N/A	N/A	Adjustment of Overdue Demand Loan	Adjustment of Overdue Demand Loan
Collateral Asset (Third party)				N/A	N/A
Sanctioned Amount				10.43 Million	10.43 Million
Rate of Interest				16.00%	14.00%
Primary/Collateral/Other Security				Hypothecation of goods, Machinery, Equipment duly insured covering the risk of fire.	Hypothecation of goods, Machinery, Equipment duly insured covering the risk of fire.
Re-payment schedule				Within 120 days	Within 120 days
Status (Outstanding balance Tk.)	Nil	Nil	Nil	7,472,119	3,180,120

Particulars	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	**Prime Bank Ltd. Ltd.**	**Prime Bank Ltd. Ltd.**	**Prime Bank Ltd. Ltd.**	**Prime Bank Ltd. Ltd.**	**Prime Bank Ltd. Ltd.**
Purpose	To Procure/Import Raw Materials from local/oversees market to manufacture denim fabrics.	To Procure/Import Raw Materials from local/oversees market to manufacture denim fabrics.	To Procure/Import Raw Materials from local/oversees market to manufacture denim fabrics.	To Procure/Import Raw Materials from local/oversees market to manufacture denim fabrics.	N/A
Collateral Asset (Third party)	5 khata land	5 khata land	6 khata land	7 khata land	
Sanctioned Amount	45 Crore	45 Crore	50 Crore	50 Crore	
Rate of Interest	14.00%	16.00%	16.00%	15.50%	
Primary/Collateral/Other Security	L/C related Shipping documents, Letter of Trust Receipts, Schedule Bank acceptance, Lien of the respective land	L/C related Shipping documents, Letter of Trust Receipts, Schedule Bank acceptance, Lien of the respective land	L/C related Shipping documents, Letter of Trust Receipts, Schedule Bank acceptance, Lien of the respective land	L/C related Shipping documents, Letter of Trust Receipts, Schedule Bank acceptance, Lien of the respective land	
Re-payment schedule	Within 120 days	Within 120 days	Within 120 days	Within 120 days	
Status (Outstanding balance Tk.)	49,961,110	56,568,344	49,500,000	14,733,634	

Particulars	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	**NCC Bank Ltd.**	**NCC Bank Ltd.**	**NCC Bank Ltd.**	**NCC Bank Ltd.**	**NCC Bank Ltd.**
Purpose	Loan Adjustment	Loan Adjustment	Loan Adjustment	Loan Adjustment	Loan Adjustment
Collateral Asset (Third party)	22 decimal vacant land	22 decimal vacant land	22 decimal vacant land	22 decimal vacant land	22 decimal vacant land
Sanctioned Amount	10.36 Crore	10.36 Crore	9.98 Crore	23.46 Crore	23.46 Crore
Rate of Interest	18.00%	18.00%	17.50%	16.00%	16.00%
Primary/Collateral/Other Security	24 Post dated cheques, personal guaranty of directors	24 Post dated cheques, personal guaranty of directors	24 Post dated cheques, personal guaranty of directors	24 Post dated cheques, personal guaranty of directors	24 Post dated cheques, personal guaranty of directors
Re-payment schedule	24 Equal Monthly Installment	24 Equal Monthly Installment	24 Equal Monthly Installment	24 Equal Monthly Installment	24 Equal Monthly Installment
Status	97,040,410	93,639,566	99,855,284	98,103,791	147,003,154

Particulars	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	**Brac Bank**	**Brac Bank**	**Brac Bank**	**Brac Bank**	**Brac Bank**
Purpose	Loan Adjustment	N/A	N/A	N/A	N/A
Collateral Asset	16.50 decimal vacant land				
Sanctioned Amount	4.50 Crore				
Rate of Interest	16.50%				
Primary/Collateral/Other Security	L/C related Shipping documents, Letter of Trust Receipts, Schedule Bank acceptance, Lien of the respective land				
Re-payment schedule	30 Equal Monthly Installment				
Status (Outstanding balance Tk.)	27,790,301	Nil	Nil	Nil	Nil

Particulars	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	Industrial and Infrastructure Development Finance Company Ltd. (IIDFC)	Industrial and Infrastructure Development Finance Company Ltd. (IIDFC)	Industrial and Infrastructure Development Finance Company Ltd. (IIDFC)	Industrial and Infrastructure Development Finance Company Ltd. (IIDFC)	Industrial and Infrastructure Development Finance Company Ltd. (IIDFC)
Purpose	Capital Machinery	Capital Machinery	Capital Machinery	Capital Machinery	Capital Machinery
Collateral Asset(Third party)	13.33 khata land	13.33 khata land	13.33 khata land	13.33 khata land	13.33 khata land
Sanctioned Amount	50.00 Lac	50.00 Lac	50.00 Lac	50.00 Lac	50.00 Lac
Rate of Interest	17.00%	17.00%	15.50%	15.50%	15.50%
Primary/Collateral/Other Security	Personal guarantee of directors and post dated cheque, Insurance of Machineries	Personal guarantee of directors and post dated cheque, Insurance of Machineries	Personal guarantee of directors and post dated cheque, Insurance of Machineries	Personal guarantee of directors and post dated cheque, Insurance of Machineries	Personal guarantee of directors and post dated cheque, Insurance of Machineries
Re-payment schedule	39 Equal Monthly Installment	39 Equal Monthly Installment	39 Equal Monthly Installment	39 Equal Monthly Installment	57 Equal Monthly Installment
Status (Outstanding balance Tk.)	33,990,500	47,804,907	48,873,071	42,153,524	48,637,490

Particulars	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	**First Lease Finance & Investment Ltd.**	**First Lease Finance & Investment Ltd.**	**First Lease Finance & Investment Ltd.**	**First Lease Finance & Investment Ltd.**	**First Lease Finance & Investment Ltd.**
Purpose	Capital Machinery	Capital Machinery	Capital Machinery	Capital Machinery	
Collateral Asset(Third party)	33 decimal land	33 decimal land	33 decimal land	33 decimal land	
Sanctioned Amount	57.52 Lac	57.52 Lac	57.52 Lac	**57.52 Lac**	
Rate of Interest	18.00%	18.00%	18.00%	16.00%	
Primary/Collateral/Other Security	Personal guarantee of directors and post dated cheque, Insurance of Machineries	Personal guarantee of directors and post dated cheque, Insurance of Machineries	Personal guarantee of directors and post dated cheque, Insurance of Machineries	Personal guarantee of directors and post dated cheque, Insurance of Machineries	
Re-payment schedule	60 Equal Monthly Installment	60 Equal Monthly Installment	60 Equal Monthly Installment	60 Equal Monthly Installment	
Status (Outstanding balance Tk.)	49,061,177	47,660,412	47,979,731	55,262,666	Nil

Particulars	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	**IDLC Finance Ltd.**	**IDLC Finance Ltd.**	**IDLC Finance Ltd.**	**IDLC Finance Ltd.**	**IDLC Finance Ltd.**
Purpose	Capital Machinery	Capital Machinery	Capital Machinery	Capital Machinery	Capital Machinery
Collateral Asset(Third party)	13.64 khata land	13.64 khata land	13.64 khata land	13.64 khata land	13.64 khata land
Sanctioned Amount	40.24 Lac	40.24 Lac	40.24 Lac	52.00 Lac	52.00 Lac
Rate of Interest	18.00%	18.00%	18.00%	14.57%	14.57%
Primary/Collateral/Other Security	Post dated cheque, Insurance policy	Post dated cheque, Insurance policy	Post dated cheque, Insurance policy	Post dated cheque, Insurance policy	Post dated cheque, Insurance policy
Re-payment schedule	54 Equal Monthly Installment	54 Equal Monthly Installment	54 Equal Monthly Installment	60 Equal Monthly Installment	60 Equal Monthly Installment
Status (Outstanding balance Tk.)	31,152,625	35,065,924	42,057,414	40,805,936	48,731,022

Particulars	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	Standard Chartered bank Ltd.	Standard Chartered bank Ltd.	Standard Chartered bank Ltd.	Standard Chartered bank Ltd.	Standard Chartered bank Ltd.
Purpose	N/A	N/A	N/A	N/A	To Procure/Import Raw Materials from local/oversees market to manufacture denim fabrics.
Collateral Asset(Third party)					8 khata land
Sanctioned Amount					50Crore
Rate of Interest					16.00%
Primary/Collateral/Other Security					L/C related Shipping documents, Letter of Trust Receipts, Schedule Bank acceptance, Lien of the respective land
Re-payment schedule					Within 120 days
Status (Outstanding balance Tk.)					4,623,079

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Place: Dhaka
Date: 31 March, 2016

(iii) **Statement of unsecured loans with terms & conditions;**

Certification on unsecured loan with terms and conditions of Pacific Denims Ltd.

This is to certify that Pacific Denims Limited did not take any unsecured loan from any person/body/related party from 01 January 2011 to 31 December 2015.

Sd/-
Place: Dhaka **Mahfel Huq & Co.**
Date: 31 March, 2016 Chartered Accountants

(iv) **Statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store & spares parts, inventory of trading goods etc.;**

Certification on Statement of Inventories

After due verification, we certify that the statement of inventories showing amount of raw material, packing material, stock-in process, finished goods, consumable items, store & spare parts, inventory of trading goods of Pacific Denims Ltd. for the last five years were as follows;

Items	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Yarn	80,433,796	67,654,963	82,535,829	47,654,396	21,586,118
Dyes & Chemicals	33,266,246	31,114,588	45,644,872	20,219,077	10,427,630
Packing Materials	7,455,810	6,778,009	8,838,480	9,484,941	10,698,919
Stock-In-Process	72,915,206	68,145,052	36,256,346	39,384,519	27,032,875
Finished Goods	180,345,568	151,135,868	126,609,335	54,914,002	58,013,335
Consumable Items	Nil	Nil	Nil	Nil	Nil
Store & Spares parts	3,695,934	3,422,161	3,355,060	5,032,590	10,057,241
Trading Goods	N/A	N/A	N/A	N/A	N/A
Total	**378,112,560**	**328,250,641**	**303,239,922**	**176,689,524**	**137,816,118**

Sd/-
Place: Dhaka **Mahfel Huq & Co.**
Date: 31 March, 2016 Chartered Accountants

(v) **Statement of trade receivables showing receivable from related party and connected persons;**

Certification on Statement of Trade Receivables of Pacific Denims Ltd.

After due verification, we certify that the statement of trade receivables showing receivables from related party and connected persons of Pacific Denims Ltd. for the last five years were as follows;

Particulars	Amount in BDT				
	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
General					
Nucon Garments Ltd.	-	1,215,020	1,445,720	1,027,984	-
Raina Fasion	-	1,696,414	2,080,914	3,539,200	7,723,000
Brothers Fasion Ltd.	-	15,064,710	16,602,710	22,151,213	7,769,338
HRB Apparels Ltd.	-	1,608,748	1,839,448	5,626,600	-
Turjo Apparels Ltd.	4,444,050	441,408	401,280	364,800	-
M- Yew fasion Ltd.	22,857,374	45,763,994	43,839,994	7,222,800	21,534,600
Chancellor Garments Ltd	-	14,249,570	15,787,570	4,336,400	-
Quality Appearls	28,417,292	15,239,404	12,777,704	15,287,600	30,892,000
Gemini Garments Ltd.	12,546,300	20,155,338	20,449,096	20,227,128	7,723,000
Liberty Fasion wear Ltd.	18,536,400	26,202,658	16,789,501	18,752,560	
Anika Apparels (Pvt) Ltd.	6,868,945	14,087,657	6,708,408	3,194,480	-
Chowdhury fashions wear Ltd	-	-	-	902,000	-
Rider Fasions Ltd.	-	-	-	2,932,800	-
Spotfame Apparels Ltd.	-	14,621,152	15,314,213	7,786,800	-
Wintex Apparels Ltd.	-	-	-	2,735,080	-
Mayc's Garments Ltd.	30,962,510	22,338,111	47,411,542	29,580,000	30,892,000
Wiliums Clothing	-	-	-	5,694,800	-
Centex fasion Ltd.	1,996,840	629,787	840,902	6,050,400	23,169,000
Reza Fasions Ltd.	-	21,734,697	18,268,740	8,699,400	-
Jaycee's Apparels Ltd	-	3,300,024	2,538,480	1,208,800	-
Fasionn House(s) Ltd.	10,546,546	26,815,865	17,877,243	8,512,973	-
Majumder Fasions Ltd.	-	5,574,492	2,229,797	1,061,808	-
Lynda Fasions Ltd.	7,536,430	14,525,016	11,103,582	5,428,400	-
Green World Fasions Ltd.	-	5,060,916	2,891,952	1,377,120	-
Chantik Garments Ltd.	28,681,400	20,282,459	21,398,981	13,296,600	19,494,642
Annanta Sportswear Ltd.	-	5,133,375	11,426,111	15,394,400	15,446,000
R- Rahman Knitwear Ltd.	5,985,397	8,777,242	22,184,400	10,564,000	-

Rafi Texmode Ltd.	9,836,320	18,458,495	13,184,640	6,278,400	-
Cassiopea Fashion Ltd.	49,450,440	12,534,600	22,705,200	10,812,000	-
Pole Star Fashions Design Ltd.	27,536,420	52,987,218	25,399,920	12,095,200	-
Aftabunnessa Garments Ltd.	-	15,993,712	11,749,232	11,966,000	-
Aman Graphices & Design Ltd.	-	-	-	12,951,840	-
Progressive Apparels Ltd.	23,914,488	17,402,509	18,786,709	10,813,600	-
Samrana Enterprise Ltd.		10,197,675	-	10,461,440	-
Sadma Fasions wear Ltd.	12,546,300	32,489,500	42,492,985	2,001,560	-
HRB Apparels Ltd.	12,013,564	13,584,375	-	3,497,600	-
Maestro Appareals Ltd.	-	-	-	4,573,800	-
Youth Fashion Ltd.	-	-	1,040,000	10,400,000	-
AFCO Abedin Garments Ltd.	5,468,050	4,540,176	5,309,176	5,532,918	-
KRK Garments Ltd.	7,536,400	10,753,620	11,522,620	10,936,000	-
Outright Fasion Ltd.	-	-	-	15,435,200	-
Raquef Apparels	-	-	-	-	31,664,300
Passion Jeans	-	-	-	-	6,734,455
Regency Garments	-	-	-	-	30,892,000
Newline Clothing	-	-	-	-	30,892,000
Southern Garments	-	-	-	-	30,892,000
Jeans Stitch House Ltd	-	4,559,625	6,676,075	-	-
Bottom Gallery Pvt. Ltd	-	4,535,240	3,578,080	-	-
Tafop Apparels Ltd.	-	1,319,604	1,012,004	-	-
Image Garments Ltd	-	1,505,202	1,274,502	-	-
ABC Garments Ltd.	-	2,749,944	1,827,144	-	-
Alliance Garments Ltd.	49,632,648	-	-	-	-
Nofs Garments Ltd.	8,972,234	-	-	-	-
Arrival Fashions Ltd.	11,991,252	-	-	-	-
Shin Shin Apparels Ltd.	3,549,390	-	-	-	-
DANA Bottoms Ltd.	2,173,002	-	-	-	-
Modiste (CEPZ) Ltd.	8,796,060	-	-	-	-
W Apparels Ltd.	16,895,278	-	-	-	-
Yagi Bangladesh Garmenrts	12,834,042	-	-	-	-
Design and Sources Ltd.	4,141,410	-	-	-	-
East West Services Ltd.	9,566,466	-	-	-	-
Amena (PVT) Ltd.	27,448,200	-	-	-	-
Rider Fashions Ltd.	11,967,072	-	-	-	-
Adams Apparels Ltd.	3,746,535	-	-	-	-
Mouli Fashions Ltd.	2,675,400	-	-	-	-

Atlantic Garments Ltd.	1,456,591	-	-	-	-
Padma Satel Arab Fashions Ltd.	670,176	-	-	-	-
Chancellor Garments Ltd.	8,195,460			-	-
Sub Total	**512,392,682**	**508,129,552**	**478,766,574**	**350,711,704**	**295,718,335**
With Related Party	Nil	Nil	Nil	Nil	Nil
With Connected Persons	Nil	Nil	Nil	Nil	Nil
Grand Total	**512,392,682**	**508,129,552**	**478,766,574**	**350,711,704**	**295,718,335**

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Place: Dhaka
Date: 31 March, 2016

(vi) **Statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized/accrued;**

Certification on Loan Given to Related Party or Connected Persons by the Pacific Denims Ltd.

This is to certify that Pacific Denims Limited did not give any loan to any person/body/related party from 01 January 2011 to 31 December 2015.

Sd/-
Place: Dhaka
Date: 31 March, 2016

Mahfel Huq & Co.
Chartered Accountants

(vii) **Statement of other income showing interest income, dividend income, discount received, other non operating income;**

Certification on Statement of Other Income of Pacific Denims Ltd.

After due verification, we certify that the other income showing interest income, dividend income, discount received and other non operating income of Pacific Denims Ltd. for the last five years were as follows;

Particulars	Amount in BDT				
	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Interest Income	1,931,156	405,000	488,550	592,500	182,500
Dividend Income	-	-	-	-	-
Discount Received	-	-	-	-	-
Other Non-Operating Income	328,457	-	-	-	-
Total	**2,259,612**	**405,000**	**488,550**	**592,500**	**182,500**

Sd/-
Place: Dhaka
Date: 31 March, 2016

Mahfel Huq & Co.
Chartered Accountants

(viii) **Statement of turnover showing separately in cash and through banking channel;**

Certification on Statement of Turnover of Pacific Denims Ltd.

After due verification, we certify that the turnover showing separately in cash and through banking channel of Pacific Denims Ltd. for the last five years were as follows;

Particulars	Amount in BDT				
	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
In Cash	-	-	-	-	-
Through Banking Channel	1,682,536,409	1,604,853,996	1,569,637,160	1,543,265,624	1,410,194,088
Total	**1,682,536,409**	**1,604,853,996**	**1,569,637,160**	**1,543,265,624**	**1,410,194,088**

Sd/-
Place: Dhaka
Date: 31 March, 2016

Mahfel Huq & Co.
Chartered Accountants

(ix) **Statement of related party transaction;**

Certification on Statement of Related Party Transaction of Pacific Denims Ltd.

After due verification, we certify that the status of related party transactions of Pacific Denims Ltd. for the last five years were as follows;

A: Remuneration & Board Meeting Fee

Name	Designation/ Relationship	31-Dec-15		31-Dec-14		31-Dec-13		31-Dec-12		31-Dec-11	
		Nature of Transaction		Nature of Transaction		Nature of Transaction		Nature of Transaction		Nature of Transaction	
		Remuneration	Board Meeting Fee	Remuneration	Board Meeting Fee	Remuneration	Board Meeting Fee	Remuneration	Board Meeting Fee	Remuneration	Board Meeting Fee
Md. Shadequl Alam (Yeasin)	Chairman	702,000	25,000	702,000	25,000	702,000	25,000	702,000	Nil	702,000	Nil
Md. Shafiul Azam (Mohsin)	Managing Director	1,200,000	30,000	1,200,000	30,000	1,200,000	30,000	960,000	Nil	960,000	Nil
Md. Sohel Khan	Director	Nil	20,000	Nil	20,000	Nil	20,000	-	Nil	-	Nil
Md. Ashfak Ahmed Khan	Independent Director	Nil	20,000	Nil	20,000	Nil	20,000	-	Nil	-	Nil
M.A. Kamal Bhuiyan	Nominee Director	Nil	20,000	Nil	20,000	Nil	20,000	-	Nil	-	Nil
Sub Total		**1,902,000**	**115,000**	**1,902,000**	**115,000**	**1,902,000**	**115,000**	**1,662,000**	**Nil**	**1,662,000**	**Nil**

B: Other Transactions

Name	Relationship	Receivable/Payable	Receivable/Payable	Receivable/Payable	Receivable/Payable	Receivable/Payable
Pacific Automobiles Ltd.	Payable	615,340	(4,454,603)	(4,754,603)	(583,485)	1,500,000
Pacific Aviation Ltd.	Receivable	2,736,500	2,861,498	2,736,500	2,356,500	2,356,500
Pacific Beverage & Food Ltd.	Receivable	10,295,159	11,453,565	11,053,565	6,970,125	7,570,125
Pacific Ceramic Ltd.	Receivable	523,490	723,488	523,490	523,490	523,490
Pacific Co (BD) Ltd.	Payable	1,235,450	(15,507,023)	(21,788,676)	6,157,499	6,157,499
Pacific Electronics Ltd.	Receivable	-	132,445	57,445	-	-
Pacific Energy Ltd.	Receivable	219,125	269,125	219,125	219,125	219,125
Pacific Shipbuilding Ltd.	Receivable	84,295	94,295	84,295	84,295	84,295
Pacific Steel Mills Ltd.	Receivable	9,000	15,000	9,000	9,000	90,000
Pentex Fashions Ltd	Receivable/ Payable	60,000	83,638	60,000	(4,950,500)	4,437,457
Symphony Enterprise Ltd.	Receivable	99,585	174,583	99,585	99,585	-
Sub Total		**15,877,944**	**(4,153,989)**	**(11,700,274)**	**10,885,634**	**22,938,491**
Grand Total(A + B)		**17,894,944**	**(2,136,989)**	**(9,683,274)**	**12,547,634**	**24,600,491**

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Place: Dhaka
Date: 31 March, 2016

(x) **Reconciliation of business income shown in tax return with net income shown in audited financial statements;**

Certification regarding Reconciliation of Business Income Shown in Tax Return with Net Income Shown in Audited Financial Statements of Pacific Denims Ltd. for the last five years.

This is to certify that the income of Pacific Denims Ltd as per Audited financial statements and Income shown in Tax Return are similar during last five years ended on December 31 and as such there was no matters of reconciliation which are shown below;

Particulars	Amount in BDT				
	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Business Income as per audited accounts	118,164,085	114,122,300	110,419,355	107,809,476	96,488,334
Income as per Tax return	Not submitted	114,122,300	110,419,355	107,809,476	96,488,334

Sd/-
Place: Dhaka
Date: 31 March, 2016
Mahfel Huq & Co.
Chartered Accountants

(xi) **Confirmation that all receipts and payments of the issuer above Tk.5,00,000/- (five lac) were made through banking channel;**

Certification on receipts and payments above Tk. 5,00,000 (five lac) were made through banking channel of Pacific Denims Ltd.

We have conducted such test of accounting transactions of Pacific Denims Ltd as were considered necessary and do hereby confirm that the company made all receipts and payments except petty cash over tk. 500,000 (five lac) from January 1, 2011 to December 31, 2015 through banking channel so far as it appeared from our test of those accounting transactions.

Sd/-
Place: Dhaka
Date: 31 March, 2016
Mahfel Huq & Co.
Chartered Accountants

(xii) **Confirmation that Bank Statements of the issuer are in conformity with its books of accounts;**

Certification on books of accounts of Pacific Denims Ltd. are in conformity with bank statements.

This is to certify that the books of accounts of Pacific Denims Limited from January 01, 2011 to December 31 2015 are in conformity with bank statements.

Sd/-
Place: Dhaka
Date: 31 March, 2016

Mahfel Huq & Co.
Chartered Accountants

(xiii) **Statement of payment status of TAX, VAT and other taxes/duties; and**

Certification on status of payment of TAX, VAT and other Taxes/Duties of Pacific Denims Ltd.

After due verification, we certify that the status of TAX, VAT and other Taxes/Duties payment of Pacific Denims Ltd. for the last five years were as follows;

Statement of Payment Status of TAX, VAT and Other Taxes/Duties

Particulars	Payment Status				
	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
TAX	8,268,019	2,711,385	4,686,081	3,384,517	3,000,992
VAT	Exempted	Exempted	Exempted	Exempted	Exempted
Other Taxes/Duties	Nil	Nil	Nil	Nil	Nil

Sd/-
Place: Dhaka
Date: 31 March, 2016

Mahfel Huq & Co.
Chartered Accountants

(xiv) **Any other statement as may be required by the Commission.**

Auditors' additional disclosure relating to the financial statements of Pacific Denims Limited
(BSEC Letter no. BSEC/CI/IPO-231/2014/299 dated April 30, 2014)

1. Cash flow from operating activities is found negative, sale of investment included in operating activities. Explanation required.

   Response to the above:
   PDL is a 100% export oriented denim fabric manufacturing company, it sells its product 30 to 120 days deferred letter of credit basis. When sales increase Accounts Receivable also increase in same line, so an amount of taka has been blocked with accounts receivable, result cash flow from operating activities has gone down for shorter term period only. For smooth operation and export regularly the company invested huge amount in inventory. That's why cash flow from operating Activities shown negative result in the year 2013. It is also mentioned here that Accounts Receivable is secured by buyers corresponding bank L/C acceptance and short term loan against inventory is secured by Inventory.

   Sales of investment included in operating activities in the year 2012 was an inadvertent treatment which was not scrutinized so comprehensively. Revised cash flow statements is enclosed herewith as an additional disclosure. **(Annex -1)**

2. There is an abnormal increase in inventory in 2013 than that of the year 2012. Documents regarding the same are required with explanation.

   Response to the above:
   Inventory is the composition of yarn, dyes chemicals, work-in-progress, finished goods, supplies etc. and has been measured in a specific date i.e. balance sheet date. Keeping in mind the positive growth of business, PDL has to meet buyers increased order and to ensure smooth production, company procured more raw materials and chemicals. So there is an increase in inventory. Further one consignment was received just before the balance sheet date. That's why the inventory at the balance sheet date increased by sizeable amount in the year 2013 compare to 2012.

3. There is an abnormal increase in Trade & other receivables from the year 2012 to 2013. Explanation with supporting documents is required.

   Response to the above:
   PDL exports its product through 30 to 120 days deferred L/C. That's why account receivables increase/decrease depends on deferred time (Credit period). To increase the turnover/profitability of the company and considering the world market competition, company management has decided to increase the credit facilities as well as credit period. As a result, trade and other receivable increased in the year 2013 compare to 2012.

   It may also be mentioned that the accounts receivables of the company are secured by L/C of the buyers corresponding bank's acceptance.

4. There is an abnormal increase in Advance, Deposit and Pre-payment from the year 2012 to 2013. Explanation in details with supporting documents is required.

   Response to the above:
   Advance, Deposit and Pre-payments increased in different form i.e. Goods and services, L/C margin, Supplier and Contractors and AIT deduct from sales proceeds. Due to increase in import of raw materials L/C margin increases, AIT increase due to increase in sales proceeds and suppliers for goods.

5. Provision for WPPF is not found in the Financial Statements. Explanation required.

Auditor's Response:
As per management decision, the company will introduce WPPF from the year 2014.

6. There is an abnormal increase in Short Term Borrowings from the year 2012 to 2013. Explanation required.

Response to the above:
To import yarn, chemicals, PDL is enjoying short-term loan facilities from bank like LATR, CC hypo. Last segment of the year a bulk quantity of yarn and chemicals imported and that has been released through creating short term loan. That's why short term loan shown higher in the year 2013 than that of 2012. Besides, short term loan secured by inventory.

7. An amount of Tk. 5.82 crore is found as Share Money Deposit. Explanation with bank statement is required.

Response to the above:
The management of the Company has decided that share money deposit will be paid back within a short period.

8. No provision for Deferred Tax is found. Explanation Required.

Response to the above:
We have discussed with the management of PDL and they decided to make provision for deferred tax with the necessary effect in the year 2014.

9. Investment against Tax Holiday Reserve as per Income Tax Ordinance 1984 is required to explain in details with documentary evidence.

Response to the above:
Investment against Tax Holiday Reserve required as per Income Tax Ordinance 1984 was duly been made by the Company through BO account. On completion of tax holiday period the entire investment has been encashed and loss on encashment has been duly accounted for in Financial Statements of 2012.

10. Auditors' certificate with all break-up of the use of term loan along with supporting documents.

Response to the above:
Auditors' certificate, with all break-up of the use of term loan enclosed herewith **(Annex -2)** and supporting documents has been enclosed with the response of **query no. 2 & 3 of "Deficiencies in documentation/documents required to submit".**

Sd/-
Place: Dhaka **Mahfel Huq & Co.**
Date: May 27, 2014 Chartered Accountants

(Annex -1)

PACIFIC DENIMS LIMITED
Statement of Cash Flow
For the Year ended December 31, 2013

Particulars	2013 Taka	2012 Taka (Re-stated)
A. Cash Flow from Operating activities:		
Collection from Turnover	1,441,582,290	1,488,272,255
Cash Receipt from other Income	488,550	592,500
Cash Payment to Suppliers / creditors	(1,331,906,036)	(1,314,203,051)
Cash payment for operating expenses	(219,786,710)	(219,367,545)
Net Cash Provided by operating activities	**(109,621,906)**	**(44,705,841)**
B. Cash Flow from Investing activities:		
Purchase of Fixed Assets	(6,391,445)	(60,535,851)
Cash receipt from Sale of Investment	-	49,649,238
Net Cash used by investing activities	**(6,391,445)**	**(10,886,613)**
C. Cash Flow from Financing activities:		
Increase/(decrease) in short term loan	57,262,448	28,591,155
Increase/ (Decrease) in long term loan	51,049,583	33,215,081
Net Cash Provided by Financing activities	**108,312,031**	**61,806,236**
D. Net increase in Cash	(7,701,320)	6,213,782
E. Cash at beginning at the period	11,524,919	5,311,137
F. Cash at the end of the period	**3,823,599**	**11,524,919**

These financial statements should be read in conjunction with the annexed notes 1 to 49 and were approved by the Board of Directors and were signed on its behalf by:

Sd/-	Sd/-	Sd/-
Chief Financial Officer	**Chairman**	**Managing Director**

Signed in terms of our separate report of even date annexed.

Sd/-
Mahfel Huq & Co.
Chartered Accountants

(Annex -2)

Certification of Long Term Loan Utilization

This is to certify that Pacific Denims Ltd. took long term loan from several commercial banks and financial institutions amounting Tk. 719,280,000.00 in different years on ongoing process for procurement/construction of capital assets. The company together with its own fund invested Tk. 891,666,428 for building and capital machineries. The utilizations of long term loan are given below:

Utilization of Long Term Loan

SL No.	Description	Amount Investment in Capital Asset	Consumption Year
1	Building Construction	14,003,000	2005
2	Building Construction	144,284,351	2006
3	Building Construction	82,403,666	2007
4	Capital Machineries and Building Construction	155,641,355	2008
5	Capital Machineries	297,116,495	2009
6	Capital Machineries	72,518,950	2010
7	Capital Machineries	68,175,000	2011
8	Capital Machineries	57,523,611	2012
	Total	**891,666,428**	

Sd/-

Place: Dhaka
Date: May 27, 2014

Mahfel Huq & Co.
Chartered Accountants

Auditors' additional disclosure relating to the financial statements of Pacific Denims Limited
(BSEC Letter no. BSEC/CI/IPO-231/2014/166 dated March 09, 2015)

1. Cash Flow Statement is not prepared under direct method as per requirement of the Securities and Exchange Rules,1987

Auditor's Response to the above:
The rearranged Statement of Cash Flows for the year ended as on December 31, 2013 is presented under direct method as per requirement of The Securities and Exchange Rules, 1987.

PACIFIC DENIMS LIMITED
Statement of Cash Flows
For the Year ended December 31, 2013

Particulars		2013 Taka	2012 Taka (Re-stated)
A.	**Cash Flow from Operating activities:**		
	Cash Received from Customers	1,441,582,290	1,488,272,255
	Cash Received from other Income	488,550	592,500
	Cash paid to Suppliers, Employees and others	(1,331,906,036)	(1,314,203,051)
	Cash paid for operating expenses	(219,786,710)	(219,367,545)
	Net Cash generated from operating Activities	**(109,621,906)**	**(44,705,841)**
B.	**Cash Flow from Investing activities:**		
	Acquisition of Property, Plant and Equipment	(6,391,445)	(60,535,851)
	Cash received from Sale of Investment	-	49,649,238
	Net Cash used in Investing activities	**(6,391,445)**	**(10,886,613)**
C.	**Cash Flow from Financing activities:**		
	Received/Repaid of Short Term Loan	57,262,448	28,591,155
	Received/Repaid of Long Term Loan	51,049,583	33,215,081
	Net Cash generated from Financing activities	**108,312,031**	**61,806,236**
	Increase in Cash and Cash Equivalents	(7,701,320)	6,213,782
	Cash and Cash Equivalents at beginning of year	11,524,919	5,311,137
	Cash and Cash Equivalents at the end of year	**3,823,599**	**11,524,919**

2. You have not considered bonus shares for calculating EPS.

Auditor's Response to the above:
The rearranged Note: 42 of financial statements for the year 2013, for calculation of EPS, considering bonus shares is given below.

42.00 Calculation of Basic Earnings Per Share:	2013 (Taka)	2012 (Taka)
Net Profit after tax	93,856,451	91,638,055
Number of Ordinary Shares outstanding during the year	38,000,000	38,000,000
Basic EPS	**2.47**	**2.41**

3. In Trade & Others Receivables, Other Receivables found negative. Explain whether you have obtained balance confirmation certificates from all concerned parties thereof as per Schedule XI, Part-1, para 4 of Companies Act, 1994.

Auditor's Response to the above:
We have obtained balance confirmation certificate from all concerned parties as per Schedule XI, Part-1, para 4 of Companies Act, 1994.

Other receivable aggregate fall negative, because there were two parties namely Pacific Automobiles Ltd. and Pacific Co (BD) ltd, who are simultaneously customers and suppliers, and their balances represent net amount. And their net balance shown a negative balance, as a result Other Receivables found negative.

4. Name, date of advance and mode of advance is required in Advance against goods & services and advance to suppliers & contractors.

Auditor's Response to the above:
The matrix given below mentioning Name, Date and Mode of advance regarding Advance against Goods & service and Advance against Suppliers & Contractors:

PACIFIC DENIMS LIMITED
Advance to Supplier & Contractor and Advance against Goods, Machinery, Spare, Services & Others

SL. NO.	Parties Name	L/C No. & Date	L/C Value	30% Margin of L/C Value	Mode of Transaction (Advance)	Amount in BDT
1	Badsha Textile Ltd.	155813990041	$ 57,500.00	$ 17,250.00	L/C Margin	1,380,000
	Bangladesh	22.08.2013				-
2	Badsha Textile Ltd.	155813990042	$ 98,500.00	$ 29,550.00	L/C Margin	2,364,000
	Bangladesh	22.08.2013				-
3	A T&T Spinning Mills Ltd.	155813990043	$ 73,600.00	$ 22,080.00	L/C Margin	1,766,400
	Bangladesh	02.09.2013				-
4	Salek Textile Limited.	155813990044	$ 139,000.00	$ 41,700.00	L/C Margin	3,336,000
	Bangladesh	02.09.2013				-
5	Badsha Textile Ltd.	155813990045	$ 88,000.00	$ 26,400.00	L/C Margin	2,112,000
	Bangladesh	09.09.2013				-
6	Salek Textile Limited.	155813990046	$ 122,500.00	$ 36,750.00	L/C Margin	2,940,000
	Bangladesh	09.09.2013				-
7	Salek Textile Limited.	155813990047	$ 109,750.00	$ 32,925.00	L/C Margin	2,634,000
	Bangladesh	16.09.2013				-
8	Badsha Textile Ltd.	155813990049	$ 77,000.00	$ 23,100.00	L/C Margin	1,848,000
	Bangladesh	19.09.2013				-
9	A T&T Spinning Mills Ltd.	155813990048	$ 76,800.00	$ 23,040.00	L/C Margin	1,843,200
	Bangladesh	19.09.2013				-
10	Badsha Textile Ltd.	155813990050	$ 58,500.00	$ 17,550.00	L/C Margin	1,404,000
	Bangladesh	01.10.2013				-
11	Badsha Textile Ltd.	155813990051	$ 50,000.00	$ 15,000.00	L/C Margin	1,200,000
	Bangladesh	08.10.2013				-
12	Unique Enterprise	155813990052	$ 127,000.00	$ 38,100.00	L/C Margin	3,048,000
	Bangladesh	08.10.2013				-
13	Badsha Textile Ltd.	155813990053	$ 160,500.00	$ 48,150.00	L/C Margin	3,852,000
	Bangladesh	10.10.2013				-

14	Salek Textile Limited.	155813990054	$ 50,000.00	$ 15,000.00	L/C Margin	1,200,000
	Bangladesh	10.10.2013				-
15	AA Yarn Mills Ltd.	155813990055	$ 69,000.00	$ 20,700.00	L/C Margin	1,656,000
	Bangladesh	10.10.2013				-
16	AA Yarn Mills Ltd.	155813990056	$ 72,000.00	$ 21,600.00	L/C Margin	1,728,000
	Bangladesh	31.10.2013				-
17	Sinha Spinning Ltd.	155813990057	$ 168,000.00	$ 50,400.00	L/C Margin	4,032,000
	Bangladesh	31.10.2013				-
18	Sinha Spinning Ltd.	155813990058	$ 47,000.00	$ 14,100.00	L/C Margin	1,128,000
	Bangladesh	07.11.2013				-
19	Sinha Spinning Ltd.	155813990063	$ 49,000.00	$ 14,700.00	L/C Margin	1,176,000
	Bangladesh	24.11.2013				-
20	Salek Textile Limited.	155813990064	$ 97,000.00	$ 29,100.00	L/C Margin	2,328,000
	Bangladesh	24.11.2013				-
21	A T&T Spinning Mills Ltd.	155813990065	$ 117,650.00	$ 35,295.00	L/C Margin	2,823,600
	Bangladesh	24.11.2013				-
22	Sinha Spinning Ltd.	155813990067	$ 135,250.00	$ 40,575.00	L/C Margin	3,246,000
	Bangladesh	04.12.2013				-
23	Salek Textile Limited.	155813990066	$ 34,500.00	$ 10,350.00	L/C Margin	828,000
	Bangladesh	04.12.2013				-
24	Sinha Spinning Ltd.	155813990068	$ 111,750.00	$ 33,525.00	L/C Margin	2,682,000
	Bangladesh	17.12.2013				-
25	Salek Textile Limited.	155813990069	$ 118,500.00	$ 35,550.00	L/C Margin	2,844,000
	Bangladesh	17.12.2013				-
26	Sinha Spinning Ltd.	155813990072	$ 119,000.00	$ 35,700.00	L/C Margin	2,856,000
	Bangladesh	26.12.2013				-
27	AA Yarn Mills Ltd.	155813990071	$ 176,000.00	$ 52,800.00	L/C Margin	4,224,000
	Co., Ltd, China.	26.12.2013				-
28	Hebei Rising Chemical	155813010258	$ 138,800.00	$ 41,640.00	L/C Margin	3,331,200
	Co., Ltd, China.	22.08.2013				-
29	Friends Group Co., Ltd,	155813010257	$ 11,115.00	$ 3,334.50	L/C Margin	266,760
	Vietnam.	22.08.2013				-
30	Hangzhou Yiniu Chemical Fiber	155813010265	$ 40,320.00	$ 12,096.00	L/C Margin	967,680
	Co., Ltd, China.	02.09.2013				-
31	Hangzhou Yiniu Chemical Fiber	155813010277	$ 40,096.00	$ 12,028.80	L/C Margin	962,304
	Co., Ltd, China.	19.09.2013				-
32	Hangzhou Yiniu Chemical Fiber	155813010278	$ 40,544.00	$ 12,163.20	L/C Margin	973,056
	Co., Ltd, China.	19.09.2013				-

33	QuingdaoQianshuo Starch Technology	155813010284	$ 112,150.00	$ 33,645.00	L/C Margin	2,691,600
	Co., Ltd, China.	01.10.2013				-
34	BASF Se Germany	155813010294	$ 32,640.00	$ 9,792.00	L/C Margin	783,360
		10.10.2013				-
35	Tianjin Tiankai Chemical	155813010295	$ 113,500.00	$ 34,050.00	L/C Margin	2,724,000
	Ind. Imp and Exp. Corp.	10.10.2013				-
36	Hangzhou Yiniu Chemical Fiber	155813010296	$ 80,192.00	$ 24,057.60	L/C Margin	1,924,608
	Co., Ltd, China.	10.10.2013				-
37	Tianjin Ruiji Chemical	155813010297	$ 67,275.00	$ 20,182.50	L/C Margin	1,614,600
	Co, Ltd, China.	10.10.2013				-
38	Tianjin Oriental International	155813010298	$ 13,925.00	$ 4,177.50	L/C Margin	334,200
	Trading Co, Ltd, China.	10.10.2013				-
39	Tianjin Ruiji Chemical	155813010300	$ 139,270.00	$ 41,781.00	L/C Margin	3,342,480
	Co, Ltd, China.	13.10.2013				-
40	Hangzhou Yiniu Chemical Fiber	155813010313	$ 78,320.00	$ 23,496.00	L/C Margin	1,879,680
	Co., Ltd, China.	07.11.2013				-
41	AA Synthetic Fibres Ltd.	155813990010	$ 54,027.00	$ 16,208.10	L/C Margin	1,296,648
	Bangladesh	28.11.2013				-
42	A T&T Spinning Mills Ltd.	155813990013	$ 49,350.00	$ 14,805.00	L/C Margin	1,184,400
	Bangladesh	15.11.2013				-
43	AA Synthetic Fibres Ltd.	155813990015	$ 154,027.00	$ 46,208.10	L/C Margin	3,696,648
	Bangladesh	23.11.2013				-
44	Badsha Textile Ltd.	155813990016	$ 64,250.00	$ 19,275.00	L/C Margin	1,542,000
	Bangladesh	23.11.2013				-
45	Salek Textile Limited.	155813990005	$ 200,500.00	$ 60,150.00	L/C Margin	4,812,000
	Bangladesh	28.11.2013				-
46	Badsha Textile Ltd.	155813990006	$ 88,750.00	$ 26,625.00	L/C Margin	2,130,000
	Bangladesh	28.11.2013				-
47	Badsha Textile Ltd.	155813990007	$ 105,250.00	$ 31,575.00	L/C Margin	2,526,000
	Bangladesh	14.09.2013				-
48	Salek Textile Limited.	155813990008	$ 176,500.00	$ 52,950.00	L/C Margin	4,236,000
	Bangladesh	14.10.2013				-
49	Badsha Textile Ltd.	155813990019	$ 117,050.00	$ 35,115.00	L/C Margin	2,809,200
	Bangladesh	08.10.2013				-
50	Badsha Textile Ltd.	155813990020	$ 136,950.00	$ 41,085.00	L/C Margin	3,286,800
	Bangladesh	16.10.2013				-
51	Badsha Textile Ltd.	155813990021	$ 111,450.00	$ 33,435.00	L/C Margin	2,674,800
	Bangladesh	04.11.2013				-

52	Salek Textile Limited.	155813990039	$ 112,250.00	$ 33,675.00	L/C Margin	2,694,000
	Bangladesh	30.09.2013				-
53	Badsha Textile Ltd.	155813990028	$ 113,650.00	$ 34,095.00	L/C Margin	2,727,600
	Bangladesh	17.10.2013				-
54	Jamuna Denims Ltd.	155813990018	$ 112,500.00	$ 33,750.00	L/C Margin	2,700,000
	Bangladesh	08.10.2013				-
55	Badsha Textile Ltd.	155813990003	$ 98,000.00	$ 29,400.00	L/C Margin	2,352,000
	Bangladesh	28.12.2013				-
56	BASF South East AisaPte Ltd.	155813010315	$ 117,025.00	$ 35,107.50	L/C Margin	2,808,600
	Singapore.	10.10.2013				-
57	BASF South East AisaPte Ltd.	155813010332	$ 52,250.00	$ 15,675.00	L/C Margin	1,254,000
	Singapore.	04.12.2013				-
58	Hangzhou Yiniu Chemical Fiber	155813020016	$ 40,530.00	$ 12,159.00	L/C Margin	972,720
	Co., Ltd, China.	04.12.2013				-
59	Friends Group Co., Ltd,	155813010331	$ 210,450.00	$ 63,135.00	L/C Margin	5,050,800
	Vietnam.	04.12.2013				-
60	Int.Co., LTd, Canada	155813010333	$ 114,546.00	$ 34,363.80	L/C Margin	2,749,104
		04.12.2013				-
61	Hangzhou Yiniu Chemical Fiber	155813020018	$ 120,960.00	$ 36,288.00	L/C Margin	2,903,040
	Co., Ltd, China.	17.12.2013				-
62	Hangzhou Yiniu Chemical Fiber	155813020019	$ 40,320.00	$ 12,096.00	L/C Margin	967,680
	Co., Ltd, China.	26.12.2013				-
63	Shanghai NanshiF.Eco.	155813010347	$ 148,302.20	$ 44,490.66	L/C Margin	3,559,253
	Corp. and Trading Co.,	26.12.2013				-
	Ltd, China.					-
64	Sunflag (Thailand) Ltd.	155813010088	$ 92,664.00	$ 27,799.20	L/C Margin	2,223,936
	Thailand.	11.10.2013				-
65	Hangzhou Yiniu Chemical Fiber	155813010199	$ 79,296.00	$ 23,788.80	L/C Margin	1,903,104
	Co., Ltd, China.	19.10.2013				-
66	Tianjin Ruiji Chemical	155813010203	$ 66,930.00	$ 20,079.00	L/C Margin	1,606,320
	Co, Ltd, China.	20.12.2013				-
67	Sunflag (Thailand) Ltd.	155813010204	$ 89,337.60	$ 26,801.28	L/C Margin	2,144,102
	Thailand.	20.12.2013				-
68	Hangzhou Yiniu Chemical Fiber	155813010243	$ 80,416.00	$ 24,124.80	L/C Margin	1,929,984
	Co., Ltd, China.	30.10.2013				-
69	Tianjin Ruiji Chemical	155813010011	$ 168,885.00	$ 50,665.50	L/C Margin	4,053,240
	Co, Ltd, China.	03.10.2013				-
70	ShaoxingXingji Import & Export	155813010206	$ 50,890.00	$ 15,267.00	L/C Margin	1,221,360

	Ltd. Ltd, China.	24.09.2013				-
71	ShaoxingShiffon Textile	155813010026	$ 45,825.00	$ 13,747.50	L/C Margin	1,099,800
	Co., Ltd, China.	14.11.2013				-
72	BASF SE, Germany.	155813010027	$ 131,488.00	$ 39,446.40	L/C Margin	3,155,712
		14.11.2013				-
73	AA Synthetic Fibres Ltd.	308513990199	$ 47,054.00	$ 14,116.20	L/C Margin	1,129,296
	Bangladesh	17.10.2013				-
74	Badsha Textiles Ltd.	308513990200	$ 120,750.00	$ 36,225.00	L/C Margin	2,898,000
	Bangladesh	17.10.20.13				-
75	Badsha Textiles Ltd.	308513990201	$ 131,500.00	$ 39,450.00	L/C Margin	3,156,000
	Bangladesh	17.12.20.13				-
76	Salek Textile Limited.	308513990202	$ 173,750.00	$ 52,125.00	L/C Margin	4,170,000
	Bangladesh	17.12.2013				-
77	Advance Against Goods, Machinery, Spare, Services and Others	-	-	-	-	36,805,324
78	Advance to Port Labor Contractor	-	-	-	-	485,895
	Total		$ 6,678,752.80	$ 2,198,735.94		**213,190,094**

5. Subsequent status of electric bill is required.

Auditor's Response to the above:
The bill was paid as on 19.01.2014.

6. In Office & Administrative expenses Customs Misc Expenses is mentioned. Explanation required.

Auditor's Response to the above:
Custom miscellaneous expenses are incurred for getting utilization permission from the Custom Authority and expenses are incurred for stamps, forms, association fee(s), stationary, etc.

7. WASA bill for the year 2013 is found nil. Explanation required.

Auditor's Response to the above:
In the previous rental agreement, the WASA bill was excluded. The rental agreement was renewed at end of the year 2012 and the WASA bill was included in the new agreement that is why the WASA bill expense was not shown under the head of **Office, & Administrative Expenses** for the year 2013.

8. Break up of Land & Land development is required separately.

Auditor's Response to the above:
Land and Land Development related information is provided separately as per your requirement.

Land and Land Development related costs:

Land and land registration value as on 31 December, 2013	Tk. 2,620,000
Land Development Cost as on 31 December, 2013	Tk. 32,348,637
Revaluation Surplus	TK.145,690,413
Total	**Tk. 180,659,050**

9. Provide name-wise schedule with address of trade and other receivables.

Auditor's Response to the above:
Name-wise schedule with address of trade and other receivables is provided below:

(a) Trade Receivables

S.L No.	Name of Parties	Address	Balance as at 31.12.13	Balance as at 31.12.12
1	Nucon garments Ltd.	375, Shah Plaza (2nd Floor), Bandartilla, Airport Road, Chittagong, Bangladesh.	1,445,720	1,027,984
2	Raina Fasion	9/1, Shah Ali Bag, Mirpur-1, Dhaka-1216, Bangladesh.	2,080,914	3,539,200
3	Brothers Fasion Ltd.	29, Kawran Bazar Lane, Dhaka-1215, Bangladesh.	16,602,710	22,151,213
4	HRB Apparels Ltd.	Kawran Bazar, Dhaka, Bangladesh.	1,839,448	5,626,600
5	Turjo Apparels Ltd.	Avenue -1, Block # B, Plot # 35, Mirpur-10, Dhaka, Bangladesh.	401,280	364,800
6	M- Yew fasion Ltd.	H.S.S Complex (2nd Floor), 52, ShaheedTaj Uddin Saroni (Old: Ka-15/6), Rasulbagh, Mohakhali, Dhaka-1212, Bangladesh.	43,839,994	7,222,800
7	Chancellor Garments Ltd	295/JA/4, Rayar Bazar, Dhaka-1209, Bangladesh.	15,787,570	4,336,400
8	Quality Appearls	63/C-2, Katasur, Mohammadpur, Dhaka-1207, Bangladesh	12,777,704	15,287,600
9	Gemini Garments Ltd.	76, Mohakhali C/A, Dhaka, Bangladesh.	20,449,096	20,227,128
10	Liberty Fasion wear Ltd.	Plot # 101, Mouja- TenguriZirani Bazar, Dhaka, Bangladesh.	16,789,501	18,752,560
11	Anika Apparels (Pvt) Ltd.	1/1 Gha Part, Section-2, Mirpur, Dhaka-1216, Bangladesh.	6,708,408	3,194,480
12	Chowdhury fashions wear Ltd	82, Nasirabad 9/A, Chittagong, Bangladesh.	-	902,000
13	Rider Fasions Ltd.	103 (4th Floor), Mohakhali C/A, Gulshan, Dhaka-1212, Bangladesh.	-	2,932,800
14	Spotfame Apparels Ltd.	Section # 07, Road # 04, Plote # 22, Mirpur, Dhaka, Bangladesh.	15,314,213	7,786,800
15	Wintex Apparels Ltd.	91, Sher-E-Bangla Road, Rayer Bazar, Dhaka-1207, Bangladesh.	-	2,735,080
16	Mayc's Garments Ltd.	House # 09(2nd floor), Road # 01, Block # KHA, section # 6, Mirpur, Dhaka, Bangladesh.	47,411,542	29,580,000
17	Wiliums Clothing	East Norshighpur, Ashulia, Savar, Dhaka, Bangladesh.	-	5,694,800
18	Centex fasion Ltd.	76, Ibrahimpur, Kafrul, Dhaka-1206, Bangladesh	840,902	6,050,400
19	Reza Fasions Ltd.	Great Asulia, Savar, Dhaka	18,268,740	8,699,400
20	Jaycee's Apparels Ltd	Mauja: Kunia, KB Bazar, Boro Bari, Gazipur, Bangladesh.	2,538,480	1,208,800
21	Fasionn House(s) Ltd.	Road # 41, House # 7/A, Left # 5, Gulshan-1, Dhaka, Bangladesh.	17,877,243	8,512,973
22	MajumderFasions Ltd.	Mauja: Kunia, KB Bazar, Boro Bari, Gazipur, Bangladesh	2,229,797	1,061,808
23	Lynda Fasions Ltd.	Samir Plaza Shopping Complex (5th Floor), Jamgar, Ashulia, Savar, Dhaka, Bangladesh.	11,103,582	5,428,400
24	Green World Fasions	30, Shahid Captain Monsur Ali Shawrani, Moghbazar, Dhaka-1217, Bangladesh	2,891,952	1,377,120

25	Chantik Garments Ltd.	Kumkumari, Gouripur, Ashulia, Savar, Dhaka, Bangladesh	21,398,981	13,296,600
26	Annanta Sportswear Ltd.	Nischintapur, Asulia, Savar, Dhaka, Bangladesh.	11,426,111	15,394,400
27	R- Rahman Knitwear Ltd.	1373, Khandakar Bari More, Vatara, Badda, Dhaka-1212, Bangladesh.	22,184,400	10,564,000
28	Rafi Texmode Ltd.	Plot # 103, Dhaka- Mymansingh Road, Sector # 7, Uttora C/A, Dhaka-1230, Bangladesh.	13,184,640	6,278,400
29	Cassiopea Fashion Ltd.	BorkanMonipur, Hotapara, Mirzapur Union, P.S. Joydevpur, Gazipur, Bangladesh.	22,705,200	10,812,000
30	Pole Star Fashions Design Ltd.	Vogra, National University GazipurSadar, Gazipur, Bangladesh.	25,399,920	12,095,200
31	Aftabunnessa Garments Ltd.	Moghal Nagar, Wazkqruni Road, Matuail (South), Demra, Dhaka-1362, Bangladesh.	11,749,232	11,966,000
32	AmanGraphices& Design Ltd.	Hemayetpur, Savar, Dhaka, Bangladesh.	-	12,951,840
33	Progressive Apparels Ltd.	840/838, Dhanialapara (5th Floor), Dhaka Trunk Road, Chittagong-4100, Bangladesh.	18,786,709	10,813,600
34	Samrana Enterprise Ltd.	458/459, Ashulia, Savar, Dhaka.	-	10,461,440
35	SadmaFasions wear Ltd.	Mouchak, Kaliakore, Gazipur, Bangladesh.	42,492,985	2,001,560
36	HRB Apparels Ltd.	Kawran Bazar, Dhaka, Bangladesh.	-	3,497,600
37	Maestro Appareals Ltd.	Ehashan Tower (Ground & 1st Floor), 227/B, Hafez Nagar, Bakalia, Chittagong, Bangladesh.	-	4,573,800
38	Youth Fashion Ltd.	Youth Tower, 882/2, RokeyaSharani, Dhaka-1216, Bangladesh	1,040,000	10,400,000
39	AFCO Abedin Garments Ltd.	House # 84 (4th Floor), New Airport Road, Banani, Dhaka, Bangladesh.	5,309,176	5,532,918
40	KRK Garments Ltd.	107, DIT Road, Malibagh, Dhaka-1217, Bangladesh.	11,522,620	10,936,000
41	Outright Fasion Ltd.	965, Shewrapara, RokeyaSoroni, Mirpur, Dhaka-1212, Bangladesh.	-	15,435,200
42	Jeans Stitch House Ltd	Plot # 03, Road # 01, Chad Uddan, Mohammadpur, Dhaka-1207, Bangladesh.	6,676,075	-
43	Bottom Gallery Pvt. Ltd	Bulbul Tower, DigirChala, Chandona, Mymensing Road, Gazipur, Bangladesh.	3,578,080	-
44	Tafop Apparels Ltd.	Block # A, Plot # 1, 2, 3, (Part), Bacic # I/A, Sagorica Road, Chittagong, Bangladesh.	1,012,004	-
45	Image Garments Ltd	1014/A, BaizidBostami Road, Baby Super Market, Chittagong, Bangladesh.	1,274,502	-
46	ABC Garments	26, Mirpur Road, Dhaka, Bangladesh.	1,827,144	-
Total Receivable			**478,766,574**	**350,711,704**

(b) Other receivables

S.L No.	Name of Parties	Address	Balance as at 31.12.13	Balance as at 31.12.12
1	Impressive Apparels Ltd.	House No 5, Road No 3, Gulsan-1, Dhaka-1212	4,203,525	4,434,846
2	Mirpur Site	Paris Road, Plot 2, Mirpur 10, Dhaka	119,302	119,302
3	Pacific Automobiles	9, Symphony, 3rd Floor, Gulshan-1, Gulshan, Dhaka	(4,754,603)	(583,485)
4	Pacific Aviation Ltd.	9, Symphony, 3rd Floor, Gulshan-1, Gulshan, Dhaka	2,736,500	2,356,500
5	Pacific Beverage & Food Ltd.	9, Symphony, 3rd Floor, Gulshan-1, Gulshan, Dhaka	11,053,565	6,970,125
6	Pacific Ceramic Ltd.	9, Symphony, 3rd Floor, Gulshan-1, Gulshan, Dhaka	523,490	523,490
7	Pacific Co. (BD) Ltd.	9, Symphony, 3rd Floor, Gulshan-1, Gulshan, Dhaka	(21,788,676)	6,157,499
8	Pacific Electronics Ltd.	9, Symphony, 3rd Floor, Gulshan-1, Gulshan, Dhaka	57,445	-
9	Pacific Energy Ltd.	9, Symphony, 3rd Floor, Gulshan-1, Gulshan, Dhaka	219,125	219,125
10	Pacific Shipbuilding Ltd.	9, Symphony, 3rd Floor, Gulshan-1, Gulshan, Dhaka	84,295	84,295
11	Pacific Steel Mills Ltd.	9, Symphony, 3rd Floor, Gulshan-1, Gulshan, Dhaka	9,000	9,000
12	Pentex Fashions Ltd.	9, Symphony, 3rd Floor, Gulshan-1, Gulshan, Dhaka	60,000	(4,950,500)
13	Symphony Enterprise Ltd	9, Symphony, 3rd Floor, Gulshan-1, Gulshan, Dhaka	99,585	99,585
Total other receivables			**(7,377,447)**	**15,439,782**

10. You have not considered other receivables in related party transaction.

Auditor's Response to the above:
Following are the list of related party included in other receivable;

Sl. no.	Name	Relationship	Nature of Transaction: Receivable & payable
1	Pacific Automobiles	Payable	4,754,603
2	Pacific Aviation Ltd.	Receivable	2,736,500
3	Pacific Beverage & Food Ltd.	Receivable	11,053,565
4	Pacific Ceramic Ltd.	Receivable	523,490
5	Pacific Co. (BD) Ltd.	Payable	21,788,676
6	Pacific Electronics Ltd.	Receivable	57,445
7	Pacific Energy Ltd.	Receivable	219,125
8	Pacific Shipbuilding Ltd.	Receivable	84,295
9	Pacific Steel Mills Ltd.	Receivable	9,000
10	Pentex Fashions Ltd.	Receivable	60,000
11	Symphony Enterprise Ltd	Receivable	99,585

11. Whether utilization of Tax Holiday Reserve is made as per Income Tax Ordinance, 1984.

Auditor's Response to the above:
The Tax Holiday Reserved was made as per section 46 A (4) of Income Tax Ordinance, 1984. Approval obtained from the National Board of Revenue dated 02.07.2012 ref no. 11(49) anu-1/2007; effective from 01.04.2007 to 31.03.2011 and the company had utilized the Tax Holiday Reserve according to the rules of Income Tax Ordinance, 1984.

12. Incorporate regarding receivables as per requirements of Schedule XI, Part B, Para 4, 7 & 8 of the Companies Act, 1994.

Auditor's Response to the above:
The requirements of Schedule XI, Part B, Para 4, 7 & 8 of the Companies Act, 1994 are disclosed:

Disclosure as per requirement of schedule XI part –II, Para 4:

Sl. no.	Name	Designation/Relationship	Nature of Transaction Remuneration/ Salary & Allowance/ Receivable & payable	Board Meeting Fees
1	Md. Shadequl Alam (Yeasin)	Chairman	702,000	25,000
2	Md. ShafiulAzam (Mohsin)	Managing Director	1,200,000	30,000
3	Md. Sohel Khan	Director	-	20,000
4	Md. Ashfak Ahmed Khan	Independent Director	-	20,000
5	M.A. Kamal Bhuiyan	Nominee Director (Disney Properties Ltd.)	-	20,000
6	Pacific Automobiles	Payable	4,754,603	
7	Pacific Aviation Ltd.	Receivable	2,736,500	
8	Pacific Beverage & Food Ltd.	Receivable	11,053,565	

9	Pacific Ceramic Ltd.	Receivable	523,490	
10	Pacific Co. (BD) Ltd.	Payable	21,788,676	
11	Pacific Electronics Ltd.	Receivable	57,445	
12	Pacific Energy Ltd.	Receivable	219,125	
13	Pacific Shipbuilding Ltd.	Receivable	84,295	
14	Pacific Steel Mills Ltd.	Receivable	9,000	
15	Pentex Fashions Ltd.	Receivable	60,000	
16	Symphony Enterprise Ltd	Receivable	99,585	

Disclosure as per requirement of schedule XI part –II, Para 7:

Sl.	Name of Product	Production Capacity Yds/Year	Capacity Utilization Yds in 2013	Utilization (%)
1	Denims Fabrics	18,000,000	14,400,000	80.00%

Disclosure as per requirement of schedule XI part –II, Para 8

Particulars	Opening balance	Total Purchases during the year	Material Available (Taka)	Consumption (Taka)	% of Consumption
Raw Material (Yarn)	47,654,396	1,085,693,467	1,133,347,863	1,050,812,034	96.78%
Dyes & Chemical	20,219,077	134,217,885	154,436,962	108,792,090	81.05%
Packing Material	9,484,941	78,222,044	87,706,985	78,868,505	100.82%
Spare Parts	5,032,590	4,987,074	10,019,664	6,664,604	133.63%

Value of Export:

Particulars	In Foreign currency	In BDT
Export of Denims Fabrics	US$ 19,620,464	1,569,637,160

Sd/-

Place: Dhaka
Date: April 5, 2015

Mahfel Huq & Co.
Chartered Accountants

CHAPTER (XXVII): PUBLIC ISSUE APPLICATION PROCEDURE

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 **25th (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 concerned Stockbroker/Merchant Banker. 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 hold the bank drafts (FDD) submitted by the applicants in their custody with 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 it to the respective Stock Exchange in electronic (text format with tilde '~' separator) format and the certificate(s) issued by its banker.

7. **On the next working day,** the stock exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers. Stock 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. 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 stock exchanges **within 10 (ten) working days** from the date of receiving information from the stock 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 Stock Exchanges, if do not receive any observation from the Commission or the Stock 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 Stock 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 Stock 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 respective Stock Exchange 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 Stock 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,** Stock 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 bank drafts (FDD) submitted by successful NRB and Foreign applicants to the Stock Exchange and return the drafts submitted by unsuccessful applicants;

c. 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;

d. send the drafts (FDD) submitted by unsuccessful NRB and Foreign applicants who are subject to penal provisions, to the respective Stock Exchange, along with a list.

16. **On the next working day** of receiving the documents from the Stock Exchanges, the Stockbrokers/Merchant Bankers 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 (other than NRB and foreign) applicants who are subject to penal provisions to the respective 'Escrow' account of the Issuer opened for subscription purpose.

17. **On the same day** the Stockbrokers/Merchant Bankers shall:

    a. send the drafts (FDD) submitted by successful NRB and Foreign applicants to the Stock Exchange concerned and return the drafts submitted by unsuccessful NRB and Foreign applicants;

    b. send the drafts (FDD) submitted by unsuccessful NRB and Foreign applicants who are subject to penal provisions to the respective Stock Exchange separately along with a list of the applicants.

18. **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.

19. **Simultaneously,** the Stockbrokers/Merchant Bankers shall release the application money in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts. 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.

20. **On the same day,** Stock Exchanges shall send the drafts submitted by successful NRB and Foreign applicants and also by unsuccessful NRB and Foreign applicants who are subject to penal provisions, to the Issuer.

21. In case of drafts (FDD) submitted by successful NRB or Foreign applicant for any amount excess to the value of securities to be allotted or by unsuccessful NRB and Foreign applicants who are subject to penal provisions, refund of the balance amount shall be made by the Issuer to the applicant through bank drafts issued in the same currency **within 7 (seven) working days** of receiving the drafts from Stock Exchange.

Miscellaneous:

22. The Issuer and Issue Manager(s) shall jointly ensure compliance of the above.

23. The bank draft (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.

24. 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.

25. The Issuer shall pay the costs related to data transmission, if claimed by the Stock Exchange concerned.

26. The Stockbrokers/Merchant Bankers shall be entitled to a service charge of 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.

27. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.

28. 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.

All eligible Stock Brokers and Merchant Bankers shall receive the IPO subscription.

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”

APPLICATION FOR PUBLIC ISSUE

Date:

Name of applicant	:	
Client Code	:	
BO ID No.	:	
Category of applicant	:	
Name of the Company	:	
Number of Shares	:	..... Shares of Tk. ..... each
Total amount in Tk.	:	
Amount in word	:	

Applicants

Authorized Officer