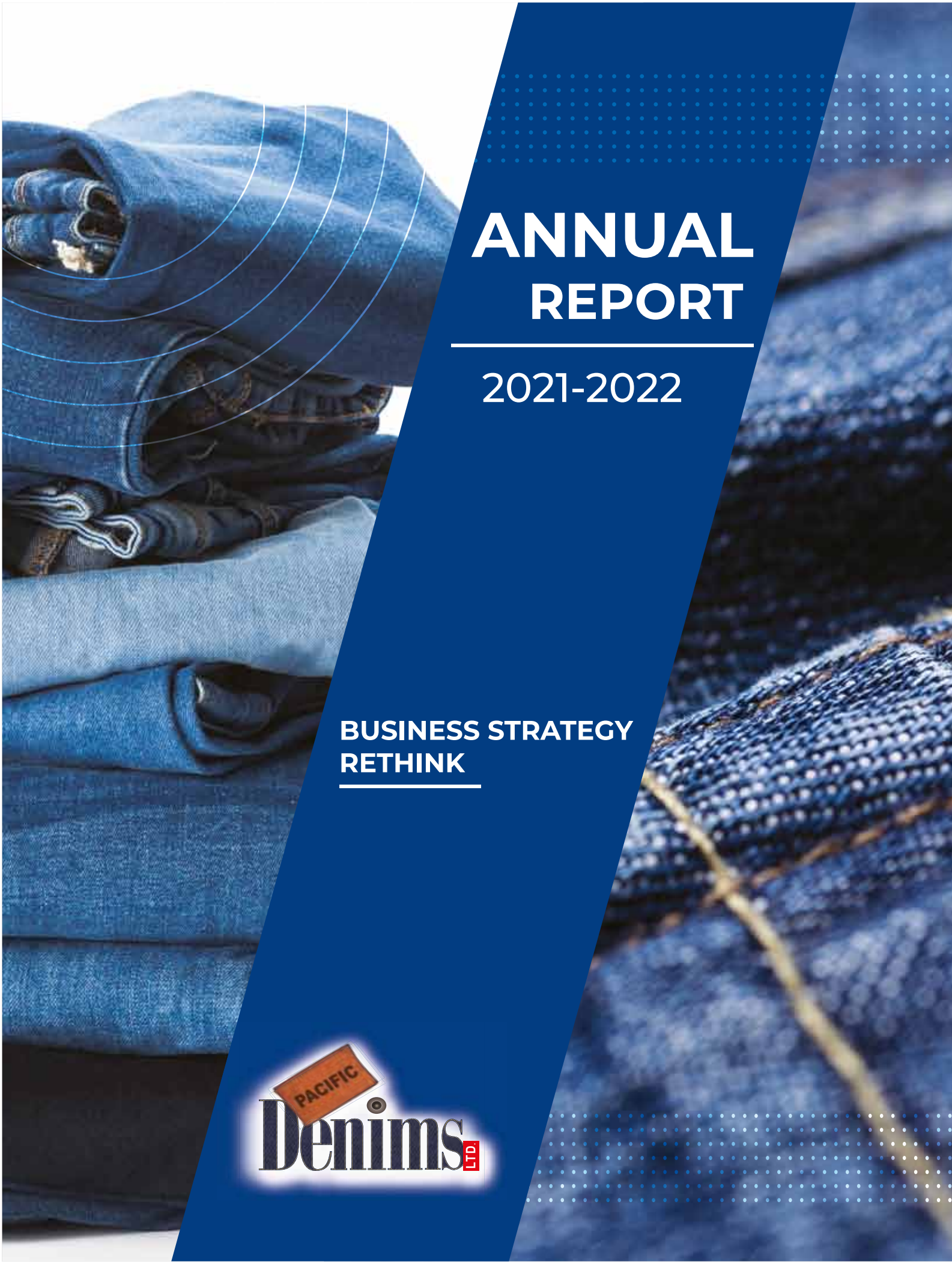


ANNUAL REPORT

2021-2022

BUSINESS STRATEGY RETHINK

PACIFIC Denims LTD.

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TRANSMITTAL LETTER

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

Subject: Annual Report for the year ended 30th June, 2022.

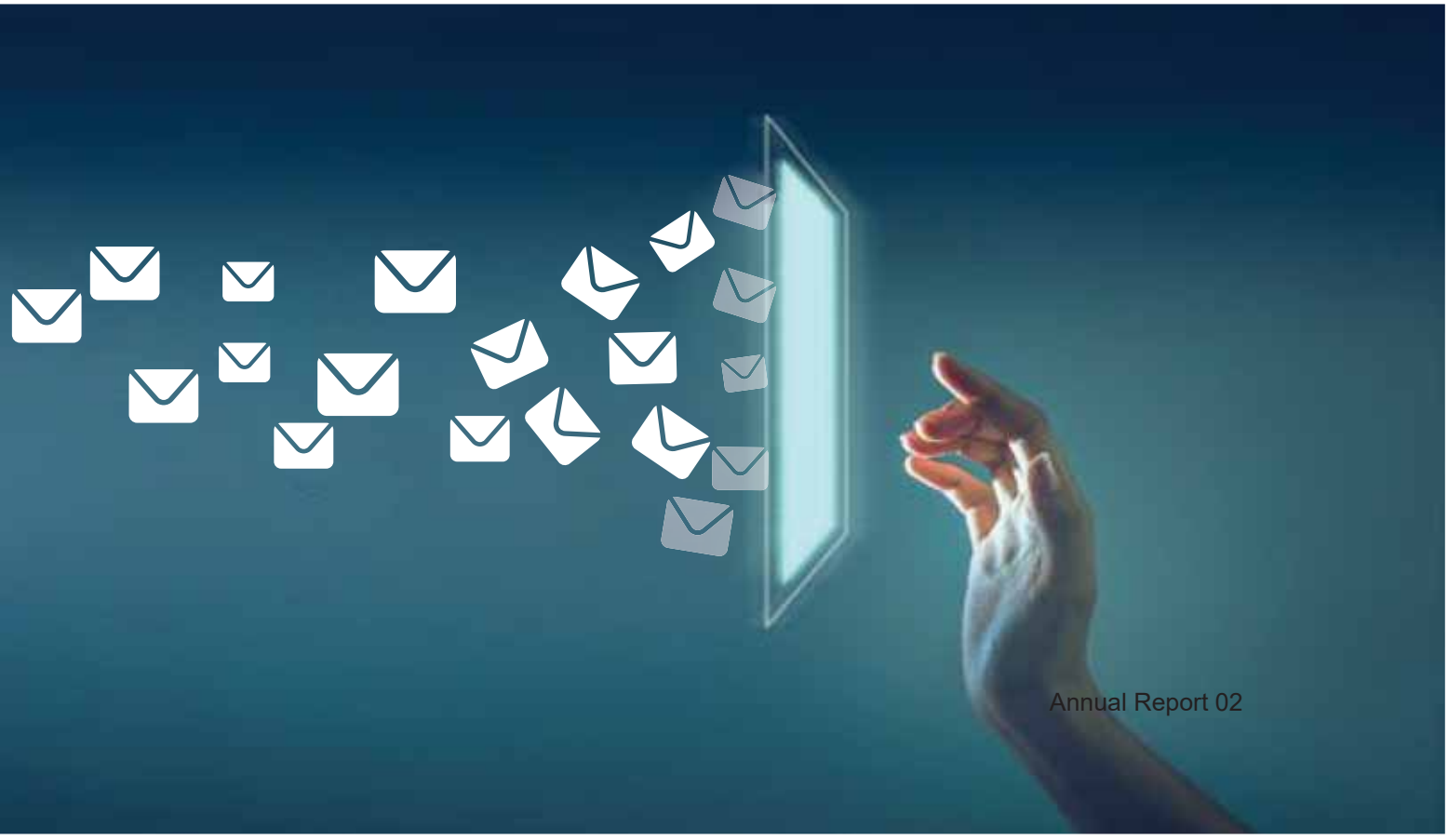
Dear Sir,

We are pleased to enclose copy of Annual Report together with the Audited Financial Statements including Statement of Financial Position as at June 30, 2022, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30th June, 2022 along with notes to thereon of Pacific Denims Limited for your kind information and records.

Sincerely Yours,

By the order of Board

Sd/-
Md. Sorhab Ali
Company Secretary



PACIFIC DENIMS LIMITED

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

NOTICE OF THE 19TH ANNUAL GENERAL MEETING

Notice is hereby given to all shareholders of Pacific Denims Limited that the 19th ANNUAL GENERAL MEETING of Pacific Denims Limited will be held on Thursday, December 29, 2022 at 11:00 am at virtually by using Digital Platform as per BSEC order SEC/SRMRC/04/231/25 July 08, 2020 through the link http://www.digitalagmbd.net/pdlagm2022 to transact the following business:

AGENDA

01. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June 2022, together with the report of the Directors' and Auditors' thereon.
02. To declare dividend as recommended by the Board of Directors.
03. To elect/re-elect Directors as per Articles of Association of the Company.
04. To appoint Statutory Auditors of the Company and fix their remuneration.
05. To appoint professionals for reporting on Corporate Governance Code
06. To transact any other business with the permission of the Chair.

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

Date: December 05, 2022

Notes:

1. November 20, 2022 is scheduled as Record Date for the 19th AGM of the company. Shareholders whose name will appear on the Register of Members/CDS record on the Record Date will be eligible to attend the meeting and entitled for dividend.
2. A member entitled to attend and vote at the 19th Annual General Meeting can appoint a proxy to attend the meeting and vote on his/her behalf. The proxy form duly stamped with revenue stamp of Taka 10.00 must be send at the share department of the company at (Bashati Aristocrats D-3 (3rd floor), Plot-6, Block # SW(H), Gulshan Avenue, Gulshan-1, Dhaka-1212) or through e-mail: sorhab@pacificgroupbd.com not later than 48 hours before the appointed time of the meeting.
3. Written queries, if any, expected to be replied at the 19th Annual General Meeting on the Directors' and Auditors' Reports and Audited Accounts for the year ended June 30, 2022 should reach at the share department of the company at least 3 days before the meeting for the sake of convenience of appropriate explanation.
4. The shareholders will join the Virtual AGM of PDL through the link prior to 24 hours of the meeting. The shareholders will be able to registration, comments and vote before commencement of the AGM and during the AGM.
5. As per notification of BSEC, the soft copy of Annual Report will be sent to the shareholders' e-mail address available in their BO Accounts maintained by the Depository Participant (DP). The soft copy of Annual Report FY 2021-22 and Proxy Form will also be available in the company's website at www.pgbd.org. The shareholders may also collect the printed copy of Annual Report FY 2021-22 from the share department of the company.
6. Depository Participants/Stock Brokers are requested to send the list of margin account holders based on record date i.e. 20/11/2022. If any, within the November 30, 2022 to the company through hard copy or e-mail: sorhab@pacificgroupbd.com, otherwise, the dividend will be paid to the shareholders whose names appeared in the Member/Depository Register on the "Record Date".



CORPORATE DIRECTORY

Board of Directors

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

Audit Committee

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

Nomination and Remuneration Committee (NRC)

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

Company Secretary
Md. Sorhab Ali

Chief Financial Officer
Faruk Hossein

Head of Internal Audit
Mr. Sumon Sarker

Management Team

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

CORPORATE DIRECTORY

Company Name	:	Pacific Denims Limited (PDL)
Company Logo	:	
Status of the Company	:	Public Limited Company
Date of Incorporation	:	March 20, 2003
Commencement of its Commercial Operations	:	April 01, 2007
Business	:	Denim Fabrics Manufacturer
Present Production Capacity	:	18.45 Million Yards Per Year
Legal Position	:	Pacific Denims Limited (PDL) was incorporated in Bangladesh as a Private Limited Company under the Companies Act, 1994. Vide Registration No. C-48649(633)/2003 dated March 20, 2003 and converted into the Public Limited Company as on January 12, 2011.
Authorized Capital	:	Tk.2,000,000,000 divided into 200,000,000 Ordinary Share of Tk.10.00 each
Paid up Capital	:	Tk.1,835,501,432 divided into 183,550,143 Ordinary Share of Tk. 10.00 each
Date of Approval for IPO	:	November 13, 2016
Date of Listing with DSE	:	January 25, 2017
Date of Listing with CSE	:	January 25, 2017
Registered Office	:	Bashoti Aristocrats D-3, (3rdFloor), Plot-6, Block # SW (H), Gulshan Avenue, Dhaka-1212. Tel: +8802 58817882, 9855523, Fax: +8802 9891710.
Manufacturing Plant	:	Natun Charchasi, Gazaria, Munshiganj, Bangladesh.
Website	:	www.pgbd.org
E-mail	:	sorhab@pacificgroupbd.com
Board of Directors	:	5 Directors.
Statutory Auditor	:	Shafiq Basak & Co. Chartered Accountants Shatabdi Centre (6th Floor), 292 Inner Circular Road,Fakirapool, Motijheel, Dhaka. Tel: +88-02-7194870, 7192098 Email: shafiq_basak@yahoo.com
Corporate Governances Code Compliances Auditor	:	Mujibur Rahman & Co., Cost & Management Accountants
Associates Member	:	Bangladesh Textile Mills Association (BTMA)
Associates Member	:	Bangladesh Association of Publicly Listed Company (BAPLC)
Banker of the Company	:	Agrani Bank Limited, Prime Bank Limited and, BRAC Bank Ltd.
Compliance Officer	:	Md. Sorhab Ali, Company Secretary

OUR VISION

- Seek to attain a position of leadership in each category of its business.
- Accomplish a high level of productivity in all its operations through effective and efficient use of resources, adoption of appropriate technology and alignment with our core competencies.
- Develop its employees by training, motivating and rewarding for innovation.
- Provide products and services of high and consistent quality, ensuring value for money to its customers.
- Encourage and assist in the qualitative improvement of the services of its suppliers and distributors.
- Establish harmonious relationship with the community and promote greater environmental responsibility within its sphere of influence.

OUR MISSION

- To enrich and ensure the quality of life of people through responsible application of knowledge, skills and technology.
- Committed to the pursuit of excellence through world-class products, innovative processes and empowered employees to provide the highest level of satisfaction to its customers.

OUR STRENGTH

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

OUR OPPURTUNITY

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

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

OEKO-TEX®
CONFIDENCE IN TEXTILES

CERTIFICATE

The company

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

OEKO-TEX®
CONFIDENCE IN TEXTILES
STANDARD 100
17.HBD.05195 HOHENSTEIN HTTI
Tested for harmful substances
www.oeko-tex.com/standard100

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

for the following articles:

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

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

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

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

The certificate 17.HBD.05195 is valid until 30.11.2021

Boennigheim, 30.11.2020

Matz Bachmann
Managing Director

Faisal Rizal
Customer Service Team Leader

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


FINANCIAL HIGHLIGHTS
TOTAL ASSETS
TK. 3,494.67 MILLION
EXPORT
TK. 1,580.52 MILLION
SHARE HOLDER'S EQUITY
TK. 2,482.27 MILLION
TOTAL CURRENT ASSETS
TK. 2,065.44 MILLION
TOTAL CURRENT LIABILITIES
TK. 512.54 MILLION
PROFIT AFTER TAX
TK. 34.95 MILLION
PROFIT BEFORE TAX
TK. 50.39 MILLION
CURRENT RATIO
TK. 4.03
GROSS PROFIT
TK. 224.52

COMPANY PROFILE

Pacific Denims Limited (PDL) was incorporated as a private Limited Company on 20th March 2003 having a vide Registration No. C-48649(633)/2003 and subsequently converted in to a Public Limited Company on 12th January 2011 with Register Joint Stock Companies and Firms (RJSC) in Bangladesh under the Companies Act, 1994. Since the commencement of its journey in 2007, Pacific Denims Limited (PDL) has been marching forward and now has positioned itself as one of the leading 100% export based denim manufacturers in Bangladesh From the effort of producing and delivering superior quality denim clothes, PDL is now that much bold and capable to take challenges to compete with other denim manufacturers in Bangladesh. The Company produces denim fabrics weighing from 4oz/yd2 to 15oz/yd2 for denim jeans. Keeping up with the current craze in denim, the Company is manufacturing and exporting top class products in diverse shade quality, color, weight, and style as buyers' demand.

Our Products and Renowned Buyers

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

Current Production Capacity

Present production capacity of the Company is 18.45 million yards per year and it is expected the capacity of the factory to be enhanced after recovers of global impact of COVID-19 Pandemics as well as Ukraine-Russia war.

Social Causes Programs

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

BRIEF PROFILE OF BOARD OF DIRECTORS



MD. SHADEQUL ALAM (YEASIN)
CHAIRMAN

Mr. Md. Shadequl Alam (Yeasin) is the Chairman of Pacific Denims Limited. He has introduced innovative production management, incentive system and marketing approach to the company. He has 16 year of valuable business experience in the existing space of garments sector. He obtained Textile Engineering graduation from Adword University, Dhaka campus. Mr. Shadequl Alam (Yeasin) also serves as the Chairman of Pacific Co. (BD) Limited, Disney Properties Limited and Pacific Beverage & Food Limited.



MD. SHAFIUL AZAM (MOHSIN)
MANAGING DIRECTOR

Mr. Md. Shafiul Azam (Mohsin) is the Managing Director of Pacific Denims Ltd. He was born in 1977 in an illustrious family of B. Baria. His father was late Abdur Rashid.

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



MD. SOHEL KHAN
DIRECTOR

Mr. Md. Sohel Khan serves as the Director of Pacific Denims Limited and also Managing Director of Pacific Jeans Collection Limited and Color Tex International. He has 20 years of valuable business experience in the garments sector. Mr. Sohel has visited most of the countries where commodities made of Bangladesh have a good and lucrative export market. Mr. Sohel is young energetic business leader. He possesses his business talent and what initiative he has taken, he then made it to successful one. He has become a business icon to young business entrepreneur.



MD. BELAYET HOSSAIN, ADVOCATE
INDEPENDENT DIRECTOR

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



MD. SORHAB ALI
COMPANY SECRETARY

Mr. Md. Sorhab Ali has completed his BBA (Honors) & MBA from University of Chittagong from the Department of Accounting and Information Systems. He has more than 19 years practical experience in the country's largest manufacturing industries in the area of Company's Secretarial Affairs, Internal Audit, Finance and Accounts, Commercial and Taxation. He obtained a wide range experience in different fields of textile sectors. He obtained training on Internal Audit. He joined Pacific Denims Limited in November 2011. Before joining Pacific Denims Limited he worked in many companies such as Siemex Textile Mills Limited, a sister concern of SIEMEX Group, DNS Software Limited a sister concern of DNS Group.



FARUK HOSSEIN
CHIEF FINANCIAL OFFICER

Mr. Faruk Hossein has completed his Bachelor of Commerce (B. Com) from Dhaka City College and he also completed his Article Ship (CA.CC) under CA Firm M/S Ahsan Manzur & Co. from the Institute of Chartered Accountants Bangladesh (ICAB). He has more than 25 years practical experience in the country's largest manufacturing industries in the area of Accounts & Finance Department. He joined Pacific Group in May 21, 1999. Before joining Pacific Group he worked at Far-East Property Development Ltd., RSRM Steel Re-Rolling Mills Ltd., and Trends Setters Trims Industries Ltd.

KEY SENIOR PERSONNEL



MD. MAIN UDDIN RUBEL
GM (DEVELOPMENT & COMMERCIAL)

Mr. Md. Main Uddin Rubel has completed his MBA from Dhaka International University from the Department of Finance & Banking and B. Com (Honors) & M.Com from University of Jagannath from the Department of Management. He has more than 22 years practical experience in the country's largest Bank & manufacturing industries in the area of Export Import & Credit Department as well as Development and Commercial Department. He obtained a wide range experience in Export, Import and project development. He obtained training on banking credit department (BIBM). He joined Pacific Denims Limited in April 2014. Before joining Pacific Denims Limited he worked in many companies such as Islami Bank Bangladesh Ltd., Al Arafa Islami Bank Ltd., EXIM Bank Ltd., Fahami Group of Industries, Ansha Group of Industries, NASSA Group, Noman Group, AKH Group.



HASAN ASKARI KAFI
DEPUTY GENERAL MANAGER (OPERATION)

Mr. Hasan Askari Kafi joined Pacific Denims Limited in May 2014. He obtained his B. A from National University. He obtained special course on Textile Management, ISO and Labor Law. He has more than 22 years practical experience in the country's largest manufacturing industries in the area of production. Before joining Pacific Denims Limited he worked with many companies in senior management position like MAB Denims Limited, Bengal Denims Ltd., Deep Textile Limited, Jamuna Denims Limited a sister concern of Jamuna Group.

MESSAGE FROM THE CHAIRMAN

Bismillahir Rahmanir Rahim

Dear valued shareholders,

Assalamualaikum

It is a great pleasure for me to be here with you at the 19th Annual General Meeting of Pacific Denims Limited (PDL). After IPO, this is the sixth AGM of our Company. On behalf of the Board of Directors and myself, I express my heartfelt thanks and profound gratitude to you for your support and trust. It is my privilege to present you Company's business performance together with PDL's Annual Report and the Financial Statements and Auditors' report for the year ended June 30, 2022. I would like to take the opportunity to thank the valued Shareholders for joining us to make the event successful.

BUSINESS SITUATION

Bangladesh is a net importer of cotton for meeting the demand for export-oriented garment factories. The fluctuation of cotton prices also fluctuates the garment prices of Bangladesh as the country is highly dependent on imported cotton. The local spinning sector was running with world heated cotton prices because of the sudden surge in price hikes in the international markets at the time of business recovery from the severe fallouts of the Covid-19. In the backdrop of various adverse business conditions such as pandemic caused by Covid-19 as well as Ukraine-Russia war, increased utility (gas, fuel) cost, higher cost of raw materials, the company could not maintained an impressive growth in production, export and profitability. Our annual production capacity was (Weaving) 18.45 million yards whereas actual production is 9.87 million yards. This accounted for 53.49% capacity utilization. PDL has passed a surviving year during the year 2021-2022. We believe that our endeavours and teamwork have enabled the Company to maintain its profitability under competitive industry scenario and the negative economic impact of COVID-19 as well as Ukraine-Russia war. The denims sector in Bangladesh is flourishing and we are very happy to be an integral part of the development. Despite many challenges PDL has grown in line with the denim industry in Bangladesh.

BUSINESS PERFORMANCE

At Present, the global economic situation is not in good shape owing to Covid-19 and the Russia-Ukraine war and consumers are feeling the pinch of higher inflation. "Consumers are buying denim items considering their durability," said the exporter. "They see Bangladesh as a safe destination. The company's revenue for the year ended June 30, 2022 is Tk. 1,580.52 million comparing to Tk. 1,667.55 million during financial year 2020-2021, i.e. decreased by roughly 5.21%. Net profit after tax stood Tk. 34.95 million comparing to Tk. 40.09 million in last year, i.e. decreased by around 12.82% as compared with the previous year. Net Asset Value (NAV) per share has decreased due to increased number of shares from 181,732,815 to 183,550,143. Earnings per Share (EPS) have decreased due to overall company business impacted by COVID-19 as well as Ukraine-Russia war. EPS and NOCFPS was calculated by applying weighted number of ordinary shares of 183,550,143 for the year ended June 30, 2022 and 181,732,815 ordinary shares for the year ended June 30, 2021. Based on performance and business results the Board has recommended 1% Cash (Except Director and Sponsor Shareholders) for the year 2021-2022.

FUTURE PROSPECTS

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

CONCLUSION

I would like to thank the employees and without their effort and commitment we would not be able to hold such a defensive position under this pandemic situation. Meanwhile, Bangladesh Securities and Exchange Commission (BSEC) has introduced new guidelines on Corporate Governance Code as mandatory. The Board of Directors of the Company is committed to delivering good Governance and exercising best practice in all respects.

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

I would like to conclude by thanking the Management of the company and the Board of Directors for what has made me most proud during this COVID-19 pandemic as well as Ukraine-Russia war. Across Bangladesh, many major companies have failed to pay their employees. As a result, many have been released from their jobs and many others are still employed without being paid. It is a massive tribute to not only the operational efficiency of the company but also to the integrity and loyalty of the management that Pacific Denims Limited has not laid off a single employee due to the pandemics and impact of Ukraine-Russia war.

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

Sincerely Yours

Sd/-
Md. Shadequl Alam (Yeasin)
Chairman

MESSAGE FROM THE MANAGING DIRECTOR

Bismillahir Rahmanir Rahim

Dear valued shareholder,

It is a great pleasure and privilege for me to attend this 19th Annual General Meeting of Pacific Denims Limited along with our distinguished shareholders. The main objective of our company is to maximize shareholders' wealth by making profit. From the very beginning, our management has been committed to maintaining sustainable growth and stable profit of the company. The management of the Company is committed to delivering a sustainable shareholders' return vis-à-vis contribution to the national exchequer.

Bangladeshi denim products are dominating the global markets by beating its competitors in the European markets as well as in the United States market. According to the BGMEA, Bangladesh has retained its position as the top blue denim exporter to the United States with a massive 47.25 percent increase in the first quarter of 2022. BD's export 1.18 billion dollars to the EU (27), with 15.19% growth (Y-o-Y), 26.82% share. Denim export has grown in EU by 5.77% annually during 2011-2021. Bangladesh export Denim to almost all the countries in the world. USA is the largest market for us followed by Germany. New investments both in fabrics and garments manufacturing and increased capacity are playing major roles in establishing Bangladesh's dominance in the US and EU markets. But manufacturers are also investing in research and development of high end products, helping them get a better price.

Due to the Russian-Ukraine war, the price of cotton gone up-and the cost of production for garment manufacturers and exporters will go up further since Bangladesh is fully dependent on imported cotton to feed its main export earning sector. Any kind of externalities can dent the global supply chain of garments and also cotton. The Russian-Ukraine war just in the time of the recovery of the global economy and supply chain from the severe fallouts of the Covid-19 has started affecting the country's textile sector. In fact, the cotton prices surged to more than a decade high in the global market in the wake of the Russia-Ukraine war, abnormal hike in freight charges and drought in the US, which will drive up the production cost for readymade garment (RMG) makers in Bangladesh, thus affecting their profitability.

Even before the Russian-Ukraine war, the price of the key textile raw material had surged in the international market for pent-up demand following the reopening of economies after the pandemic-led lockdowns.

Pacific Denims Limited is a largest denims producer and exporter industry of Bangladesh. We have to ensure perfection in terms of quality, pricing and timeliness of our product as before and we are striving to stay likewise in the years ahead. I hope that the production capacity of the Company will be further increased when the world will get rid of the impact of Ukraine-Russia war.

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

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

Thanking You

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

BTMA Form 0001

BANGLADESH TEXTILE MILLS ASSOCIATION (BTMA)

বাংলাদেশ টেক্সটাইল মিলস এসোসিয়েশন (বিটিএমএ)

Unique Trade Centre (Level 8), 8, Panthapath, Karwan Bazar, Dhaka-1215, Bangladesh, Phone : 9101508, 48116358, 58156619
Fax: +88 02 48113312, E-mail : btmasg@gmail.com, btma2@yahoo.com, Website: www.btmadhaka.com

MEMBERSHIP CERTIFICATE

Membership No : 003-0027-0481

Date : 16-2-2022

We are pleased to admit M/S Pacific Denims Ltd.

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

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

The member-mill possesses 0 spindles & 0 Rotors for yarn productions, 120 number of Shuttleless Loom, 0 No of Shuttle loom & 0 Knitting machines for fabric production. The annual capacity of the mill in

(i) Cotton/ Polyester/Texterised Yarn/Wool/Acrylic wool manufacturing is 0 kgs.

(ii) Woven/ Knit / Towel / Garments/Fabric / Socks/Sweater manufacturing is 16459200 metres 0 kgs, 0 Pcs.

(iii) Dyeing printing finishing is 16459200 meters 0 kgs.

This certificate shall remain valid up to January-December ,2022

Additional Director & CEO (In Charge)

DIRECTOR'S REPORT

Bismillahir Rahmanir Rahim

Dear Shareholders

Assalamualaikum

It is our immense pleasure to present Annual Report along with Audited Financial Statements and Auditors Report for the year ended June 30, 2022 of Pacific Denims Limited. The Company's performance and other matters as laid in the report has been dressed in terms of the Companies Act 1994, the guideline issued by Bangladesh Securities and Exchange Commission (BSEC) and the International Financial Reporting Standards (IFRSs)

Background

Pacific Denims Limited was incorporated in Bangladesh as a Private Limited Company under the Companies Act, 1994. Vide Registration No. C-48649(633)/2003 dated March 20, 2003 and converted into the Public Limited Company as on January 12, 2011. The Authorized capital of the company is TK 2,000.00 million and paid up capital 1,835.50 million. The company raised Tk. 750,000,000 divided into 75,000,000 ordinary shares of Tk. 10 each through IPO on January 10, 2017. The shares of the company were listed on both Dhaka Stock Exchange and Chittagong Stock Exchange on January 25, 2017. The trading of shares of the company was started from 07 February, 2017 on both Stock Exchange.

Overview of Business

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

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

Revenue

The company is 100% export oriented and the principal activities of the company are to produce a single product of 'Denim Fabrics' of various specifications, compositions, color and qualities. The sale proceeds stood at Tk. 1,580,523,111 during the last financial year.

The operating financial results of the Company for the year 2021-2022 as compared with previous year are summarized hereunder:

Particular	June -30-2022	June-30-2021
Turnover	1,580,523,111	1,667,552,693
Gross Profit	224,516,053	242,430,084
Net Profit (Before Tax)	50,390,340	57,833,081
Provision for Taxation	15,437,838	17,742,953
Net Profit (After Tax)	34,952,503	40,090,128
Gross Margin (Turnover)	14.20%	14.53%
Net Margin (Before Tax)	3.19%	3.46%
Net Margin (After Tax)	2.21%	2.40%
Earnings Per Share (EPS) (Tk.)	0.19	0.22

Overview of Industry

Bangladesh's dominance in the global denim market has continued thanks to a surge in demand driven by the trade tension between the US and China. Owing to higher demand, denim product manufacturers have surpassed their Chinese counterparts in Europe and the US, the two major export destinations for Bangladesh. Bangladesh exported denim products worth $689.69 million to European Union in the January–June period of 2022, registering a 37.26 per cent year-on-year growth, according to data from the Export Promotion Bureau and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). It was $502.45 million during the corresponding period of 2021. Turkey was the second-largest denim exporter to the EU with products worth $604.07 million shipped. China, the largest apparel exporter in the world, supplied denim items worth $204.84 million to the EU, up 10.15 per cent. Similarly, Bangladesh is the top denim exporter in the US, fetching $445.51 million in the first half, an increase of 57.06 per cent from $283.65 million during the identical six-month period last year. In the US, Mexico was the second-largest denim exporter, raking in $362.02 million between January and June. During the same period, China came fifth as it shipped denim products worth $188.25 million, data compiled by the BGMEA showed. On a fiscal year basis, Bangladesh has been the top denim exporter to the EU since 2017 with one out of three people in the continent donning denim pants produced in the country. The country overtook Mexico in 2020 to become the top exporter of denim items in the US, while it sprinted to the pole position in the EU in 2020.

The improvement in workplace safety following the implementation of recommendations as per Accord and Alliance suggestions has brightened the image of the sector and the country." Bangladesh's garment factories won kudos at the height of the pandemic as they largely kept production up and running despite surging cases of Covid-19 infections whereas many other supplying nations closed their doors. Consequently, international retailers have come up with increased orders. Bangladesh's share in the global denim market is 24.64 per cent and it is growing every year. "One of the major reasons for the higher growth is that Bangladesh is moving to high value-added denim items," said BGMEA.

We have made great strides in putting in place denim infrastructure and washing units over the last few years. We have advanced technologies, which have improved the quality of our fabrics. The entrepreneur thinks that the sales of denim items will go up further once the war comes to end and the global recession fears peter out as new denim-producing mills have been set up. Currently, Bangladesh's 40 mills can produce 80 million yards of denim fabrics a month and the investment in the sector is Tk 16,000 crore. The global market for denim jeans is estimated at $64.5 billion in 2022 and is projected to reach $76.1 billion by 2026, growing at a rate of 4.8 per cent annually. The denim jeans market in the US, the single largest apparel export destination for Bangladesh, is estimated to be $15.8 billion this year. China will have a denim market of $15.5 billion in 2026, with an annual growth of 7.2 per cent.

Bangladesh Textile Industry under stress:

As the world is facing the consequences of supply chain disruptions post the Covid-19 and rising commodity prices including food and fuel, especially due to the Ukraine war, small economies like Bangladesh are facing challenges to sustain requisite growth in their lead sector. Bangladesh’s garment industry, the world’s second-largest exporter after China is facing multi-pronged challenges including power shortage domestically and a slowdown in global demand. Currently, the textile industry of Bangladesh is under stress and facing major challenges due to the global recession and inflation, unfavorable trade policies, internal security concerns, the higher cost of imported inputs apart from post-Covid-19 supply chain disruptions, and a decline in global demand. The country’s garment industry is facing an acute shortage of power affecting production on one hand while its major markets are postponing shipments due to surging inflation. Retailers in both European and US markets are either deferring the shipments of finished products or delaying orders due to soaring inflation. It is impacting Bangladesh exports. The weakening currencies of some of the competitors like Pakistan also bear negatively on the competitiveness of Bangladesh garment products. The energy crisis has increased the cost of doing business in the country. The cost of electricity from generators is three times more than power from the regional grid. Since then the RMG exports could not pick up to the desired level of growth due to constricted demand and radical shifts in consumer tastes apart from Covid-19-related obstacles. However, all the growth came in with massive over-concentration in a few products and few markets.

Despite optimistic recovery prospects in the near term, Bangladesh faces significant challenges to restore post-pandemic growth rates in line with the Eighth Five Year Plan's targets. These challenges mainly emanate from changing and challenging international environments and a substantial pending agenda to strengthen growth factors that have become shaky due to prevailing uncertainties. If this industry does not pick up its momentum of recovery, especially exports, the continuity of recovery might come under pressure. The country needs to find a solution to the power shortage. It is felt that resorting to power cuts to preserve fuel reserves amid regional energy crises is not the right strategy as it erodes the productivity and competitiveness of the garment industry. Bangladesh needs to trample cautiously while economic pressures are building up.

Denim Industry in Bangladesh Strives for Innovation:

To keep up with the rapidly expanding global denim market and the shifting trends, Bangladeshi fabric manufacturers have launched a significant innovation to bring perfection. Currently, Bangladesh is the world's second-largest exporter of garments, and is already a leading source of denim goods for the US and European markets. In fact, one out of every three denim products sold in Europe is produced there. Bangladesh has achieved a 40 percent increment in production capacity in the last 5 years and currently 40 denim mills are manufacturing 280 lakh meters of denim fabric each year. Speculation by industry analysts says that, by 2026. Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has set a target of exporting $100 billion worth readymade apparels by 2030 where Denim will play a significant role. Bangladeshi denim manufacturers are currently taking part in international fairs to promote Bangladeshi made products. Bangladesh is currently just behind China but it has all the possibility and capacity to compete with the big one. However, the country's manufacturers are lacking in diversification and quality issues. Except for a few, most of the Bangladeshi denim production houses are still producing basic level garments. These production houses need to scale up the quality and production.

To achieve the goal by 2030, significant innovations can be implemented in this sector. For example – coping up with market demand and introducing new technology. Most manufacturers are using slub yarn to produce denim but as they are moving towards stretched denim as per market requirement, some of them are facing issues. Moreover, technologies like adding new liquid washing plants with nanotechnology that can save 60 percent water during laundry. Energy saving machineries can also be introduced as these play an effective role in saving energy and managing waste chemicals properly.

The Segment wise or Product wise Performance

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

Risk and Concerns

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

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

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

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

Particulars	30-June-22		30-June-21	
	Amount	%	Amount	%
Sales	1,580,523,111	100.00	1,667,552,693	100.00
Cost of Goods Sold	1,356,007,058	85.80	1,425,122,609	85.47
Gross Profit	224,516,053	14.21	242,430,084	14.53
Net Profit for the year	34,952,503	2.21	40,090,128	2.40

Discussion on continuity of extra-ordinary gain or loss

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

Related Party Transaction

The Company in normal course of business carried out a number of transactions with other entities and Directors that fall within the definition of related party contained in IAS 24 Related Party Disclosures. Details of related party disclosures are showing as follows:

SL.	Related Parties	Relationship	Nature of Transaction	
			Remuneration	Board Meeting Fees
1	Md. Shadequl Alam (Yeasin)	Chairman	-	36,000
2	Md. Shafiul Azam (Mohsin)	Managing Director	1,200,000	36,000
3	Md. Sohel Khan	Director	-	30,000
4	Md. Belayet Hossain, Advocate	Independent Director	-	30,000
5	M.A. Kamal Bhuiyan	Nominee Director (Disney Properties Ltd.)	-	30,000

Significant deviation of Operating Result

During the year Sales, Net profit after Tax, Earning per Share (EPS) and Net Asset Value (NAV) are decreased in comparison with previous year ended on 30 June 2021 due to increase of raw material costing and others overhead increase as a result profit decrease from comparative year.

REPORT ON CORPORATE GOVERNANCE GUIDELINE

Board Size

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

Independent Director

Md. Belayet Hossain, Advocate

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

Qualification of Independence Director

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

Company Secretary, Chief Financial Officer, Head of Internal Audit

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

Company Secretary : Md. Sorhab Ali
Chief Financial Officer : Faruk Hossein
Head of Internal Audit : Mr. Sumon Sarker

Audit Committee

The Audit Committee, as a sub-committee of the Board has been constituted with the Independent Director as Chairman and two other Directors as members. The Company Secretary acts as Secretary to the Audit Committee. This committee assists the Board of the company in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company. Audit Committee is responsible to the Board of Directors and its roles and responsibilities are clearly set forth. The roles and functions of the Audit Committee have been stated in the annual audit committee report and it is annexed herewith.

Report on the Nomination and Remuneration Committee (NRC)

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

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

Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee (NRC) have been determined by the Board as per BSEC notification. The NRC assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as policy for formal process of considering remuneration of director, top level executive.

Role of the NRC:

- NRC Shall be independent and responsible or accountable to the Board and to the shareholders;
- To oversee, among others, the following matters and make report with recommendation to the Board:

(i) formulation the criteria for determining qualification, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;

(b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;

(ii) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background.

(iii) identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;

(iii) identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;

(iv) formulating the criteria for evaluation of performance of independent director (s) and the Board;

(v) identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and

(vi) developing, recommending and reviewing annually the Company's human resources and training policies;

Meeting of NRC:

The Nomination and Remuneration Committee met on June 23, 2022 of Pacific Denims Limited ensured/observed the following activities:

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

Objective and Policy of the NRC

Objective:

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

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

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, top level executives or at Senior Management level and recommend his/ her appointment, as per Company's Policy.

b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient /satisfactory for the position.

Term /Tenure of Independent Director

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

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

Removal
The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and Stock Exchange(s).

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

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

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

On behalf of the Nomination & Remuneration Committee

Sd/-
Md. Belayet Hossain, Advocate
Chairman
Nomination & Remuneration Committee (NRC)

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

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

Subsidiary Company
The company has no subsidiary company.

Duties of Managing Director and CFO
The provision of BSEC regulations has been compiled in the annual report.

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

Directors' Appointment and Re-Appointment
With regard to the appointment, retirement and re-appointment of directors the company is governed by its Articles of Association, the Companies Act, 1994 and other related legislations. Accordingly the following directors of the board will retire and re-appointment at the Annual General Meeting.

Mr. Md. Sohel Khan

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 20 years of valuable business experience in the garments sector. Mr. Sohel has visited most of the countries where commodities made of Bangladesh have a good and lucrative export market. Mr. Sohel is young energetic business leader. He possesses his business talent and what initiative he has taken, he then made it to successful one. He has become a business icon to young business entrepreneur.

Mr. Md. Shafiul Azam (Mohsin)
Nominee Director of Disney Properties Ltd.

Mr. Md. Shafiul Azam (Mohsin) is the Managing Director of Pacific Denims Ltd. He was born in 1977 in an illustrious family of B. Baria. His father was late Abdur Rashid.

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

Shareholding pattern

The shareholding of directors at the end of 30 June, 2022 is shown as bellow:

Sl/No	Name of Shareholder	Description	Number of Shares	Amount (Taka)	%
a)	Parent or Subsidiary or Associated Companies and other related parties;		Nil	Nil	Nil
b)	Director, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children;				
1	Md. Shadequl Alam (Yeasin)	Chairman	14,879,632	148,796,320	8.11%
2	Md. Shafiul Azam (Mohsin)	Managing Director	25,684,716	256,847,160	13.99%
3	Md. Sohel Khan	Director	10,558,193	105,581,930	5.75%
4	Md. Shafiul Azam (Mohsin)	Nominee Director of Disney Properties Ltd.	4,159,137	41,591,370	2.27%
5	Md. Belayet Hossain, Advocate	Independent Director	-	-	-
6	Md. Sorhab Ali	Company Secretary	-	-	-
7	Faruk Hossein	Chief Financial Officer	-	-	-
8	Mr. Sumon Sarker	Head of Internal Audit	-	-	-
C)	Executive (Top five salaried employees)				
9	Md. Abdul Alim	GM HR & Admin	-	-	-
10	Md. Main Uddin Rubel	GM (Development & Commercial)	-	-	-
11	Md. Nazrul Islam	GM (Commercial)	-	-	-
12	Md. Hassan Askari	DGM (Operation)	-	-	-
13	Md. Rezaul Karim	AGM (Commercial)	-	-	-
d)	Shareholders holding 10% or more voting interest in the company		-	-	-

Directors involved in other Companies

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

Board Meeting and Attendance

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

Directors Remuneration

SL.	Related Parties	Relationship	Transacted Amount	
			2021-2022	2020-2021
1	Md. Shadequl Alam (Yeasin)	Chairman	-	-
2	Md. Shafiul Azam (Mohsin)	Managing Director	1,200,000	1,200,000
3	Md. Sohel Khan	Director	-	-
4	Md. Belayet Hossain, Advocate	Independent Director	-	-
5	M.A. Kamal Bhuiyan	Nominee Director (Disney Properties Ltd.)	-	-

Statement of Directors on Financial Reports

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

a) The financial statements together with notes thereon have been drawn up in conformity with the Companies Act, 1994 and Bangladesh Securities and Exchange Commission Rules, 1987. These statements present fairly the company's state of affairs, the result of its operations, statement of cash flows and changes in equity.

b) Proper books of accounts have been maintained.

c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.

d) The International Accounting Standards (IASs) or International Financial Reporting Standards (IFRSs) as applicable in Bangladesh, have been followed in preparation of the financial statements.

e) The system of internal control is sound in design and has been effectively implemented and monitored.

f) Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.

g) No bonus share or stock dividend has been or shall be declared as interim dividend.

Going Concern

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

Dividend

The Board of Directors has declared 1% Cash (Except Director and Sponsor Shareholders) dividend for the year ended June 30, 2022.

Statutory Auditors

The Auditors of the Company, M/S. Shafiq Basak & Co., Chartered Accountants, Shatabdi Centre (6th & 4th Floor), 292, Inner Circular Road, Fakira Pool, Motijheel, Dhaka, Bangladesh has carried out the audit of the company for the year ended 30 June 2022. They were appointed as Statutory Auditor in 18th AGM as per regulation 15 (2) & (3) of DSE and CSE (listing) regulations, 2015. The Board of directors has recommended & appointed of M/S. Ahmed Zaker & Co., Chartered Accountants, Green City Edge (10th Floor), 89 Kakrail, Dhaka-1000, Bangladesh as auditor for the year 2022-2023 of the company as per Corporate Governance Code. M/S. Ahmed Zaker & Co., Chartered Accountants, expressing their desire to work with the Company. In this regard the Board of Directors will be proposing the appointment of M/S. Ahmed Zaker & Co., Chartered Accountants, Green City Edge (10th Floor), 89 Kakrail, Dhaka-1000, Bangladesh as the statutory Auditor to the Shareholders in the 19th AGM for approval and fix their fees of Tk.4,00,000/=(Taka Four Lac Only) including AIT.

Professionals for Compliance of Corporate Governance Code

The professionals for compliance of Corporate Governance code M/s. Mujibur Rahman & Co., Cost & Management Accountants, 17/19, Tajmahal Road (3rd Floor), Mohammadpur, Dhaka-1207 has carried report on compliance of corporate governance code for the year ended June 30, 2022. The Board has reappointed M/s. Mujibur Rahman & Co., Cost & Management Accountants, 17/19, Tajmahal Road (3rd Floor), Mohammadpur, Dhaka-1207 as professional for Report on Compliance Governance Code for the year 2022-2023 of the Company will be placed in the forthcoming 19th AGM for shareholder's approval and fixation of their fees.

Management Discussion and Analysis on Financial Position and Performance

For last three financial years the company sales decreased due to overall business impacted by COVID-19 pandemics as well as Ukraine-Russia war. In 2019, sales stood Tk. 2,281,904,042 and now in 2022 sales stand Tk. 1,580,523,111. In line with sales, net profit after tax had been decreased from around Tk. 214,046,786 in 2019 to Tk. 34,952,503 in 2022. In the last five financial years, net operating cash flow per share was positive. In the backdrop of above scenario, it indicates the company is moving backward due to overall company business impacted by Covid-19 pandemics and Ukraine-Russia war. Currently, the global economic situation is not in good shape owing to Covid-19 and the Russia-Ukraine war and consumers are feeling the pinch of higher inflation. The improvement in workplace safety following the implementation of recommendations as per Accord and Alliance suggestions has brightened the image of the sector and the country.

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

Bangladesh has been among the fastest-rising economies in the world over the last decade. Based on the macro-economic stability, Bangladesh's economy has advanced 271 times over the last five decades. The International Monetary Fund (IMF) has recently ranked Bangladesh as the 41st largest economy in the world in nominal terms of GDP in 2022. The economic resilience of the country during the pandemic years has also been globally acclaimed. The World Bank opined that "Despite the uncertainty created by COVID-19, the outlook for Bangladesh's economy is positive." The recent government statistics reveal that Bangladesh's GDP size stands at $465 billion which is $51 billion higher compared to the last fiscal year. The per capita income of the people increased by 9 percent from the previous year and stood at $2824 in FY 2021- 2022. At the end of this fiscal year, the forex reserve after a slight decrease stood at $41.82 billion. Despite the country facing new challenges of higher prices of commodities and trade deficit after the shock of the pandemic, the country's GDP projection is set to 7.5 percent for the current fiscal year. However, the World Bank estimated that Bangladesh's GDP would grow by 6.7 percent in FY 2021-22, while ADB projected the growth may touch 7.1 percent. On the other hand, the climbing rate of inflation is the prime concern which jumped over 6.5 percent overshooting the revised target of 5.7 percent in the just concluded fiscal year. The government planned to curb inflation gradually by 5.5 percent in the running fiscal year. Pacific Denims Ltd. have visualized exploring the opportunities and invested in this sector in order to fulfill the increasing demand of denim fabrics in the existing Global Market.

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

Acknowledgment

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

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

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

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

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

I now appeal to the magnanimity of valued shareholders to kindly accept and approve the Auditors' Report, Annual Audited Accounts 2021-2022 and Directors' Report placed before you.

Thanking you.

On behalf of the Board of Directors

Sd/-

Md. Shadequl Alam (Yeasin)
Chairman

FINANCIAL HIGHLIGHTS

Operational Result	Amount in Taka				
	30 June 2022	**30 June 2021**	**30 June 2020**	**30 June 2019**	**30 June 2018**
Turnover	1,580,523,111	1,667,552,693	1,941,900,340	2,281,904,042	2,126,218,806
Gross Profit	224,516,053	242,430,084	285,748,258	383,759,802	365,648,372
Operating Profit	190,055,989	206,955,642	250,332,113	347,308,311	333,323,003
Net profit before tax	50,390,340	57,833,081	104,354,362	252,265,888	219,056,294
Net Profit after tax	34,952,503	40,090,128	88,403,377	214,046,786	181,547,462
Net Cash Flows From Operation	70,419,672	36,206,716	29,520,017	243,507,236	117,280,119
Financial Position	**30 June 2022**	**30 June 2021**	**30 June 2020**	**30 June 2019**	**30 June 2018**
Non-Current Assets	1,429,229,398	1,495,906,731	1,567,848,481	1,378,374,835	1,368,812,324
Current Assets	2,065,440,652	1,971,171,291	1,847,212,877	1,905,017,964	1,666,946,085
Shareholder's Equity	2,482,278,160	2,459,870,047	2,419,779,919	2,330,347,254	2,116,300,467
Non-Current Liabilities	499,854,116	536,459,284	568,733,025	571,503,163	567,872,648
Key Financial Ratio	**30 June 2022**	**30 June 2021**	**30 June 2020**	**30 June 2019**	**30 June 2018**
Current Ratio	4.03	4.19	4.33	4.99	4.75
Quick Ratio	2.70	1.87	1.97	2.09	2.23
Debt to Equity Ratio	0.40	0.41	0.41	0.29	0.30
Net Profit Ratio	2.21	2.40	4.55	9.38	8.54
Return on Equity Ratio	1.40	1.62	3.65	9.19	8.58
EPS (Basic)	0.19	0.22	0.49	1.30	1.25

Annexure-A
[As per Condition No. 1(5)(XXV)]

PACIFIC DENIMS LIMITED
MANAGING DIRECTOR'S & CFO'S DECLARATION

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

Subject: Declaration on Financial Statements for the year ended June 30, 2022.

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

1. The financial statements of Pacific denims Ltd., for the year ended on June 30, 2022 have been prepared in compliance with International Accounting Standards (IASs) or International Financial Reporting Standards (IFRSs), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgements related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exist no materials uncertainly related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

i. We have reviewed the financial statements for the year ended on June 30, 2022 and that to the best of our knowledge and belief;

(a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws;

ii. There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of code of conduct for the company's Board of Directors or its members.

Sincerely yours,

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

Sd/-
Faruk Hossein
Chief Financial Officer

Mujibur Rahman & Co.
Cost & Management Accountants

Report to the Shareholders of Pacific Denims Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Pacific Denims Limited** for the year ended on June 30, 2022. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

(a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission.

(b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and

(d) The governance of the company is satisfactory.

For Mujibur Rahman & Co.

Place: Dhaka
Dated: November 17, 2022

Mohammad Mujibur Rahman FCMA
Cost & Management Accountants

Office:
Saj Bhaban Suite # C-30(15th floor),27, Bijoy Nagar, Dhaka-1000
Cell # 01716-635751,E-mail:mujibcma2005@yahoo.com, mujibfcma2005@gmail.com,Web: www.taxlabbd.com

Annexure-C

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

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

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

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

1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1.5 (xiv)	International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored;	√		
1.5 (xvi)	Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1.5 (xvii)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed;	√		
1.5 (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		Matter relating to significant deviation disclosed in not 56.00 of the Financial Statements
1.5 (xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1.5 (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	√		BOD declared 1% Cash Dividend (Except Director and Sponsor Shareholders) for the year ended June 30, 2022 which is subject to approval of shareholers in upcoming AGM.
1.5 (xxi)	Board statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1.5 (xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1.5 (xxiii)	**A report on the pattern of shareholding disclosing the aggregate number of shares (along with name wise details where stated below) held by:-**			
1.5 (xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		
1.5 (xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√		
1.5 (xxiii)(c)	Executives; and	√		
1.5 (xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details);	√		
1.5 (xxiv)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:			
1.5 (xxiv)(a)	A brief resume of the director;	√		

1.5 (xxiv)(b)	Nature of his/her expertise in specific functional areas;	√		
1.5 (xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board;	√		
1.5 (xxv)	**A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:**			
1.5 (xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1.5 (xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance and financial position as well as cash flows in absolute figure for such changes;	√		
1.5 (xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1.5 (xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1.5 (xxv)(e)	The financial and economic scenario of the country and the globe;	√		
1.5 (xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	√		
1.5 (xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1.5 (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	√		
1.5 (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	√		
1.6	**Meetings of the Board of Directors**			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this code.	√		
1.7	**Code of Conduct for the Chairperson, other Board members and Chief Executive Officer**			

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

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

5.2 (d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			No Such incidence arose
5.2 (e)	The company secretary shall act as the secretary of the Committee;	√		
5.2 (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5.3	**Chairperson of the Audit Committee**			
5.3 (a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5.3 (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such incident arose
5.3 (c)	Chairperson of the audit committee shall remain present in the Annual General Meeting (AGM).	√		
5.4	**Meeting of the Audit Committee**			
5.4 (a)	The Audit Committee shall conduct at least its four meetings in a financial year;	√		
5.4 (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5.5	**Role of Audit Committee shall include the following:**			
5.5 (a)	Oversee the financial reporting process;	√		
5.5 (b)	Monitor choice of accounting policies and principles;	√		
5.5 (c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5.5 (d)	Oversee hiring and performance of external auditors;	√		
5.5 (e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5.5 (f)	Review along with the management, the annual financial statements before submission to the board for approval;	√		
5.5 (g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval;	√		
5.5 (h)	Review the adequacy of internal audit function;	√		

5.5 (i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5.5 (j)	Review statement of significant related party transactions submitted by the management;	√		
5.5 (k)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors;	√		
5.5 (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	√		
5.5 (m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	√		
5.6	**Reporting of the Audit Committee**			
5.6 (a)	**Reporting to the Board of Directors**			
5.6 (a)(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
5.6 (a)(ii)	The Audit committee shall immediately report to the Board of Directors on the following findings, if any;			
5.6 (a)(ii)(a)	Report on conflicts of interests;			No such incident arose
5.6 (a) (ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			No such incident arose
5.6 (a) (ii)(c)	Suspected infringement of laws, regulatory compliance including securities related laws, rules and regulations; and			No such incident arose
5.6 (a) (ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately			No such incident arose
5.6 (b)	**Reporting to the Authorities**			
	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.			No such incident arose
5.7	**Reporting to the Shareholders and General Investors**			
	Report on activities carried out by Audit Committee, including any report made to the Board of Directors under condition 5(6)(a)(ii) above during the year shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.			No report has been made under code 5 (6) (a) (ii)
6	**Nomination and Remuneration Committee (NRC)**			
6.1	**Responsibility to the Board of Directors**			

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

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

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

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2022/302

BAPLC

Date of issue : December 7, 2022

Renewed Certificate

This is to certify that

PACIFIC DENIMS LIMITED

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

This certificate remains current until 31st December 2022.

BAPLC

Secretary-General

AUDIT COMMITTEE REPORT

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

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

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

Meeting and Attendance

During 2021-2022, under review the Audit Committee of Pacific Denims Limited met 4 (four) times on the following date:

1. October 28, 2021
2. November 14, 2021
3. January 30, 2022
4. April 27, 2022

Audit Meeting Attended by Members

Name	Designation	Position	Meeting Attended
Md. Belayet Hossain, Advocate	Independent Director	Chairman	4
Md. Shadequl Alam (Yeasin)	Chairman	Member	4
Md. Sohel Khan	Director	Member	4

The Role and Responsibilities of the Audit Committee

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

(a) Oversee the financial reporting process;

(b) monitor choice of accounting policies and principles;

(c) monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;

(d) oversee hiring and performance of external auditors;

(e) hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;

(f) review along with the management, the annual financial statements before submission to the Board for approval;

(g) review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;

(h) review the adequacy of internal audit function;

(i) review the Management's Discussion and Analysis before disclosing in the Annual Report;

(j) review statement of all related party transactions submitted by the management;

(k) review Management Letters or Letter of Internal Control weakness issued by statutory auditors;

(l) oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and

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

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

- The financial statements of the quarterly, half yearly and the full year were reviewed by the committee and subsequently recommended to the Board for adoption consideration and circulation as per the requirement of Bangladesh Securities & Exchange Commission.
- The committee also reviewed the audited financial statements of the Company for the year ended June 30, 2021 this reviews incorporated the accounting policies and key judgments and estimates underpinning financial statements as disclosed in Notes to the Accounts.
- The committee also reviewed the work of the internal audit department and made suggestions for improvement.
- The committee reviewed the compliance with existing laws and regulation.
- Approved the internal audit plan.
- Reviewed the effectiveness and independence of the Statuary auditors and recommended re-appointment of external auditors.

Sd/-
Md. Belayet Hossain, Advocate
Chairman
Audit Committee

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

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

Independent Auditors' Report
TO THE SHAREHOLDERS OF
PACIFIC DENIMS LIMITED

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Pacific Denims Limited ("the Company"), which comprise The Statement of Financial Position as at June 30, 2022 and The Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and Notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of financial position of the company as of June 30, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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

Emphasis of Matters
We draw users' attention to note # 16.15 and note 41 to the financial statements regarding management's explanation on allocation & distribution of WPPF and recognition of foreign exchange gain/(loss). Our report is not modified in respect of this matter.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Description of key audit matters	Our Response to the key audit matters
The company had inventory of BDT 686,690,200 which includes yarn, dyes and chemicals, packing materials, spare & parts, WIP and finished goods as at June 30, 2022 held in factory. This material item is subject to considerable inherent risk due to the complexity of the system necessary for proper recognition, measurement, and recording considering the application of The International Accounting Standards 2 "Inventories". Therefore, there is a risk that Inventories are valued by the disclosed basis of note 16.09. Inventories can be over or undervalued or might need provision for obsolescence.	We checked the appropriateness of the management's assumptions applied in calculating the value of the inventory by: ◆ Evaluating the design and implementation of key inventory controls operating across the company. ◆ However, we physically verified inventory (test basis) during our audit work and checked the necessary controls implemented by the company. ◆ Obtained physically inventory count report as of balance date conducted by management as a part of control procedures and checked the cost of raw materials purchased and authenticity of valuation method applied.

Other Information included in the Company's 2022 Annual Report
Other information consists of the information included in the Company's 2022 Annual Report other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Annual Report is expected to be made available to us after the date of issue of this auditor's Report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Company Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the Company Act 1994 and the Securities and Exchange Rules 2020, we also report the following:

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

b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;

c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and

d) The expenditure incurred was for the purposes of the company business.

Place, Dhaka
November 27, 2022

sd/-
Md. Shafiqul Islam FCA
Enrolment # 595
Partner
Shafiq Basak & Co.
Chartered Accountants
DVC: 2211170595AS658759

PACIFIC DENIMS LIMITED

Statement of Financial Position

As at June 30, 2022

Particulars	Notes	June 30, 2022 Amount in Taka	June 30, 2021 Amount in Taka
ASSETS			
Non-Current Assets		**1,429,229,399**	**1,495,906,731**
Property, Plant & Equipment	17.00	1,429,229,399	1,495,906,731
Current Assets		**2,065,440,651**	**1,971,171,291**
Inventories	18.00	686,690,200	651,223,386
Trade & Other Receivables	19.00	863,347,238	841,557,545
Advance, Deposit & Pre-Payments	20.00	467,394,323	437,255,128
Fixed Deposit	21.00	30,000,000	30,000,000
Cash & Cash Equivalents	22.00	18,008,890	11,135,231
Total Assets		**3,494,670,050**	**3,467,078,022**
EQUITY AND LIABILITIES			
Shareholders' Equity		**2,482,278,160**	**2,459,870,047**
Share capital	23.00	1,835,501,432	1,817,328,150
Revaluation Reserve	24.00	141,319,701	141,319,701
Tax Holiday Reserve	25.00	145,760,152	145,760,152
Retained Earnings	26.00	359,696,875	355,462,044
Non-Current Liabilities		**499,854,116**	**536,459,284**
Long Term Borrowings	27.00	421,786,297	464,326,297
Deferred Tax Liability	28.00	78,067,819	72,132,987
Current Liabilities & Provisions		**512,537,774**	**470,748,691**
Trade Payables	29.00	9,457,521	10,025,853
Short-Term Borrowings	30.00	32,491,061	41,241,061
Long-Term Borrowings-Current portion		98,508,979	98,508,979
Provision for Workers Profit Participation Fund	31.00	12,333,794	8,950,930
Provision for Trade Receivable	32.00	34,098,096	16,831,151
Provision for Income Tax	33.00	195,455,443	185,952,438
Liabilities and provision for Expenses	34.00	130,192,880	109,238,279
Total Equity and Liabilities		**3,494,670,050**	**3,467,078,022**
Net Asset Value (NAV) Per Share	35.00	**13.52**	**13.54**

These financial statements should be read in conjunction with the annexed notes 1 to 57 and were approved by the Board of Directors and were signed on its behalf by:

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

Signed in terms of our annexed report of even date

Place Dhaka
27 October 2022

Sd/-
SHAFIQ BASAK & CO.
Chartered Accountants

PACIFIC DENIMS LIMITED

Statement of Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2022

Particulars	Notes	2021-2022	2020-2021
Turnover	36.00	1,580,523,111	1,667,552,693
Cost of Sales	37.00	(1,356,007,058)	(1,425,122,609)
Gross Profit		**224,516,053**	**242,430,084**
Operating Expenses:		**(34,460,063)**	**(35,474,442)**
Office & Administrative Expenses	38.00	27,546,863	28,389,012
Selling & Distribution Expenses	39.00	6,913,200	7,085,430
Operating Profit		**190,055,989**	**206,955,642**
Financial Expenses	40.00	(122,326,966)	(132,037,929)
Other Income	41.00	3,311,126	3,479,731
Net Profit/Loss Before WPPF		71,040,149	78,397,444
Less: Provision for WPPF		3,382,864	3,733,212
Less: Provision for Trade Receivable		17,266,945	16,831,151
Net Profit Before Tax		**50,390,340**	**57,833,081**
Income Tax Expenses		**(15,437,838)**	**(17,742,953)**
Current Income Tax Expenses	42.00	(9,503,005)	(10,026,195)
(Deferred Tax Expenses)/Income	43.00	(5,934,833)	(7,716,758)
Net Profit for the year		34,952,503	40,090,128
Total Comprehensive Income		**34,952,503**	**40,090,128**
Earnings Per Share (EPS)	44.00	**0.19**	**0.22**

These financial statements should be read in conjunction with the annexed notes 1 to 57 and were approved by the Board of Directors and were signed on its behalf by:

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

Signed in terms of our annexed report of even date

Place Dhaka
27 October 2022

Sd/-
SHAFIQ BASAK & CO.
Chartered Accountants

PACIFIC DENIMS LIMITED
Statement of Changes in Equity
For the year ended June 30, 2022

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

For the year ended June 30, 2021

Particulars	Share Capital	Revaluation Reserve	Tax Holiday Reserve	Retained Earning	Total Equity
Balance at July 01, 2020	**1,652,116,500**	**141,319,701**	**145,760,152**	**480,583,566**	**2,419,779,919**
Stock Dividend 10.00%	165,211,650	-	-	(165,211,650)	**-**
Net Profit for the year	-	-	-	40,090,128	**40,090,128**
Balance at June 30, 2021	**1,817,328,150**	**141,319,701**	**145,760,152**	**355,462,044**	**2,459,870,047**

These financial statements should be read in conjunction with the annexed notes 1 to 57 and were approved by the Board of Directors and were signed on its behalf by:

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

Place Dhaka
27 October 2022

PACIFIC DENIMS LIMITED
Statement of Cash Flows
For the year ended June 30, 2022

Particulars	Notes	2021-2022	2020-2021
A. Cash Flow from Operating activities :			
Cash Received from Customers & Others	19.01	1,558,733,418	1,605,489,630
Cash Received from other Income	41.00	3,311,126	3,479,731
Cash Paid to Suppliers, Employees and Others	45.00	(1,381,426,392)	(1,463,402,486)
Cash Generated from Operations		**180,618,152**	**145,566,875**
Interest Paid	46.00	(101,873,099)	(103,896,166)
Income Tax Paid	47.00	(8,325,381)	(5,463,993)
Net Cash flow from operating activities	48.00	**70,419,672**	**36,206,716**
B. Cash Flow from Investing activities :			
Received/(Paid) Fixed Deposit	21.00	-	7,100,000
Net Cash used in investing activities		**-**	**7,100,000**
C. Cash Flow from Financing activities :			
Received/Repaid of Short-term loan	30.00	(8,750,000)	(14,060,500)
Received/Repaid of Long-term loan	27.00	(42,540,000)	(39,990,500)
Cash Dividend Paid	34.02	(12,256,013)	-
Net Cash used in Financing activities		**(63,546,013)**	**(54,051,000)**
Net Increase/(Decrease) in Cash and Cash Equivalents		6,873,659	(10,744,284)
Cash and Cash Equivalents at Beginning of year		11,135,231	21,879,515
D. Cash and cash equivalents at the end of the year		**18,008,890**	**11,135,231**
Net Operating Cash Flow Per Share	49.00	**0.38**	**0.20**

These financial statements should be read in conjunction with the annexed notes 1 to 57 and were approved by the Board of Directors and were signed on its behalf by:

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

Place Dhaka
27 October 2022

PACIFIC DENIMS LIMITED
Notes to the Financial Statements as at and
For the Year Ended June 30, 2022

1.00 Corporate History of the Reporting Entity

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

2.00 Authorized Capital

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

3.00 Corporate Business

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

4.00 Corporate Financial Statements and Reporting

a) The financial statements have been prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1994, the Securities and Exchange Rules, 1987 and the International Accounting Standard (IAS) and International Financial Reporting Standards (IFRS) as well as those standards, disclosures recommended by IAS and as applicable to this Company.

The Board of Directors are responsible for preparing and presenting the financial statements including adequate disclosures, who approved and authorized for issue of this financial statements.

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

b) According to the International Accounting standard (IAS) 1 as adopted by ICAB as IAS 1 "Presentation of Financial Statements" the complete set of financial statements includes the following components:

i) Statement of Financial Position as at June 30, 2022;
ii) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2022;
iii) Statement of Changes in Equity for the year ended June 30, 2022;
iv) Statement of Cash Flows for the year ended June 30, 2022;
v) Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements for the year ended June 30, 2022.

5.00 Fundamental Accounting Concepts/Assumption

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

6.00 Going Concern

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

7.00 Corporate Accounting Standards Practiced

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

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

8.00 Reporting Period

The period of the financial statements covers from July 1, 2021 to June 30, 2022.

9.00 Provisions

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

a. when the company has an obligation (legal or constructive) as a result of past events;

b. when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

c. when reliable estimates can be made of the amount of the obligation.

Contingent liability:

A contingent liability is:

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

b) a present obligation arising from past events but not recognized because:

i) an outflow of resources to settle the obligation is not probable; or

ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent asset

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

During the period there were no such assets or liabilities.

10.00 Events after the Reporting Period

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

11.00 Related Party Transactions

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

Particulars of transactions with related parties are as follows;

SL.	Related Parties	Relationship	Nature of Transaction	
			Remuneration	Board Meeting Fees
1	Md. Shadequl Alam (Yeasin)	Chairman	-	36,000
2	Md. Shafiul Azam (Mohsin)	Managing Director	1,200,000	36,000
3	Md. Sohel Khan	Director	-	30,000
4	Md. Belayet Hossain, Advocate	Independent Director	-	30,000
5	M.A. Kamal Bhuiyan	Nominee Director (Disney Properties Ltd.)	-	30,000

12.00 Net profit Before Tax

Net profit before tax for the year were not materially affected by :
(a) Transactions of a nature not usually undertaken by the company
(b) Circumstances of an exceptional or non-recurring nature
(c) Changes of credits relating to prior years, and
(d) Changes in accounting policies

13.00 Functional and Presentational (Reporting) Currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), Which is the company's' functional currency. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise. Figures in brackets indicate deductions.

14.00 Comparative Information Rearrangement Thereof and Re-statement

Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

15.00 The Effects of Changes in Foreign Exchange Rates

Transactions in foreign currencies are translated to Bangladeshi "Taka" at the foreign exchange rates ruling at the date of transactions. 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 recognized in the profit or loss and other comprehensive income.

16.00 Principal Accounting Policies

The specific accounting policies selected and applied by the company's directors for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

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

16.01 Recognition of Property, Plant & Equipment

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation. The cost of acquisition comprises of purchase price, including import duties and non-refundable Taxes and any directly attributable cost of bringing the assets to its working condition for its intended use. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

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

16.02 Capital Work-in-progress

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

16.03 Depreciation of Tangible Fixed Assets

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

Particulars/Name of Assets	June 30, 2022	June 30, 2021
Land	0%	0%
Land Development	0%	0%
Building & other Construction	2.50%	2.50%
Furniture & Fixture	10%	10%
Electric Installation	10%	10%
Deep-Tube-well	10%	10%
Office Equipment	10%	10%
Plant & Machinery Imported	10%	10%
Plant & Machinery Local	10%	10%
Fire Fighting Equipment	10%	10%
Vehicles & Transport	10%	10%

16.04 Impairment of assets

All fixed assets have been reviewed and it was confirmed that no such fixed assets have been impaired during the year and for this reason no provision has been made for Impairment of assets.

16.05 Revenue Recognition

"As per IFRS-15: “Revenue from Contracts form Customers” an entity shall account for a contract with a customer only when all of the following criteria are met:(a) The parties to the contract have approved the contract (in writing , orally or in accordance with other customary business practices) and are committed to perform their respective obligations ;(b) The entity can identify each party ‘s rights regarding the goods or services to be transferred ; (c) The entity can identify the payment terms for the goods or services to be transferred ;(d) The contract has commercial substance (i.e. the risk , timing or amount of the entity `s future cash flows is expected to change as a result of the contract); and(e) It is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer."

16.06 Other Income

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

16.07 Revaluation of Property, Plant and Equipment

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

16.08 Accrued Expenses and Other Payables

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

16.09 Inventories

Inventories comprises of raw materials, Work-in-Process, Finished goods and Stores & Spares. Raw materials and Stores and Spares have been valued at average cost. Work-in-Process has been valued at prime cost basis as required by IAS-2 with proportionate addition of Factory Overheads. Finished goods have been valued at cost of material and other production OH attributable to bringing the goods to the state of sale under the convention of IAS-2.

16.10 Income Tax-Current

Provision for taxation has been made as per rates prescribed in Finance Act 2020 and the Income Tax Ordinance, 1984 on the profit made by the company.

Provision for Tax Holiday Reserve

"The company was allowed tax holiday for periods of four years from the date of commencement of commercial production i.e. 01,April 2007 vide National Board of Revenue's Order ref. 11(49) Anu-1/2007/317 (2) dated 02.07.2012 The period of tax holiday of the company expired in 31 March 2011. The company has made Tax Holiday reserve for the period from 01-01-2011 to 31-03-2011@ 40% on net profit during that period."

Deferred Tax

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

Income Tax Status

Income Tax Assessment was completed up to the year 2007-2008 to 2012-2013 and certificates already collected and for the year 2013-2014 & 2014-2015 by Deputy Commissioner of Taxes against which appeal is pending. The assessment year 2015-2016, 2016-2017, 2017-2018, 2018-2019, 2019-2020, 2020-2021 and 2021-2022 is under process. The company has tax liability of Tk. 194,455,443/- against which advance tax paid Tk. 51,065,886/-.

16.11 Cash and Cash Equivalents

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

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

16.12 Statement of Cash Flows

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

16.13 Borrowing Costs

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

16.14 Earnings Per Share

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

Basic Earnings

This represents earnings for the period attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Weighted Average Number of Ordinary Shares Outstanding during the year

The basis of computation of number of shares is in line with the provisions of IAS-33 : Earnings Per Share. Therefore, the total number of shares outstanding at the end of the year multiplied by a time weighting factor which is the number of days the specific shares were outstanding as a proportion of total number of days in the year.

Diluted Earnings Per Share

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

16.15 Workers Profit Participation Fund, Welfare Fund and Workers Welfare Foundation Fund

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

16.16 Employee Benefits (IAS 19):

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

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

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

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

16.17 Right of use Assets (ROU)

The company recognizes the right of use assets (RoU) at the commencement date of the lease (i.e. the date the underlying asset is available for use. RoU assets are measured at cost less any accumulated depreciation and impairment of losses and adjusted cost incurred, and lease payment made at or before the commencement date less any lease term. The Right-of-use assets are depreciated on a straight line basis over the lease term or remaining period of the lease term. The company assessed all lease contracts live in 2019 and came up with the decision that no ROU requires to be recognized because the only lease rental agreement in connection with office rent is cancellable lease agreement. Thus, in accordance with para 5 of IFRS 16, management considers the lease agreement as short term lease and chose to recognize the monthly lease payments as an expenses in line with para 6 of the standard.

Lease Liability

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

In 2019-2020 the company reassessed lease payment of existing contracts for remaining year considering a cut off date i.e. 01 July 2019. The lease liabilities are presented in the note 36 of these financial statements.

16.18 Lease Liabilities (Present Value of Lease Payments)

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

16.19 Financial Instruments

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

Derivative:

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

Non-Derivative:

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

IFRS 9 "Financial Instrument"

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

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

Classification and measurement of financial assets and financial liabilities

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

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

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

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

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the company's financial assets and financial liabilities as at 01 July 2021.

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 01 July 2021 relates solely to the new impairment requirements.

Particulars	Original Classification Under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New Carrying amount under IFRS 9
Financial assets				
Trade and other receivables	Loans and receivables	Amortized Cost	841,557,545	841,557,545
Cash and Cash Equivalents	Loans and receivables	Amortized Cost	11,135,231	11,135,231
Financial Liabilities				
Trade and other payables	Other financial liabilities	Other financial liabilities	10,025,853	10,025,853

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

The following table reconciles the carrying amounts of financial assets under IAS 39 to the carrying amounts under IFRS 9 on transition to IFRS 9 on 01 July 2021.

Particulars	IAS 39 carrying amount at 30 June 2021	Re-measurement	IFRS 9 carrying amount at 01 July 2021
Financial Assets			
Trade and other receivables			
Brought forward: Loans and receivables	841,557,545		
Re-measurement		-	
Carried forward			841,557,545
Cash and Cash equivalents			
Brought forward: Loans and receivables	11,135,231		
Re-measurement			-
Carried forward			11,135,231
Total	**852,692,776**	**-**	**852,692,776**

16.20 Trade Receivables

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

16.21 Segment Reporting

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

16.22 Authorization of Financial Statements:

The Financial Statements have been authorized for issue by the Board of Directors on October 27, 2022.

		Amount in Taka	
		June 30, 2022	June 30, 2021
17.00	**Property, Plant and Equipments**	**Tk. 1,429,229,399**	**Tk. 1,495,906,731**

This represents the written down value of assets as at 30-06-2022 at historical cost except land which are stated at revalued amount.
This has been arrived as under:

A. Cost		
Opening Balance	2,317,339,043	2,317,031,267
Add: Addition during the year	-	307,776
	2,317,339,043	**2,317,339,043**
B. Accumulated Depreciation		
Opening Balance	821,432,312	749,182,786
Add: Depreciation Charged during the year	66,677,333	72,249,526
	888,109,645	**821,432,312**
(A-B) Written down Value	**1,429,229,399**	**1,495,906,731**

The details of above has been shown in Annexure " A"

18.00	**Inventories**	**Tk. 686,690,200**	**Tk. 651,223,386**

The break-up of the amount is given below:

Yarn	223,400,363	208,498,831
Dyes & Chemicals	74,604,652	70,646,601
Packing Materials	13,236,642	12,487,056
Spares & Parts	6,095,365	5,985,620
Work-in- process	97,575,245	93,267,470
Finished Goods	271,777,933	260,337,808
	686,690,200	**651,223,386**

The details of above has been shown in Annexure "B".

19.00	**Trade and Other Receivables**	**Tk. 863,347,238**	**Tk. 841,557,545**

This is made-up as follows:

Trade Receivables	863,347,238	841,557,545
	863,347,238	**841,557,545**

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

Aging of Accounts Receivable:

Less Than Six Months	863,347,238	841,557,545
More Than Six Months	-	-
Total:	**863,347,238**	**841,557,545**

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

		Amount in Taka	
		June 30, 2022	June 30, 2021

Sl.	Particulars	Amount in Taka	
		June 30, 2022	June 30, 2021
I	Receivables considered good in respect of which the company is fully secured.	863,347,238	841,557,545
II	Receivables considered good in respect of which the company holds no security other than the debtor personal is fully secured.	-	-
III	Receivable considered doubtful or bad.	-	-
IV	Accounts Receivable due by any director or other officer of the company	-	-
V	Receivables due by common management	-	-
VI	The maximum amount of receivable due by any director or other officer of the company.	-	-
	Total:	**863,347,238**	**841,557,545**

19.01	**Trade Receivables**	**Tk. 863,347,238**	**Tk. 841,557,545**
	This is made-up as follows:		
	Opening Balance	841,557,545	779,494,482
	Add: Export During the year	1,580,523,111	1,667,552,693
		2,422,080,656	2,447,047,175
	Less: Realized during the year	(1,558,733,418)	(1,605,489,630)
		863,347,238	**841,557,545**
20.00	**Advance, Deposit & Pre-Payments**	**Tk. 467,394,323**	**Tk. 437,255,128**
	The break-up of the amount is given below:		
	Advances (Note # 20.01)	466,492,323	436,353,128
	Deposits (Note # 20.02)	902,000	902,000
		467,394,323	**437,255,128**
20.01	**Advances**	**Tk. 466,492,323**	**Tk. 436,353,128**
	The break-up of the amount is given below:		
	Advance Against Salary	965,250	980,500
	Advance Against Goods, Spare, Services & Others	92,725,603	85,580,939
	Advance to Suppliers & Contractors	321,285,234	306,560,234
	Prepaid Insurance	450,350	490,950
	Advance Income Tax (At Source) (Note # 20.04)	51,065,886	42,740,505
		466,492,323	**436,353,128**
20.02	**Deposits**	**Tk. 902,000**	**Tk. 902,000**
	Bank Guarantee	902,000	902,000
		902,000	**902,000**

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

Advance, deposit and pre-payments considered good without security	465,527,073	435,372,628
Advance, Deposit and pre-payments exceeding 6 Months and considered good and secured	902,000	902,000
Advance, deposit and pre-payments considered doubtful and bad	-	-
Advance, deposit and pre-payments due by directors or others officers	-	-
Advance, deposit and pre-payments due from companies from same management	-	-
Maximum advance, deposit and pre-payments due by Directors or other officers at any time	965,250	980,500
	467,394,323	**437,255,128**

		Amount in Taka	
		June 30, 2022	June 30, 2021
20.04	**Advance Income Tax (At Source)**	**Tk. 51,065,886**	**Tk. 42,740,505**
	This is made-up as follows:		
	Opening Balance	42,740,505	37,276,512
	Add: AIT During the year	8,325,381	4,463,993
	Tax advance for income year 2011-2012	-	1,000,000
	Closing Balance	**51,065,886**	**42,740,505**
21.00	**Fixed Deposit**	**Tk. 30,000,000**	**Tk. 30,000,000**
	Fixed Deposit with IBBL	30,000,000	30,000,000
		30,000,000	**30,000,000**
22.00	**Cash & Cash Equivalents**	**Tk. 18,008,890**	**Tk. 11,135,231**
	The break-up of the amount is given below:		
	Cash in Hand	17,836,244	10,697,172
	Cash at Banks (Note # 22.01)	172,646	438,059
		18,008,890	**11,135,231**
22.01	**Cash at Bank**	**Tk. 172,646**	**Tk. 438,059**
	The break-up of the amount is given below:		
	Bank Asia Scotia Branch A/C 03387	25,080	25,770
	Meghna Bank Ltd. Principal Branch, A/C 0558	50,110	51,030
	Exim bank Ltd Corporate Br. Gulshan A/C 9359	-	85
	Exim bank Ltd Corporate Br. Gulshan A/C 153791	4,062	5,212
	Eastern Bank Ltd Banani Br. A/C 2244	21,052	21,742
	Farmers Bank Ltd Gulsan Br. A/C 134	-	359
	Islami Bank Bangladesh Ltd. A/C 17704	2,364	6,174
	Janata Bank Local Office A/C 59448	4,266	234,552
	National bank Ltd. Gulshan A/C 1749	2,191	2,536
	Social Islami Bank Ltd Gulshan A/C 4768	5,274	24,421
	Social Islami Bank Ltd Banani A/C 5092	202	1,940
	Southeast Bank Ltd. Banani Br. A/C 5020	31,787	32,132
	South Bangla Agriculture & Commerce Bank A/C 2369	-	3,628
	Trust bank Ltd SKB Br. A/C 1885	9,575	10,495
	Mutual Trust Bank Ltd, Dilkusha Br. A/C 1552	16,683	17,983
		172,646	**438,059**

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

23.00	**Share Capital**	**Tk. 1,835,501,432**	**Tk. 1,817,328,150**
23.01	**Authorized Capital**		
	200,000,000 ordinary shares of tk. 10/- each	**2,000,000,000**	**2,000,000,000**

	Amount in Taka	
	June 30, 2022	June 30, 2021

23.02 Issued, Subscribed & Paid-up Capital

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

SL No.	Particulars	No. of Shares	% of Shares	June 30, 2022	June 30, 2021
1	Mr. Shafiul Azam (Mohsin)	25,684,716	13.99%	256,847,160	262,804,120
2	Mr. Shadequl Alam (Yasin)	14,879,632	8.11%	148,796,320	152,723,090
3	Shahida Khanom (Swarna)	1,540	0.001%	15,400	15,250
4	Md. Moazzam Khan	1,540	0.001%	15,400	15,250
5	Md. Yunus Ali	1,540	0.001%	15,400	15,250
6	Md. Sohel Khan	10,558,193	5.75%	105,581,930	104,536,570
7	Disney Properties Ltd.	4,159,137	2.27%	41,591,370	42,779,580
8	Institution	23,200,399	12.64%	232,003,990	340,052,430
9	Foreign	7,718	0.004%	77,180	2,391,630
10	Public	105,055,728	57.24%	1,050,557,280	911,994,980
	Total	**183,550,143**	**100.000%**	**1,835,501,430**	**1,817,328,150**

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

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

Shareholding range in number of Shares	Number of Shareholders		Number of Shares		% of Shareholding	
	2022	2021	2022	2021	2022	2021
1 to 499	2,476	2,089	359,289	352,573	0.20%	0.19%
500 to 5,000	6,999	6,546	11,725,663	11,107,357	6.39%	6.11%
5,001 to 10,000	1,361	1,105	9,551,764	8,669,024	5.20%	4.77%
10,001 to 20,000	985	790	13,452,921	11,719,283	7.33%	6.45%
20,001 to 30,000	382	297	9,101,442	7,566,019	4.96%	4.16%
30,001 to 40,000	187	157	6,363,512	5,607,399	3.47%	3.08%
40,001 to 50,000	101	112	4,499,752	5,234,439	2.45%	2.89%
50001 to 100,000	239	189	15,873,452	14,051,382	8.65%	7.73%
100,001 to 1,000,000	134	131	27,921,826	31,540,722	15.21%	17.36%
Over 1,000,000	14	11	84,700,522	85,884,617	46.14%	47.26%
Total	**12,878**	**11,427**	**183,550,143**	**181,732,815**	**100.00**	**100.00**

24.00 Revaluation Reserve **Tk. 141,319,701** **Tk. 141,319,701**

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

Name of Assets	June 30, 2022	June 30, 2021
Land	145,690,413	145,690,413
Less: Deferred Tax	4,370,712	4,370,712
Total	**141,319,701**	**141,319,701**

		Amount in Taka	
		June 30, 2022	June 30, 2021
25.00	**Tax Holiday Reserve**	**Tk. 145,760,152**	**Tk. 145,760,152**
	Tax Holiday Reserve	145,760,152	145,760,152
		145,760,152	**145,760,152**

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

26.00	**Retained Earnings**	**Tk. 359,696,875**	**Tk. 355,462,044**
	This is made up as follows :		
	Opening Balance	355,462,044	480,583,566
	Add: Net Profit for the year	34,952,503	40,090,128
	Accumulated Earnings	**390,414,547**	**520,673,694**
	Issuance of Stock Dividend	(18,173,282)	(165,211,650)
	Issuance of Cash Dividend	(12,544,390)	-
		359,696,875	**355,462,044**
27.00	**Long- Term Borrowings (Secured)**	**Tk. 421,786,297**	**Tk. 464,326,297**
	The break-up of the amount is given below:		
	Long Term Loan from Bank (Note # 27.01)	440,081,035	478,831,035
	Lease Liabilities (Note # 27.02)	80,214,241	84,004,241
		520,295,276	562,835,276
	Less: Long -Term Borrowings-Current portion	(98,508,979)	(98,508,979)
	Long- Term Borrowings net off current portion	**421,786,297**	**464,326,297**
27.01	**Long- Term Bank Loan (Secured)**	**Tk. 440,081,035**	**Tk. 478,831,035**
	The break-up of the amount is given below:		
	Agrani Bank Principal Branch (Project Loan)	429,715,998	464,715,998
	Brac Bank Term Loan	10,365,037	14,115,037
		440,081,035	**478,831,035**

This represents the present outstanding balances of the above term loans. The above loans are secured by personal guarantee of the directors of the company, corporate guarantee of Pacific Group and the pari passé sharing agreement between banks on fixed and floating assets of the company. The interest rate of this loans is varying from 13% -16%.

27.02	**Leases**	**Tk. 80,214,241**	**Tk. 84,004,241**
	This is made up as follows :		
	IDLC Finance Limited	14,350,336	15,300,336
	IIDFC	36,652,049	37,642,049
	First Lease Finance & Investment Ltd.	29,211,856	31,061,856
		80,214,241	**84,004,241**
28.00	**Deferred Tax Liability**	**Tk. 78,067,819**	**Tk. 72,132,987**
	On Cost:		
	WDV of Assets Accounting Base	1,429,229,399	1,495,906,731
	WDV of Assets Tax Base	937,915,350	1,044,158,234
	Temporary Difference	491,314,048	451,748,498
	Tax Rate	15%	15%
	Deferred Tax Liability	73,697,107	67,762,275
	On Revaluation (Note # 28.01)	4,370,712	4,370,712
		78,067,819	**72,132,987**

		Amount in Taka	
		June 30, 2022	June 30, 2021
28.01	**Deferred tax liability on Revaluation Reserve**		
	Revaluation Reserve	145,690,413	145,690,413
	Tax Rate	3%	3%
		4,370,712	**4,370,712**
29.00	**Trade Payables**	**Tk. 9,457,521**	**Tk. 10,025,853**
	The break-up of the amount is given below:		
	Acceptance Liabilities	9,457,521	10,025,853
		9,457,521	**10,025,853**
30.00	**Short-Term Bank Borrowings**	**Tk. 32,491,061**	**Tk. 41,241,061**
	The break-up of the amount is given below:		
	Prime Bank Ltd	32,491,061	41,241,061
		32,491,061	**41,241,061**

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

31.00	**Provision for Workers Profit Participation Fund**	**Tk. 12,333,794**	**Tk. 8,950,930**
	The break-up of the amount is given below:		
	Opening Balance	8,950,930	5,217,718
	Add: During the year	3,382,864	3,733,212
	Less: Paid during the year	-	-
		12,333,794	**8,950,930**
32.00	**Provision for Trade Receivable**	**Tk. 34,098,096**	**Tk. 16,831,151**
	The break-up of the amount is given below:		
	Opening Balance	16,831,151	-
	Add: During the year	17,266,945	16,831,151
	Less: Paid during the year	-	-
		34,098,096	**16,831,151**
33.00	**Provision for Income Tax**	**Tk. 195,455,443**	**Tk. 185,952,438**
	The break-up of the amount is given below:		
	Opening Balance	185,952,438	175,926,243
	Add: During the year	9,503,005	10,026,195
		195,455,443	**185,952,438**
34.00	**Liabilities and Provision for Expenses**	**Tk. 130,192,880**	**Tk. 109,238,279**

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

	The break-up of the amount is given below:		
	Salary & Allowance	1,156,325	1,075,300
	Salary & Wages	3,532,925	6,493,343
	Telephone bill	2,970	2,720
	Mobile bill	25,200	24,300
	Gas bill	7,867,384	4,776,783
	VAT on Office Rent	360,000	360,000
	Interest payable (Note # 34.01)	116,557,200	96,103,333
	Cash Dividends Payable (Note # 34.02)	288,377	-
	Audit fee	402,500	402,500
		130,192,880	**109,238,279**

		Amount in Taka	
		June 30, 2022	June 30, 2021
34.01	**Interest payable**	**Tk. 116,557,200**	**Tk. 96,103,333**
	The break-up of the amount is given below:		
	Opening Balance	96,103,333	67,961,570
	Add: Provision made during the year	20,453,867	28,141,763
	Less: Adjustment for the year	-	-
		116,557,200	**96,103,333**
34.02	**Cash Dividends Payable**	**Tk. 288,377**	**Tk. 0**
	The break-up of the amount is given below:		
	Opening Balance	-	-
	Add: Provision made during the period	12,544,390	-
	Less: Adjustment for the period	(12,256,013)	-
		288,377	**-**
35.00	**Net Asset Value (NAV) Per Share**		
	Net Assets	2,482,278,160	2,459,870,047
	No. of Shares	183,550,143	181,732,815
	Net Asset Value (NAV) Per Share	**13.52**	**13.54**
36.00	**Turnover**	**Tk. 1,580,523,111**	**Tk. 1,667,552,693**
	Export Sales	1,580,523,111	1,667,552,693
		1,580,523,111	**1,667,552,693**
37.00	**Cost of Sales**	**Tk. 1,356,007,058**	**Tk. 1,425,122,609**
	The break-up of the amount is given below:		
	Raw materials Consumed (Note # 37.01)	1,164,769,168	1,228,211,418
	Manufacturing Overhead (Note # 37.02)	206,985,790	216,902,994
	Opening WIP	93,267,470	90,172,450
	Closing WIP	(97,575,245)	(93,267,470)
	Cost of Production	**1,367,447,183**	**1,442,019,392**
	Finished Goods (Opening)	260,337,808	243,441,025
	Finished Goods (Closing)	(271,777,933)	(260,337,808)
	Cost of Sales	**1,356,007,058**	**1,425,122,609**
37.01	**Raw Material Consumed**	**Tk. 1,164,769,168**	**Tk. 1,228,211,418**
	Opening Stock of Raw Materials	**291,632,488**	**269,861,496**
	Raw Materials- Yarn	208,498,831	192,594,801
	Dyes & Chemicals	70,646,601	65,901,845
	Packing Materials	12,487,056	11,364,850
	Add: Raw Material Purchased	**1,184,378,337**	**1,249,982,410**
	Raw Materials- Yarn	972,574,177	1,003,810,172
	Dyes & Chemicals	137,419,248	151,024,390
	Packing Materials	74,384,912	95,147,848
	Raw Material available for Consumption	**1,476,010,825**	**1,519,843,906**

		Amount in Taka	
		June 30, 2022	June 30, 2021
	Less: Closing Stock of Raw Materials	**311,241,657**	**291,632,488**
	Raw Materials- Yarn	223,400,363	208,498,831
	Dyes & Chemicals	74,604,652	70,646,601
	Packing Materials	13,236,642	12,487,056
	Raw Material Consumption	**1,164,769,168**	**1,228,211,418**
37.02	**Manufacturing Overhead**	**Tk. 206,985,790**	**Tk. 216,902,994**
	The break-up of the amount is given below:		
	Wages & Allowances	74,405,219	75,137,365
	Festival Bonus	5,755,200	6,379,075
	Overtime Expenses	1,201,256	1,190,054
	Gas Bill	40,860,028	43,724,369
	Medical Expenses	445,632	444,177
	Insurance Premium	725,648	834,237
	Postage & Stamp	70,256	71,795
	Factory Maintenance	2,103,556	2,248,656
	Generator Maintenance & Lubricants	9,604,558	9,566,725
	ETP Expenses	99,865	100,705
	Spare Parts (Note # 37.03)	5,037,240	4,956,311
	Depreciation	66,677,333	72,249,526
		206,985,790	**216,902,994**
37.03	**Spares Parts**	**Tk. 5,037,240**	**Tk. 4,956,311**
	The break-up of the amount is given below:		
	Stock of Spare parts Opening	5,985,620	5,538,937
	Purchase of Spare parts	5,146,985	5,402,994
	Stock of Spare parts - Closing	(6,095,365)	(5,985,620)
	Consumption	**5,037,240**	**4,956,311**
38.00	**Office & Administrative Expenses**	**Tk. 27,546,863**	**Tk. 28,389,012**
	The break-up of the amount is given below:		
	Salary & Allowances	5,326,548	5,554,300
	Remuneration (MD)	1,200,000	1,200,000
	Board Meeting Fees	162,000	115,000
	Car maintenance	1,054,870	1,197,755
	Audit Fees	402,500	402,500
	Renewal & registration fees	1,752,799	1,867,584
	Repair & Maintenance	213,564	214,611
	Tour & Travels	700,254	702,128
	Donation	965,896	986,921
	Legal & Consultancy fees	554,871	574,706
	Conveyance	332,654	335,201

		Amount in Taka	
		June 30, 2022	June 30, 2021
	Entertainment	602,157	612,625
	Misc. Expenses	230,219	233,551
	Mobile & Telephone bill	765,328	796,276
	Printing & Stationery	978,758	999,863
	Fees & Forms	214,569	216,436
	Charge & Commission (C&F Expenses)	5,798,743	5,993,815
	Office Rent	2,760,000	2,760,000
	Internet bill	301,256	302,307
	Transportation	2,425,650	2,519,460
	Paper & periodical	24,569	23,867
	Office Maintenance	779,658	780,106
		27,546,863	**28,389,012**
39.00	**Selling & Distribution Expenses**	**Tk. 6,913,200**	**Tk. 7,085,430**
	The break-up of the amount is given below:		
	Salary & Allowances	3,435,265	3,530,600
	Entertainment	271,256	272,595
	Printing & Stationery	99,658	100,081
	Advertisement	985,369	1,029,996
	Misc. Expenses	824,365	826,450
	Travelling & Conveyance	554,698	573,900
	Sales promotion Exp.	742,589	751,808
		6,913,200	**7,085,430**
40.00	**Financial Expenses**	**Tk. 122,326,966**	**Tk. 132,037,929**
	The break-up of the amount is given below:		
	Interest on Project Loan general (Agrani bank Ltd.)	96,325,480	105,528,113
	Interest on IDLC Finance Limited	2,420,365	2,522,754
	Interest on (IIDFC)	2,236,548	2,326,135
	Interest on First Lease Financing	4,965,896	5,090,369
	Interest on Term Loan (Prime Bank Ltd.)	2,510,365	2,517,677
	Interest on Term Loan (Brac Bank Ltd.)	2,436,580	2,446,513
	Interest on LTR	10,256,037	10,418,231
	Bank Charge/Bank Misc./Service Charge etc.	1,175,695	1,188,138
		122,326,966	**132,037,929**
41.00	**Other Income**	**Tk. 3,311,126**	**Tk. 3,479,731**
	This amount consist of		
	Interest Received from FDR	2,985,478	3,139,418
	Exchange Gain	325,648	340,313
		3,311,126	**3,479,731**

		Amount in Taka	
		June 30, 2022	June 30, 2021
42.00	**Current Tax Expenses**	**Tk. 9,503,005**	**Tk. 10,026,195**
	Profit before Tax	50,390,340	57,833,081
	Less: Other Income considered separately	3,311,126	3,479,731
		47,079,214	54,353,350
	Add: Accounting Depreciation	66,677,333	72,249,526
	Less: Tax Depreciation	(106,242,883)	(123,694,580)
	Taxable Income	**7,513,663**	**2,908,296**
	Current tax Expenses on Taxable Income @15%	1,127,049	436,244
	Current tax Expenses on other Income @22.5%	745,003	869,933
	Regular Tax	1,872,053	1,306,177
	Current Tax Expenses	**9,503,005**	**10,026,195**

Minimum tax on gross receipts of the company was taka 9,503,005 which is higher than the amount of regular tax amounting Taka 1,872,053 hence considering the provision of section 82C of Income Tax Ordinance 1984 the higher amount considered as income tax expenses comparing minimum tax and regular tax.

43.00	**Deferred Tax Expenses/(Income)**	**Tk. 5,934,833**	**Tk. 7,716,758**
	Closing	73,697,107	67,762,275
	Beginning	67,762,275	60,045,516
		5,934,833	**7,716,758**
44.00	**Earnings Per Share (EPS)**		
	Net Profit After Tax	34,952,503	40,090,128
	Weighted Number of Ordinary Shares during the year (Re-stated)	183,550,143	183,550,143
	Earnings Per Share (EPS)	**0.19**	**0.22**
	Weighted Average number of Ordinary Shares		
	Opening	181,732,815	165,211,650
	Issuance of Stock Dividend	1,817,328	16,521,165
	restated:	**183,550,143**	**181,732,815**
45.00	**Cash Paid to Suppliers, Employees and Others**	**Tk. 1,381,426,392**	**Tk. 1,463,402,486**
	The break-up of the amount is given below:		
	Cost of Goods Sold	1,356,007,058	1,425,122,609
	Less: Opening Inventory	(651,223,386)	(609,013,908)
	Add: Closing Inventory	686,690,200	651,223,386
	Add: Creditors b/d	10,025,853	12,984,600
	Less: Creditors c/d	(9,457,521)	(10,025,853)
	Less: Depreciation	(66,677,333)	(72,249,526)
	Add: Administrative Expenses	27,546,863	28,389,012
	Add: Marketing Expenses	6,913,200	7,085,430
	Add: Accrued Exp b/d	13,134,946	10,647,743
	Less: Accrued Exp c/d	(13,347,303)	(13,134,946)
	Add: Prepaid Exp c/d	416,328,437	394,514,623
	Less: Prepaid Exp b/d	(394,514,623)	(362,140,684)
		1,381,426,392	**1,463,402,486**

		Amount in Taka	
		June 30, 2022	June 30, 2021
46.00	**Interest Paid**	**Tk. 101,873,099**	**Tk. 103,896,166**
	The break-up of the amount is given below:		
	Expense Charged	122,326,966	132,037,929
	Add: Owing b/d	96,103,333	67,961,570
	Less: Owing c/d	(116,557,200)	(96,103,333)
		101,873,099	**103,896,166**
47.00	**Income Tax Paid**	**Tk. 8,325,381**	**Tk. 5,463,993**
	The break-up of the amount is given below:		
	Provision b/d	185,952,438	175,926,243
	Add: Tax Charged during year	9,503,005	10,026,195
	Add: Advance Tax c/d	51,065,886	42,740,505
	Less: Advance Tax b/d	(42,740,505)	(37,276,512)
	Less: Provision c/d	(195,455,443)	(185,952,438)
		8,325,381	**5,463,993**
48.00	**Reconciliation of Net Profit with cash flows from Operating Activities**		
	Profit before Tax	50,390,340	57,833,081
	Adjustment for:		
	Depreciation on property, plant and equipment	66,677,333	72,249,526
		117,067,673	**130,082,607**
	Less: Increase in Trade & Other Receivables	(21,789,693)	(62,063,063)
	Less: Increase in Inventories	(35,466,814)	(42,209,478)
	Add: Increase in WPPF	3,382,864	3,733,212
	Add: Increase In Trade Receivables	17,266,945	16,831,151
	Add: Increase in Trade Payables	(568,332)	(2,958,747)
	Add: Increase in Liabilities for Expenses	20,666,224	30,628,966
	Less: Increase in Advance, Deposit & Prepayments	(21,813,814)	(32,373,939)
	Less: AIT at source on export realization	(8,325,381)	(4,463,993)
	Less: Income Tax Paid	-	(1,000,000)
	Net cash flow from operating activities	**70,419,672**	**36,206,716**
49.00	**Net Operating Cash Flow Per Share**		
	Net Cash flows from operating activities	70,419,672	36,206,716
	No. of Shares	183,550,143	183,550,143
	Net Operating Cash Flow Per Share	**0.38**	**0.20**
50.00	**The requirement of schedule XI part-II, Para 3**		
	Employees		
	Number of employees whose salary was below Tk. 8,250	-	-
	Number of employees whose salary was above Tk. 8,250	416	401
		416	**401**

51.00 Additional Information

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

Turnover in BDT.	1,580,523,111	1,667,552,693
Turnover in Quantity	9,878,269	10,758,404

	Amount in Taka	
	June 30, 2022	June 30, 2021

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

Raw Material (Yarn) (Kgs)	5,040,382	5,369,055
Raw Material (Yarn) (Value in BDT.)	957,672,645	987,906,142
Dyes & Chemical (Kgs)	889,741	1,044,855
Dyes & Chemical (Value in BDT.)	133,461,197	146,279,634

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

Finished Goods

Opening (Yds)	1,886,506	1,764,065
Production (Yds)	9,866,094	10,880,845
Closing (Yds)	1,874,331	1,886,506

The requirement of schedule XI part-II, Para 4

Sl. No	Name	Designation	Nature of Transaction	
			Remuneration	Board Meeting Fee
1	Md. Shadequl Alam (Yeasin)	Chairman	-	36,000
2	Md. Shafiul Azam (Mohsin)	Managing Director	1,200,000	36,000
3	Md. Sohel Khan	Director	-	30,000
4	Md. Belayet Hossain, Advocate	Independent Director	-	30,000
5	M.A. Kamal Bhuiyan	Nominee Director (Disney Properties Ltd.)	-	30,000

The requirement of schedule XI part-II, Para 4

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

Sl. No	Particulars	June 30, 2022	June 30, 2021
(a)	Managerial remuneration paid or payable during the financial year to the directors, including managing director, a managing agent or manager;	1,200,000	1,200,000
(b)	Expenses reimbursed to the managing agent;	Nill	Nill
(c)	Commission or other remuneration payable separately to a managing agent or his associate;	Nill	Nill
(d)	Commission received or receivable by the managing agent or his associate as selling or buying agent of other agent of other concerns in respect of contracts entered into by such concerns with the company;	Nill	Nill
(e)	The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year;	Nill	Nill

		Amount in Taka	
		June 30, 2022	June 30, 2021
(f)	Any other perquisites or benefits in cash or in kind;	Nill	Nill
(g)	Other allowances and commission including guarantee commission;	Nill	Nill
(h)	Pension etc.	Nill	Nill
	(i) Pensions	Nill	Nill
	(ii) Gratuities	Nill	Nill
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	Nill	Nill
	(iv) Compensation for loss of office	Nill	Nill
	(v) Consideration in connection with retirement from office.	Nill	Nill

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

Sl. No	Name of Product	Production Capacity Yds/Year	Actual Production Yds	Utilization
1	Denims Fabrics	18,450,000	9,866,094	53.47%

The requirement of schedule XI part-II, Para 8

Particulars	Opening Balance	Total Purchase year ended June 30, 2022	Material Available (Taka)	Material Consumption (Taka)	% of Consumption
Raw Material (Yarn)	208,498,831	972,574,177	1,181,073,008	957,672,645	81.87%
Dyes & Chemical	70,646,601	137,419,248	208,065,849	133,461,197	11.41%
Packing Material	12,487,056	74,384,912	86,871,968	73,635,326	6.29%
Spare Parts	5,985,620	5,146,985	11,132,605	5,037,240	0.43%
Total	**297,618,108**	**1,189,525,322**	**1,487,143,430**	**1,169,806,408**	**100.00%**

Value of imports calculated on C.I.F basis by the company during the financial year ended June 30, 2022 in respect of raw materials, components and spare parts and capital good were as follows:

Sl. No	Particulars	Import Amount in BDT
i	Raw Materials	972,574,177
ii	Packing Materials	74,384,912
iii	Components of Spare Parts	5,146,985

Value of Export on FOB Basis:

Particulars		
Export of Denims Fabrics (US Dollar)	$17,758,687	$19,618,267
Export of Denims Fabrics (BDT)	1,580,523,111	1,667,552,693

52.00 Contingent Liabilities
There was no sum for which the company is contingently liable as on June 30, 2022

53.00 Claims Not Acknowledged
There was no claims against the company not acknowledged as debt as on June 30, 2022

54.00 Commission Brokerage Or Discount Against Sales
No commission, brokerage or discount was incurred or paid by the Company against sales during the year of July 1, 2021 to June 30, 2022.

55.00 Events after the Reporting Period
The Board of Directors meting of Pacific Denims Ltd., held on 27 October 2022, recommended 1% Cash dividend (Except Director & Sponsor Shareholder) of the paid-up capital for the year ended 30 June 2022. These dividends is subject to final approval by the shareholders at the forthcoming Annual General Meeting (AGM) of the company.

56.00 Significant Deviation
During the year Sales, Net profit after Tax, Earnings Per Share (EPS) and Net Asset Value (NAV) are decreased in comparison with previous year ended on June 30, 2021 due to increase of raw material costing and others overhead increase as a result profit decrease from comparative year.

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

Credit Risk
Liquidity Risk
Market Risk

Credit Risk
Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place that are controlled and monitored in accordance with terms and conditions prescribed in export letter of credit. As at 30th June 2022 the entire part of the receivables are related to export of goods and subject to insignificant credit risk. Risk exposures from other financial assets. i.e. Cash at bank and other external receivables are nominal.

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

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

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

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

Annexure "A"

PACIFIC DENIMS LIMITED

Schedule of Property, Plant & Equipment

As on June 30, 2022

Amount in Taka

Particulars	Land	Land Development	Building & other Construction	Furniture & Fixture	Electric Installation	Deep-Tube-well	Office Equipment	Plant & Machinery Imported	Plant & Machinery Local	Fire Fighting Equipment	Vehicles & Transport	Total Property, Plant & Equipment	Total
Cost													
As on July 01, 2021	148,310,413	36,708,547	963,237,722	32,177,409	64,772,051	452,632	8,325,306	982,064,258	76,349,343	2,475,360	2,466,002	2,317,339,043	2,317,339,043
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal During the Year	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost as on June 30, 2022	**148,310,413**	**36,708,547**	**963,237,722**	**32,177,409**	**64,772,051**	**452,632**	**8,325,306**	**982,064,258**	**76,349,343**	**2,475,360**	**2,466,002**	**2,317,339,043**	**2,317,339,043**
Accumulated Depreciation													
As on July 01, 2021	-	-	104,418,462	21,022,837	49,838,518	354,261	4,872,696	581,881,712	55,896,718	1,276,589	1,870,519	821,432,312	821,432,312
Depreciation Charged	-	-	21,470,482	1,115,457	1,493,353	9,837	345,261	40,018,255	2,045,262	119,877	59,548	66,677,333	66,677,333
Adjustment for Assets disposal off	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation as on June 30, 2022	**-**	**-**	**125,888,943**	**22,138,294**	**51,331,871**	**364,098**	**5,217,957**	**621,899,967**	**57,941,981**	**1,396,466**	**1,930,067**	**888,109,644**	**888,109,644**
Net Book Value June 30, 2022	**148,310,413**	**36,708,547**	**837,348,779**	**10,039,115**	**13,440,180**	**88,534**	**3,107,349**	**360,164,291**	**18,407,362**	**1,078,894**	**535,935**	**1,429,229,399**	**1,429,229,399**
Carrying Value as on June 30, 2022												**1,429,229,399**	**1,429,229,399**

As on June 30, 2021

Amount in Taka

Particulars	Land	Land Development	Building & other Construction	Furniture & Fixture	Electric Installation	Deep-Tube-well	Office Equipment	Plant & Machinery Imported	Plant & Machinery Local	Fire Fighting Equipment	Vehicles & Transport	Total Property, Plant & Equipment	Total
Cost													
As on July 01, 2020	148,310,413	36,708,547	962,929,946	32,177,409	64,772,051	452,632	8,325,306	982,064,258	76,349,343	2,475,360	2,466,002	2,317,031,267	2,317,031,267
Additions	-	-	307,776	-	-	-	-	-	-	-	-	307,776	307,776
Disposal During the Year	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost as on June 30, 2021	**148,310,413**	**36,708,547**	**963,237,722**	**32,177,409**	**64,772,051**	**452,632**	**8,325,306**	**982,064,258**	**76,349,343**	**2,475,360**	**2,466,002**	**2,317,339,043**	**2,317,339,043**
Accumulated Depreciation													
As on July 01, 2020	-	-	82,398,770	19,783,440	48,179,237	343,331	4,489,072	537,416,985	53,624,204	1,143,392	1,804,354	749,182,786	749,182,786
Depreciation Charged	-	-	22,019,691	1,239,397	1,659,281	10,930	383,623	44,464,727	2,272,514	133,197	66,165	72,249,526	72,249,526
Adjustment for Assets disposal off	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation as on June 30, 2021	**-**	**-**	**104,418,462**	**21,022,837**	**49,838,518**	**354,261**	**4,872,696**	**581,881,712**	**55,896,718**	**1,276,589**	**1,870,519**	**821,432,312**	**821,432,312**
Net Book Value June 30, 2021	**148,310,413**	**36,708,547**	**858,819,260**	**11,154,572**	**14,933,533**	**98,371**	**3,452,610**	**400,182,546**	**20,452,625**	**1,198,771**	**595,483**	**1,495,906,731**	**1,495,906,731**
Carrying Value as on June 30, 2021												**1,495,906,731**	**1,495,906,731**

Annexure " B"

Pacific Denims Ltd
Details Item wise Inventories list
For the year ended June 30, 2022

Sl. No	Items	As at 30 June, 2022			As at 30 June, 2021		
		Rate TK	Quantity KG	Amount in Taka	Rate TK	Quantity KG	Amount in Taka
1	**Yarn**						
	Cotton Open End	226	267,271	60,403,246	214	257,489	55,102,646
	Cotton Open Slub	219	188,835	41,354,865	211	177,235	37,396,585
	Cotton Ring Slub	319	112,325	35,831,675	312	109,560	34,182,720
	Cotton Elastane	335	98,569	33,020,615	327	95,547	31,243,869
	Polyester Filament	186	132,659	24,674,574	179	129,548	23,189,092
	Poly Elastane	217	129,564	28,115,388	213	128,563	27,383,919
	Total		**929,223**	**223,400,363**		**897,942**	**208,498,831**
2	**Dyes & Chemicals**						
	Indigo Dye	666	55,632	37,050,912	657	55,654	36,564,678
	Sulphar Black Dye	204	35,624	7,267,296	198	33,526	6,638,148
	Caustic Soda	63	55,258	3,481,254	57	55,215	3,147,255
	Hydrose	206	53,965	11,116,790	197	53,489	10,537,333
	Apple Starch	73	61,854	4,515,342	68	62,458	4,247,144
	Modified Starch	99	14,526	1,438,074	94	12,540	1,178,760
	Sodium Sulphide	72	38,564	2,776,608	66	37,698	2,488,068
	Siligen Softener	356	19,546	6,958,376	347	16,845	5,845,215
	Total		**334,969**	**74,604,652**		**327,425**	**70,646,601**
3	**Packing Materials**			**13,236,642**			**12,487,056**
4	**Spares & Parts**			**6,095,365**			**5,985,620**
5	**Work-in-process**						
	Warping			10,220,125			9,145,860
	Dyeing & Sizing			24,256,320			23,654,320
	Weaving			47,262,258			45,236,840
	Finishing			15,836,542			15,230,450
	Total			**97,575,245**			**93,267,470**
6	**Finished Goods**						
	100% Cotton	243	268,123	65,153,889	235	262,450	61,675,750
	Cotton Polyester	257	447,069	114,896,733	246	444,563	109,362,498
	Cotton Elastane	334	151,554	50,619,036	327	152,500	49,867,500
	Cotton Poly Elastane	325	126,487	41,108,275	316	124,785	39,432,060
	Total		**993,233**	**271,777,933**		**984,298**	**260,337,808**
	Grand Total			**686,690,200**			**651,223,386**
	Yarn			223,400,363			208,498,831
	Dyes & Chemicals			74,604,652			70,646,601
	Packing Materials			13,236,642			12,487,056
	Spares & Parts			6,095,365			5,985,620
	Work-in- process			97,575,245			93,267,470
	Finished Goods			271,777,933			260,337,808
	Total			**686,690,200**			**651,223,386**

PACIFIC DENIMS LIMITED

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

PROXY FORM

I/We.....being a member (s) of Pacific Denims Limited do hereby appoint Mr/Mrs .....

.....of as my/our proxy to attend and vote on behalf of me/us at the 19th Annual General Meeting of the Company to be held on Thursday, the 29th December, 2022 at 11.00 AM at **"DIGITAL PLATFORM".**

As witness my/our hand this.....day of .....2022.

(Signature Shareholder)

Revenue Stamp Tk. 20

(Signature of Proxy)

BO ID NO. | | | | | | | | | | | | | | | | |

No. of Shares .....

Dated .....

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

PACIFIC DENIMS LIMITED

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

ATTENDANCE SLIP

I do hereby submit the attendance slip in connection with 19th Annual General Meeting of Pacific Denims Limited held on Thursday, the 29th December, 2022 at 11.00 AM at **"DIGITAL PLATFORM."**

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

BO ID NO. | | | | | | | | | | | | | | | | |

No. of Shares held .....

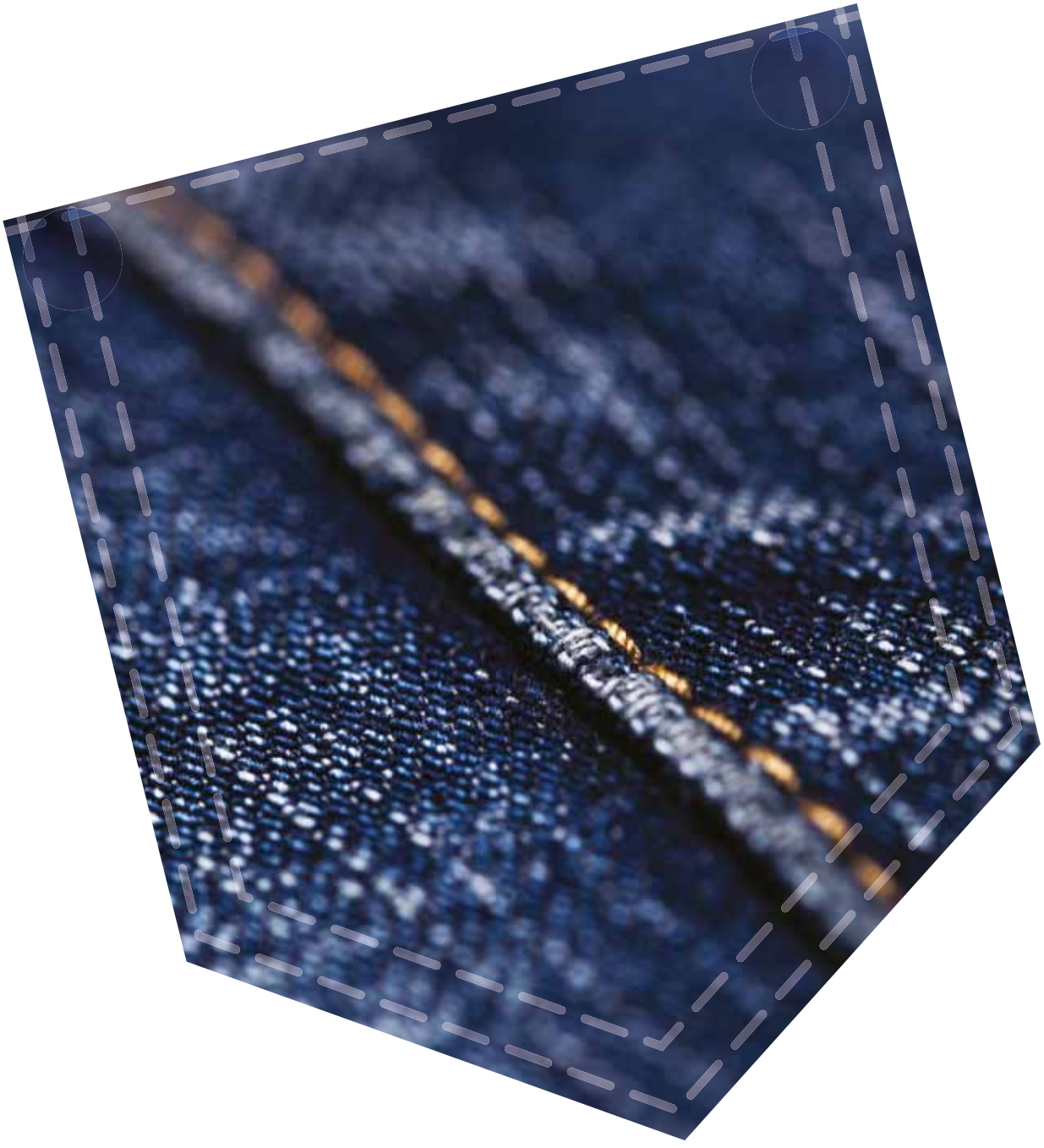
Dated .....

(Signature of Proxy)

(Signature of the Shareholder)

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

PACIFIC Denims LTD.



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