

**AUDITOR'S REPORT  
AND  
FINANCIAL STATEMENTS  
OF  
GARDENIA WEARS LTD.  
FOR THE PERIOD FROM 01 JULY 2018  
TO 31 DECEMBER 2018**



**AHMAD & AKHTAR**

*Chartered Accountants*

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**AUDITOR'S REPORT TO THE SHAREHOLDERS**  
**OF**  
**GARDENIA WEARS LTD.**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of the **Gardenia Wears Ltd.** (the company), which comprise the Statement of Financial Position as at 31 December 2018, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period from 01 July 2018 to 31 December 2018 then ended and summary of significant accounting policies and other explanatory information thereon.

In our opinion, the financial statements of the company prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards (IASs), give a true and fair view of the state of the statement of financial position of the company as at 31 December 2018 and of the results of its financial performance and its cash flows for the period from 01 July 2018 to 31 December 2018 then ended.

**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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the ethical requirements 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.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key Audit matters to communicate in our report.

**Other Information**

The Board of Directors is responsible for the other information. The other information comprises the Annual Report and Management Report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In this regard, the management have not prepared Annual Report and Management Report for this period.

**Responsibilities of the Board of Directors for the Financial Statements**

Board of Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards 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.

The Board of Directors is responsible for overseeing the Company's financial reporting process.





## **AHMAD & AKHTAR**

*Chartered Accountants*

### **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 auditors' 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 condition 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 auditors' 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 auditors' report.
- 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 the Board of Directors 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 the Board of Directors 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.



**AHMAD & AKHTAR**  
*Chartered Accountants*


**Report on Other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994 and The Securities and Exchange Rules 1987, we also report that:

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii. in our opinion, proper books of account as required by the law have been kept by the Company so far as it appeared from our examination of those books;
- iii. the Company's 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 accounts; and
- iv. the expenditures was incurred for the purpose of the Company's business.

This report, including the opinion, has been prepared for and only for the Company's Board of Director as a body in accordance with Company Act 1994 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Kanchi Lal Das, M.Com, FCA

Signature of engagement partner	:	
Name of engagement partner	:	Kanchi Lal Das, M.Com, FCA
Name of audit firm	:	AHMAD & AKHTAR, Chartered Accountants
Address	:	BCIC Bhaban (3rd Floor), 30-31 Dilkusha, C/A, Dhaka-1000
Date	:	12 February 2019






**Gardenia Wears Ltd.**  
**Statement of Financial Position**  
**As at 31 December 2018**

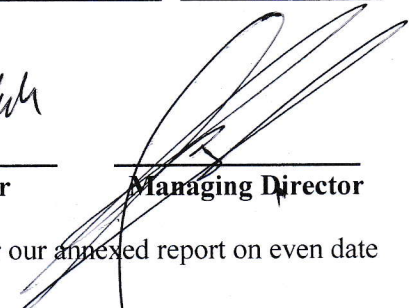
Particulars	Notes	Amount in Taka	
		31-Dec-2018	30-Jun-2018
<b>ASSETS</b>			
<b>Non Current Assets</b>		<b>438,212,812</b>	<b>388,763,136</b>
Property, Plant & Equipment	4.00	405,767,620	339,592,229
Capital Work in Progress	5.00	32,445,192	49,170,907
<b>Current Assets</b>		<b>425,303,804</b>	<b>315,649,167</b>
Advance, Deposit and Prepayments	6.00	51,925,421	19,508,544
Trade Receivables	7.00	158,554,519	125,113,189
Others Receivable	8.00	503,482	309,588
Inventories	9.00	78,728,254	102,245,333
Cash and Cash Equivalents	10.00	135,592,129	68,472,513
<b>Total Assets</b>		<b>863,516,617</b>	<b>704,412,303</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>		<b>503,103,104</b>	<b>250,133,336</b>
Share Capital	11.02	409,705,400	191,959,900
Retained Earnings	12.00	93,397,704	58,173,436
<b>Non-Current Liabilities</b>		<b>182,332,630</b>	<b>253,960,315</b>
Long Term Borrowings (net off Current Portion)	13.00	177,033,847	184,683,845
Share Money Deposit	14.00	-	65,189,875
Deferred Tax Liability	15.00	5,298,783	4,086,595
<b>Current Liabilities</b>		<b>178,080,883</b>	<b>200,318,652</b>
Trade & Others Payables	16.00	59,815,923	86,448,437
Accruals & Provision	17.00	23,368,552	19,606,896
Short Term Borrowings	18.00	70,485,956	64,954,614
Current Portion of Long Term Borrowings	13.00	20,558,860	20,558,860
Interest payable on Bank Loan	13.02	3,851,592	8,749,845
<b>Total Liabilities</b>		<b>360,413,512</b>	<b>454,278,967</b>
<b>Total Equity and Liabilities</b>		<b>863,516,617</b>	<b>704,412,303</b>
<b>Net Asset Value (NAV) per Share</b>	19.01	<b>12.28</b>	<b>13.03</b>

The annexed notes form an integral part of this financial statements.

  
\_\_\_\_\_  
Chief Financial Officer

  
\_\_\_\_\_  
Company Secretary

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Managing Director

Signed as per our annexed report on even date





**Gardenia Wears Ltd.**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the period from 01 July 2018 to 31 December 2018**

Particular	Notes	Amount in Taka			
		1-Jul-2018 to 31-Dec-2018	1-Jul-2017 to 31-Dec-2017	1-Oct-2018 to 31-Dec-2018	1-Oct-2017 to 31-Dec-2017
Revenue	21.00	452,516,544	299,999,171	276,539,919	143,289,401
Less: Cost of Goods Sold	22.00	370,067,272	247,789,384	222,604,575	119,811,644
<b>Gross Profit/(Loss)</b>		<b>82,449,272</b>	<b>52,209,787</b>	<b>53,935,344</b>	<b>23,477,757</b>
Less: Operating Expenses	23.00	22,998,431	16,116,113	12,198,549	8,209,814
<b>Profit from Operation</b>		<b>59,450,842</b>	<b>36,093,674</b>	<b>41,736,795</b>	<b>15,267,943</b>
Less: Financial Expenses	25.00	20,591,639	13,790,449	9,877,794	5,187,833
<b>Net Operating Profit</b>		<b>38,859,203</b>	<b>22,303,226</b>	<b>31,859,002</b>	<b>10,080,110</b>
Add: Other Income/(Loss)	24.00	1,781,189	(358,481)	870,594	(149,617)
<b>Profit Before Tax</b>		<b>40,640,392</b>	<b>21,944,745</b>	<b>32,729,595</b>	<b>9,930,494</b>
Less: Income Tax Expenses	26.00	5,416,123	2,676,388	2,252,048	1,189,104
Current Tax Expenses	26.01	4,203,936	1,395,048	1,758,230	499,310
Deferred Tax Expenses	15.01	1,212,188	1,281,339	493,817	689,794
<b>Total Comprehensive Income</b>		<b>35,224,269</b>	<b>19,268,357</b>	<b>30,477,548</b>	<b>8,741,390</b>
Earnings Per Share (Basic)	27.00	<b>1.26</b>	<b>1.00</b>	<b>0.96</b>	<b>0.46</b>
Earnings Per Share (Adjusted)	27.00	<b>1.26</b>	<b>0.69</b>	<b>0.96</b>	<b>0.28</b>

The annexed notes form an integral part of these financial statements.

  
Chief Financial Officer

  
Company Secretary

  
Director

  
Managing Director

Date: 02 February 2019  
Place: Dhaka



  
AHMAD & AKHTAR  
Chartered Accountants



Gardenia Wears Ltd.  
Statement of Changes in Equity  
For the Period ended 31 Dec 2018

Amount in Taka

Particulars	Share Capital	Retained Earnings	Total Equity
Balance as on July 01, 2018	191,959,900	58,173,436	250,133,336
Addition during the Period	217,745,500	-	217,745,500
Profit/(Loss) for the Period	-	35,224,269	35,224,269
Balance as on December 31, 2018	409,705,400	93,397,704	503,103,104

Gardenia Wears Ltd.  
Statement of Changes in Equity  
For the Period ended 31 Dec 2017

Amount in Taka

Particulars	Share Capital	Retained Earnings	Total Equity
Balance as on July 01, 2017	191,959,900	18,064,843	210,024,743
Profit/(Loss) for the Period	-	19,268,357	19,268,357
Balance as on December 31, 2017	191,959,900	37,333,201	229,293,101

  
Chief Financial Officer

  
Company Secretary

  
Director

  
Managing Director


Date: 12 February 2019  
Place: Dhaka





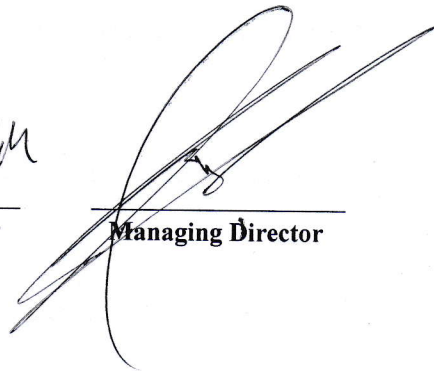
**Gardenia Wears Ltd.**  
**Statement of Cash Flows**  
**For the Period from 01 July 2018 to 31 December 2018**

Particulars	Amount in Taka	
	1-Jul-2018 to 31-Dec-2018	1-Jul-2017 to 31-Dec-2017
<b>A. Cash Flows From Operating Activities</b>		
Cash Receipt from Customers & Others	420,662,506	280,593,160
Cash Paid to Suppliers & Others	(336,412,458)	(170,031,594)
Cash Paid to Employees	(63,966,052)	(57,569,372)
<b>Cash Generate from Operating Activities</b>	<b>20,283,995</b>	<b>52,992,194</b>
Income Taxes Paid	(2,620,677)	(1,470,163)
<b>Net Cash Flows from Operating Activities</b>	<b>17,663,319</b>	<b>51,522,031</b>
<b>B. Cash Flows From Investing Activities</b>		
Acquisition of Property, Plant and Equipment	(28,890,581)	(90,996,466)
Capital Work in Progress	(62,953,362)	(1,598,489)
<b>Net cash used in Investing Activities</b>	<b>(91,843,943)</b>	<b>(92,594,955)</b>
<b>C. Cash Flows From Financing Activities</b>		
Share Money Deposit	167,355,625	13,522,407
Cash paid for Financial Expenses	(23,936,730)	(1,325,069)
Increase/(Decrease) in Short Term Loan from Bank	5,531,342	1,216,948
Increase/(Decrease) in Long Term Loan from Bank	(7,649,998)	52,525,123
<b>Net Cash Flows from Financing Activities</b>	<b>141,300,239</b>	<b>65,939,409</b>
<b>D. Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>67,119,615</b>	<b>24,866,485</b>
<b>E. Opening Cash &amp; Cash Equivalents</b>	<b>68,472,513</b>	<b>15,561,968</b>
<b>F. Closing Cash &amp; Cash Equivalents (E + D)</b>	<b>135,592,129</b>	<b>40,428,454</b>
<b>Net Operating Cash Flows Per Share (Note-20.00)</b>	<b>0.63</b>	<b>1.84</b>

  
 Chief Financial Officer

  
 Company Secretary

  
 Director

  
 Managing Director

Date: 12 February 2019

Place: Dhaka





**Gardenia Wears Ltd.**  
**Summary of Significant Accounting Policy and Other Explanation Information**  
**For the period ended 31 December 2018**

**1.00 Reporting Entity**

**1.01 Background of the Company**

Gardenia Wears Ltd. was incorporated on 07th May, 2014 vide registration No. C-115802/14 under the Companies Act-1994 as a Private Ltd. Company and converted into Public Ltd. Company on 27 November 2018.

**1.02 Registered Office of the Company**

Registered office of the company is located at House No. 1041 (1st Floor), Avenue No. 09, Road No. 45 (Old), Mirpur DOHS, Dhaka-1216. Factory office is located at 310/668, Sitpara, Bormi Sreepur, Gazipur, Bangladesh.

**1.03 Nature of the business**

Gardenia Wears Ltd. (GWL) is a 100% export oriented woven garments factory. The company produced and export different types of Ready Made Garments like Man's Shirt, Boyes & Girls' Pants & Shirts', Boys' Polo Shirts, Boys' Long Pant, Ladies Shorts, Girls' Tops and Girls' Skirts etc and marketing thereof. The company won many awards for its quality products and compliance with economy standard.

**2.00 Basis of Preparation and Presentation of Financial Statements:**

**2.01 Statement of compliance**

The Financial Statements of the Company are prepared on a going concern basis under historical cost convention and in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other laws & regulation applicable for the Company.

**2.02 Going Concern**

The company has adequate resources to continue its operation for the foreseeable future. As such, the directors intended to adopt the going concern basis in preparing the financial statements. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business.

**2.03 Accrual Basis**

The financial statements have been prepared, except cash flow information, using the accrual basis of accounting.

**2.04 Components of the Financial Statements:**

According to IAS-1 "Presentation of the Financial Statements" the complete set of financial statement includes the following components

- a. Statement of Financial Position as at 31 December 2018
- b. Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 December 2018.
- c. Statements of Changes in Equity for the period ended 31 December 2018;
- d. Statements of Cash Flows for the period ended 31 December 2018; and
- e. Notes, Summary of Significant Accounts Policy and Others Explanatory Information.





**Gardenia Wears Ltd.**  
**Summary of Significant Accounting Policy and Other Explanation Information**  
**For the period ended 31 December 2018**

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- e. Notes, Summary of Significant Accounts Policy and Others Explanatory Information.





**2.05 Estimates and Judgements**

The preparation of these financial statements in conformity with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected thereby.

In particular, information about significant areas of estimation on uncertainty and critical judgments in applying accounting policies that have the most significant affect on the amounts recognized in the financial statements are included in the following notes:

Note: 4 Property, Plant and Equipment

Note: 6 Advance, Deposit and Pre-payment

Note: 7 Trade Receivables

Note: 9 Inventories

Note: 16 Trade & Others Payables

**2.06 Responsibility for Preparation and Presentation of Financial Statements:**

The Board of Directors is responsible for the preparation of financial statements under section 183 of the Companies Act, 1994 and as per applicable Financial Reporting Framework for the Company.

**2.07 Applicable accounting standards:**

The following IASs and IFRSs are applicable for the financial statements for the period under review:

IAS-1 Presentation of Financial Statements;

IAS-2 Inventories;

IAS-7 Statements 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 33 Earnings per Share

IAS 34 Interim Financial Reporting

IAS 36 Impairment of Assets

IAS 37 Provisions, Contingent Liabilities and Contingent Assets

IAS 39 Financial Instruments: Recognition and Measurement

IFRS 7 Financial Instruments: Disclosures

IFRS 8 Operating Segments

IFRS 13 Fair Value Measurement

IFRS 15 Revenue from Contracts with Customers





**2.08 Other Regulatory compliances**

The Company is required to comply with following major laws and regulations such as:-

The Income Tax Ordinance, 1984

The Income Tax Rules, 1984

The Value Added Tax Act, 1991

The Value Added Rules, 1991

The Customs Act, 1969

**2.09 Property, Plant, Equipment**

All Property, Plant and Equipment are stated at cost less accumulated depreciation as per IAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises of its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of comprehensive income as incurred.

**a) Depreciation**

Depreciation on Property, Plant and Equipment other than Land & Land Development has been computed during the period using the reducing balance method. Depreciation has been charged on addition when the related Property, Plant and Equipment are available for use as per management intention.

**Depreciation Rate:**

Particulars	Rate	
	31-Dec-18	
Land & Land development	0%	
Building & Civil Construction	5%	
Plant & Machineries	5%	
Furniture & Fixtures	10%	
Office Equipment	20%	
Factory Equipment	10%	
Electrical Equipment & Installation	10%	
Motor & Vehicles	20%	

**b) Capitalization of Borrowing Costs**

Borrowing costs that are directly attributable to acquisition/construction of plant & machinery and civil construction are included in those Plant & Machinery and Building & Civil Construction in compliance with IAS 23 Borrowing Costs.

**c) Disposal of Property, Plant and Equipment**

On disposal of Property, Plant and Equipment, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the profit or loss and other comprehensive income statement, which is determined with reference to the net book value of the assets and net sales proceeds.

**d) Impairment of Assets:**

In accordance with the provision of IAS-36, the carrying amount of non-financial assets other than inventories of the company involved in the manufacturing of the products. If any such indication exists, then the asset's recoverable amount is estimated and impairment losses are recognized in the statement of comprehensive income. No such indication of impairment has been observed till the end of the year.

**2.10 Borrowing Costs**

Interest and other cost incurred in the company in connection with the borrowing of fund are recognized as expenses in the period in which they are incurred unless such borrowings cost related to acquisition/construction of assets in progress that are capitalized as per IAS 23 Borrowing Costs.

**2.11 Revenue Recognition**

In compliance with the requirements of IFRS 15 Revenue from contracts with customers, revenue from receipts from customers against sales is recognized when products are dispatched to customers, that is, when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be measured reliably.

**2.12 Valuation of Current Assets****a) Accounts Receivable**

Accounts receivables consist of unpaid bills receivables from enlisted dealer and unbilled revenue recognized at the reporting date.

**b) Inventories**

Inventories are stated at the lower of cost or net realizable value in compliance with the requirements of Para 21 and 25 of IAS-2.

<b>Category of stocks</b>		<b>Basis of valuation</b>
Raw & packing materials including work-in-process	:	Moving average (Weighted) Cost
Finished Goods at Factory	:	At lower of cost or net estimated realizable value
Stores Items	:	At cost
Materials in-transit	:	Book value i.e. cost so far incurred

**c) Cash and cash equivalents**

According to IAS 7 Statements of Cash Flows, cash and cash equivalents comprise cash in hand ,Short Notice Deposit & highly liquied investments that are readily convertible to know amounts of cash and which are subject to an insignificant risk of change in value.

**2.13 Provisions**

A provision is recognized on the balance sheet date if, as a result of past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

**2.14 Employees' Benefit**

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 of as revenue expenditure in the period to which the contributions relate.

The company's employee benefits include the following

**a) Short Term Employee Benefits**

Short-term employee benefits include wages, salaries, festival bonuses etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.





**b) Contribution to Central Funds**

Gardenia Wears Ltd. is a 100% export oriented company and member of BGMEA, as per notification no. 40.00.0000.015.28.002.16.302 dated June 07, 2016 issued by Ministry of Labor Employment, an amount of Tk 1,25,723/- were contributed by the company to central fund for welfare of employees during the period ended December 31, 2018 which were automatically deducted by bank from export proceeds realization. This expenses was charged in the Administrative Expenses under Selling and Distribution expense heading in the financial statements for the period December 31, 2018

**2.15 Advances, Deposits and Prepayments**

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other accounts head such as PPE or inventory etc.

**2.16 Segment Reporting**

No segmental reporting is applicable for the company as required by "IFRS-8: 'Operating Segments'" as the company operates in a single industry segment and within as geographical segment.

**2.17 Functional and Presentational Currency**

These financial statements are prepared in Bangladesh Taka (Taka/Tk/BDT), which is the Company's functional currency. All financial information presented in Taka has been rounded off to the nearest integer unless otherwise indicated.

**2.18 Income Tax:****a) Current Tax:**

Current tax expenses calculated on the basis of tax rate 12% as prescribed in SRO No. 255/AIN/Income Tax/2017 applicable for the Company.

**b) 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 tax recoverable in future years in respect of deductible temporary differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax based. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the reporting date. The impact on the account of changes in the deferred tax assets and liabilities for the period ended December 31, 2018 has been recognized in the statement of comprehensive income as per IAS-12 "Income Taxes".

**2.19 Earnings per share**

The management calculates Earnings Per Share (EPS) in accordance with IAS-33, Earnings per share, which has been shown on the face of Statement of Profit or Loss and Other Comprehensive Income; the same has been calculated dividing surplus available for ordinary shareholders by weighted average number of ordinary shares outstanding at the end of the period (note- 27.00).

**a) Basic Earnings**

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

**b) Weighted average number of ordinary shares outstanding during the Period**

Computations of weighted average number of ordinary shares are not required as number of shares outstanding has been same throughout the period.

**c) Diluted Earnings per Share**

Diluted EPS is calculated if there is any commitment for issuance of equity shares in foreseeable future, i.e., potential shares, without inflow of resources to the Company against such issue. This is in compliance with the requirement of IAS-33. No diluted earnings per share is required for the period since there is no scope of dilution of share during the period under review.

## **2.20 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset to one entity and a financial liability or equity instrument to another entity as per IAS 39 Financial Instruments Recognition and Measurement.

### **a) Financial Assets**

Financial assets of the company include cash and cash equivalents, investments in share, accounts receivables and other receivables. The company initially recognizes receivable on the date they are originated. All other financial assets are recognized initially in the date at which the company becomes a party to the contractual provisions of the transaction. The company derecognizes a financial asset when, and only when the contractual rights or probabilities of receiving the cash Flows from the asset expire or it transfer the rights to receive the contractual cash Flows on the financial asset in a transaction in which substantially all the risk and reward of ownership of the financial assets are transferred.

### **b) Financial Liabilities**

Financial liabilities are recognized initially on the transaction date at which the Company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when its contractual obligation are discharged or cancelled or expire.

Financial liabilities include payable for expenses, liabilities for capital expenditure, bank loans and other current liabilities.

## **2.21 Trade and Other Payables**

Trade and other payables are recorded at the amount payable for settlement in respect of goods and services received by the Company, whether or not billed by the suppliers.

## **2.22 Statements of Cash Flows**

Statements of Cash Flows is prepared in accordance with IAS 7 Statements of Cash Flows and the Cash Flows from the operating activities have been presented under direct method considering the provisions of Paragraph 19 of IAS-7 which provides that Enterprises are encouraged to Report Cash Flows from Operating Activities Using the Direct Method.

## **2.23 Long Term and Short Term Loan**

Interest and other cost incurred in the company in connection with the borrowing of fund are recognized as expenses in the period in which they are incurred unless such borrowings cost related to acquisition/construction of assets in progress that are required to capitalized as per IAS-23: Borrowing Cost.

## **2.24 Events after the Reporting Period**

Events after the reporting Period that provide additional information about the company's position at the date of statement of financial position are reflected in the financial statements. Events after the reporting year that are adjusting events are disclosed in the notes when material. The Board of directors all ready refund the share money deposit to respective shareholders.

## **2.25 Authorization date for issuing Financial Statements**

The financial statements were authorized by the Board of Directors on 12 February 2019.





**2.26 Comparative Information**

Comparative information has been disclosed as required by IAS-34 'Interim Financial Reporting' in respect of the previous period for all numerical information in the current financial statements as below:

- Statement of Financial Position as of the end of the preceding financial period.
- Statement of Profit or Loss and Other Comprehensive Income for the comparable interim period of preceding financial period.
- Statement of Changes in Equity for the comparable interim period of preceding financial period.
- Statement of Cash Flows for the comparable interim period of preceding financial period.

**Re-arrangement**

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 liability as reported in the financial statement.

**2.27 Related Party Disclosure**

The company carried out a number of transactions with related parties in the normal course of business and on arms' length basis. The information as required by IAS 24 Related Party Disclosure has been disclosed in a separate note (29 & 30) to the accounts.

**2.28 Reporting period**

The financial statement of the company covers 06 (Six) months from 01 July 2018 to 31 December

**3.00 Significant Deviation**

During the period (July 01, 2018 to December 31, 2018) Net Operating Cash Flows Per Share (NOCFPS) was Tk.0.63 due to more payment of suppliers and lower collections from customers.



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		<b>Amount in Taka</b>	
		<b>31-Dec-18</b>	<b>30-Jun-18</b>
<b>4.00</b>	<b>Property, Plant and Equipment</b>		
	<b>Cost</b>		
	Opening Balance	372,319,119	351,293,338
	Addition during the year/period	74,897,732	21,025,781
	Closing balance	<b>447,216,851</b>	<b>372,319,119</b>
	<b>Depreciation</b>		
	Opening Balance	32,726,890	17,372,309
	Charge during the year/period	8,722,341	15,354,581
	Closing balance	<b>41,449,231</b>	<b>32,726,890</b>
	<b>Written Down Value</b>	<b>405,767,620</b>	<b>339,592,229</b>
	<i>Annexure-A</i>		
<b>5.00</b>	<b>Capital Work-in Progress</b>		
	<b>Building &amp; Civil Construction</b>		
	Opening Balance	49,170,907	15,682,824
	Add: Addition during the year	30,834,597	33,488,083
		<b>80,005,504</b>	<b>49,170,907</b>
	Less: Transfer to Fixed Asset	47,560,312	-
	<b>Total</b>	<b>32,445,192</b>	<b>49,170,907</b>
<p>The balance is representing the cost of factory building &amp; others Civil work are under construction. When it will be fully constructed and available for use, it will be transferred to Property, Plant and Equipment as per IAS-16.</p>			
<b>6.00</b>	<b>Advances, Deposits &amp; Prepayments</b>		
	Advance against Construction	40,662,550	9,324,215
	Sundry Advance	3,008,069	2,619,000
	Prepayments	219,303	105,891
	Security Deposits	1,488,900	1,488,900
	Advances income taxes	6,546,599	5,970,538
		<b>51,925,421</b>	<b>19,508,544</b>
<b>6.01</b>	<b>Advance against Construction</b>		
	Opening	9,324,215	8,749,014
	Add: Addition During the year / Period	50,323,899	19,511,288
	Less: Adjustment during the year/ Period	(18,985,564)	(18,936,087)
		<b>40,662,550</b>	<b>9,324,215</b>
<b>6.02</b>	<b>Sundry Advance</b>		
	Employee Advance	784,069	395,000
	Office rent	140,000	140,000
	M/S IEN consultant (S) Pte Ltd	2,084,000	2,084,000
		<b>3,008,069</b>	<b>2,619,000</b>
<b>6.03</b>	<b>Prepayments</b>		
	Pre-Paid Fire Insurance	219,303	105,891
		<b>219,303</b>	<b>105,891</b>
<b>6.04</b>	<b>Security Deposits:</b>		
	Mymensingh palli bidyut samity	1,484,000	1,484,000
	Alpine Fresh Water Ltd	4,900	4,900
	<b>Closing Balance</b>	<b>1,488,900</b>	<b>1,488,900</b>



Amount in Taka	
31-Dec-18	30-Jun-18

**6.05 Advances Income Taxes:**

**Opening Balance:**

TDS on Export	5,923,891	2,039,399
TDS on Interest Income	16,865	13,067
TDS on FDR	29,782	-
	<b>5,970,538</b>	<b>2,052,466</b>

**Addition During the Year:**

TDS on Export	2,514,451	3,884,492
TDS on Interest Income	54,288	3,798
TDS on FDR	51,938	29,782
	<b>2,620,677</b>	<b>3,918,072</b>

Less: Adjustment for the year 2017 (2,044,616) -

**Closing Balance** **6,546,599** **5,970,538**

The classification of advances as required by the Schedule XI, Part-1, Para-6 of the Companies Act, 1994 are given below:

i) Advances, deposits and prepayment considered good and in respect of which the company is fully secured;	-	-
ii) Advances, deposits and prepayment considered good for which the company holds no security other than the debtor's personal security;	51,925,421	19,508,544
iii) Advances, deposits and prepayment considered doubtful or bad;	-	-
iv) Advances, deposits and prepayment due by directors or other officers of the company or any of them either severally or jointly with any other person or advances due by firms or private companies respectively in which any director is a partner or a director or a member;	-	-
v) Advances, deposits and prepayment due by companies under the same management;	-	-
vi) The maximum amount due by directors or other officers of the company.	784,069	395,000

**7.00 Trade Receivables**

Opening Balance	125,113,189	33,057,234
Add: Export during the period	452,516,544	648,569,059
Less: Collection/Realization during the period	(419,075,214)	(556,513,104)
	<b>158,554,519</b>	<b>125,113,189</b>

The above is the amount of receivable is against export bills as on December 31, 2018. This is considered as good & realizable and is secured by letter of credit duly accepted by L/C opening bank.

**Ageing of Trade Receivables**

More than Six Months	-	-
Less than Six Months	158,554,519	125,113,189
	<b>158,554,519</b>	<b>125,113,189</b>





Amount in Taka	
31-Dec-18	30-Jun-18

The classification of receivables as required by the Schedule XI of the Company Act, 1994 are given below:

Receivables considered good and in respect of which the company is fully secured.	158,554,519	125,113,189
Receivables considered good for which the company holds no security other than the debtor's personal security.	-	-
Receivables considered doubtful or bad.	-	-
Receivable due by directors or other officers of the company or any of them either severally or jointly with any other person or receivables due by firms or private companies respectively in which any director is a partner or a director or a member.	-	-
Receivables due by companies under the same management.	-	-
The maximum amount due by directors or other officers of the company at any time during the year.	-	-
<b>Total</b>	<b>158,554,519</b>	<b>125,113,189</b>

Name of Party	Amount	Amount
Vetir Comptabilite Peripherie (GEMO)	45,679,176	22,383,804
S.A.S Brice	-	2,397,503
S.A.S Oncle Tom	1,018,697	3,034,410
S.A.S Jules	1,631,284	12,177,522
B-Style S.R.L	40,900,170	39,410,504
Auchan Retail Ltd.	42,808,146	5,800,803
Bizzbee	825,660	641,209
Mukclothing	-	3,555,759
Triple 5 Inc	-	24,942,027
ZXY International	8,884,033	10,769,648
IDG	5,149,782	-
Reliance	11,657,571	-
<b>Total</b>	<b>158,554,519</b>	<b>125,113,189</b>

**8.00 Others Receivable (FDR):**

Opening Balance	309,588	-
Add: Interest during the year/period	713,274	607,407
	<b>1,022,862</b>	<b>607,407</b>
Less: Interest received during the year/period	519,380	297,819
Closing Balance	<b>503,482</b>	<b>309,588</b>

**9.00 Inventories**

Fabrics & Accessories	20.01	38,874,966	49,150,839
Work in Process	20.00	25,483,341	36,821,771
Finished Goods	20.00	14,157,411	15,837,651
Store & Spares Parts	9.01	212,536	435,072
		<b>78,728,254</b>	<b>102,245,333</b>

- a) Quantity reconciliation of products were done properly.
- b) The valuation of closing inventory has been made on the basis of lower of cost and net realizable value as per IAS-2.
- c) The management of the company has conducted a test (physical verification/stock taking) of above inventories as on 31.12.2018.

	Amount in Taka	
	31-Dec-18	30-Jun-18
<b>9.01 Stores and Spares</b>		
Opening Balance	435,072	-
Add: During the year/period	1,002,822	2,507,190
Less: Consume During the year/period	(1,225,358)	(2,072,118)
<b>Closing Balance</b>	<b>212,536</b>	<b>435,072</b>

**10.00 Cash and Cash Equivalent**

	<b>537,382</b>	<b>1,151,558</b>
Cash in Hand - Head office	367,675	427,583
Cash in Hand - Factory office	169,707	723,975
<b>Cash at Bank</b>	<b>135,054,747</b>	<b>67,320,956</b>
The Premier Bank Ltd. (SND) A/C # 0013100002868	741,277	5,207,292
Southeast Bank Ltd. (SND) A/C # 13100000276	80,322,339	-
Janata Bank Ltd. (CD) A/C # 001009331	4,772	5,347
The Premier Bank Ltd. (BLO) A/C # 010412800000168	30,180,979	45,758,808
The Premier Bank Ltd. (ERQ) A/C # 010415800000243	141,616	61,712
The Premier Bank Ltd. A/C # 13000000147	68,285	3,137,260
Fixed Deposit Receipt (FDR)	23,595,479	13,150,537
<b>Closing Balance</b>	<b>135,592,129</b>	<b>68,472,514</b>

The Bank balance are in agreement with respective bank statements balances.

**11.00 Share Capital:**

**11.01 Authorized Share Capital :**

95,000,000 ordinary shares of Taka 10/= each.	<b>950,000,000</b>	<b>950,000,000</b>
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**11.02 Issued, subscribed and paid-up Capital**

4,09,70540 ordinary shares of Tk 10/= each fully paid-up.	409,705,400	191,959,900
	<b>409,705,400</b>	<b>191,959,900</b>

Share holder position	No. of Shares	%	Amount in Tk.	Amount in Tk.
Director	18,392,937	45%	183,929,370	173,753,990
Others Shareholders	22,577,603	55%	225,776,030	18,205,910
<b>Total paid-up capital</b>	<b>40,970,540</b>	<b>100%</b>	<b>409,705,400</b>	<b>191,959,900</b>

**12.00 Retained Earnings**

<b>Opening Balance</b>	58,173,436	18,957,870
Add: Addition during the year/period	35,224,269	39,215,566
<b>Closing Balance</b>	<b>93,397,704</b>	<b>58,173,436</b>

**13.00 Long Term Borrowings (net off Current Portion)**

Premier Bank Ltd- Factory Building Loan A/C # 281	77,611,042	82,261,179
Premier Bank Ltd- Local Machinery Loan A/C # 4336	29,341,325	32,341,185
Premier Bank Ltd- L/C Machinery Loan A/C # 4345	90,640,340	90,640,340
<b>In Total</b>	<b>197,592,707</b>	<b>205,242,704</b>
Less : Current portion	20,558,860	20,558,860
<b>Long Term Loan (Non-current portion)</b>	<b>177,033,847</b>	<b>184,683,844</b>



Amount in Taka	
31-Dec-18	30-Jun-18
<b>20,558,860</b>	<b>20,558,860</b>
14,685,716	14,685,716
5,873,144	5,873,144

**13.01 B. Current Maturity of Long Term Loan**

Premier Bank Ltd- Factory Building Loan A/C # 281  
Premier Bank Ltd- Local Machinery Loan A/C # 4336

Above facility has been enjoyed against Factory Building, Import and Local Machinery sanctioned from Premier Bank Ltd. Banani, Branch, Dhaka.

**Term and Condition**

Name of Bank	Premier Bank Ltd
Nature	Long Term
Sanction Limit	23,46,39,000
Purpose of Loan	Buildings & Machinery
Margin	10% Cash Margin
Rate of Interest	13%
Execution Date	8 Years
Mode of Adjustment	Quarterly Installments
Security	Fixed & Floating Assets of Gardenia Wears Ltd.

**13.02 Interest Payable on Bank Loan**

**a) Premier Bank Ltd- Factory Building Loan A/C # 281**

Opening Balance	188,616	7,647,916
Add: Charge during the year/period	5,311,247	9,516,750
Less: Payment during the year/period	(5,499,863)	(16,976,050)
<b>Closing Payable</b>	<b>-</b>	<b>188,616</b>

**b) Premier Bank Ltd- Local Machinery A/C # 4336**

Opening Balance	-	3,401,814
Add: Charge during the year/period	2,024,120	3,775,398
Less: Payment during the year/period	(2,024,120)	(7,177,212)
<b>Closing Payable</b>	<b>-</b>	<b>-</b>

**c) Premier Bank Ltd- L/C Machinery A/C # 4345**

Opening Balance	4,018,276	177,015
Add: Charge during the year/period	6,285,454	9,581,601
Less: Payment during the year/period	(7,650,000)	(5,740,340)
<b>Closing Payable</b>	<b>2,653,730</b>	<b>4,018,276</b>

**d) Premier Bank Ltd- O/D A/C # 2008**

Opening Balance	4,542,953	-
Add: Charge during the year/period	2,626,995	8,337,780
Less: Payment during the year/period	(7,157,800)	(3,794,827)
<b>Closing Payable</b>	<b>12,148</b>	<b>4,542,953</b>

**e) Demand Loan A/C #10473700001452**

Opening Balance	-	-
Add: Charge during the year/period	943,547	-
Less: Payment during the year/period	-	-
<b>Closing Payable</b>	<b>943,547</b>	<b>-</b>

**f) Short Term Over Draft (SOD) A/C# 10476200003760**

Opening Balance	-	-
Add: Charge during the year/period	242,167	-
Less: Payment during the year/period	-	-
<b>Closing Payable</b>	<b>242,167</b>	<b>-</b>

**Total Interest Payable (a+b+c+d+e+f)**

**3,851,592**      **8,749,845**



		Amount in Taka	
		31-Dec-18	30-Jun-18
<b>14.00</b>	<b>Share Money Deposit</b>		
	<b>Opening Balance</b>	65,189,875	5,748,214
	Add: Addition during the year/period	215,139,010	59,441,661
		<b>280,328,885</b>	<b>65,189,875</b>
	Less: Transfer to paid up capital from share money deposit	65,528,870	-
	Less: Transfer to paid up capital from received during the year/period	152,216,630	-
	Less: Share Money Refund	47,783,370	-
	Less: Transfer to Other Payable	14,800,000	-
	Less: Fraction Adjustment	15	-
	<b>Closing Share Money</b>	<b>-</b>	<b>65,189,875</b>
<b>15.00</b>	<b>Deferred Tax Liability</b>		
	Opening Balance	4,086,595	1,607,207
	Add: During the year/ period	1,212,188	2,479,387
	<b>Deferred Tax Liability as on 31st December, 2018</b>	<b>5,298,783</b>	<b>4,086,595</b>
<b>15.01</b>	<b>Deferred Tax Calculation</b>		
	Written down value (accounting base)	405,767,619	339,622,228
	Written down value (Tax base)	361,611,100	305,567,273
	<b>Temporary Difference</b>	<b>44,156,519</b>	<b>34,054,955</b>
	Income tax rate	12%	12%
	<b>Deferred Tax Liability/(Assets) for the Period/Year</b>	<b>5,298,782.24</b>	<b>4,086,595</b>
	Deffered Tax Opening Balance	(4,086,595)	(1,607,207)
	<b>Deferred Tax Expense/(Income)</b>	<b>1,212,188</b>	<b>2,479,387</b>
<b>16.00</b>	<b>Trade &amp; Others Payable</b>		
	Trade Payables	41,221,294	81,873,378
	Construction Payable	3,794,629	4,575,059
	Share Money Refunable	14,800,000	-
		<b>59,815,923</b>	<b>86,448,437</b>
<b>16.01</b>	<b>Trade Payables</b>		
	Opening Balance	81,873,378	21,891,066
	Add: Addition during the year/ period	272,872,355	402,867,411
	Less: Payment during the year/ period	(313,524,439)	(342,885,099)
	<b>Closing Balance</b>	<b>41,221,294</b>	<b>81,873,378</b>
	<b>Ageing of Trade Payables</b>		
	More than Six Months	-	-
	Less than Six Months	41,221,294	81,873,378
		<b>41,221,294</b>	<b>81,873,378</b>
<b>16.02</b>	<b>Construction Payable</b>		
	Opening Balance	4,575,059	5,577,494
	Add: Addition during the year/ period	9,315,538	12,071,750
	Less: Payment during the year/ period	(10,095,968)	(13,074,185)
	<b>Closing Balance</b>	<b>3,794,629</b>	<b>4,575,059</b>
<b>17.00</b>	<b>Accruals &amp; Provision</b>		
	Liabilities for Expenses	15,995,314	14,392,978
	Provision for Taxation	7,373,238	5,213,918
		<b>23,368,552</b>	<b>19,606,896</b>

*Annexure-B*



		<b>Amount in Taka</b>	
		<b>31-Dec-18</b>	<b>30-Jun-18</b>
<b>17.01</b>	<b>Liabilities for Expenses</b>		
	Audit fees	230,000	115,000
	Salary & allowances	11,058,841	9,908,531
	Remuneration	125,000	125,000
	Electricity	297,407	177,573
	Internet Bill	20,000	21,000
	Other Payable	792,930	399,100
	Office Rent	70,000	52,632
	Utility Bill	5,034	19,401
	C & F Charges	3,250,693	3,298,569
	TDS Payable	52,707	140,405
	VDS payable	92,702	135,767
		<b>15,995,314</b>	<b>14,392,978</b>
<b>17.02</b>	<b>Provision for Taxation</b>		
	Opening Balance	5,213,918	1,295,847
	Add: Charge for the period	4,203,936	3,918,072
	Less: Tax adjusted 2017	(2,044,616)	-
		<b>7,373,238</b>	<b>5,213,918</b>
<b>18.00</b>	<b>Short Term Borrowings</b>		
	<b>Premier Bank Ltd:</b>		
	Bank Over Draft A/C # 2008	-	49,942,200
	FDBP	13,163,859	5,155,065
	Packing Credit	22,322,097	9,857,349
	Demand Loan A/C #10473700001452	20,000,000	-
	SOD Loan A/C# 10476200003760	15,000,000	-
		<b>70,485,956</b>	<b>64,954,614</b>

Above facility has been enjoyed against Working Capital sanctioned from Premier Bank Ltd. Banani, Branch, Dhaka.

**Term and Condition**

Name of Bank	Premier Bank Ltd
Nature	Short Term Loan
Sanction Limit (PC )	30,000,000
Sanction Limit (OD)	50,000,000
Purpose of Loan	Working Capital
Margin	10% Cash Margin
Rate of Interest	7%(PC) & 11%(OD)
Mode of Adjustment	Quarterly Installments
Security	Lien on Export L/C / Contract or FDR

**19.00 Calculation of Weighted Average Number of Ordinary Shares**

Particulars	Number of Share	Weight	Weighted average no. of Shares for 31 Dec 2018	Weighted average no. of Shares 30 June 2018
Opening No. of Shares	19,195,990	365/365	19,195,990	19,195,990
Issued from Share Money Deposit	5,254,920	184/184	5,254,920	
Issued from Share Money Deposit received during the period	16,519,631	40/184	3,591,224	
<b>Total</b>	<b>40,970,540</b>		<b>28,042,134</b>	<b>19,195,990</b>

**AHMAD & AKHTAR***Chartered Accountants*

	Amount in Taka	
	31-Dec-18	30-Jun-18
<b>19.01 Net Asset Value (NAV) Per Share</b>		
Total Assets	863,516,617	704,412,303
Less: Total Liabilities	360,413,512	454,278,967
<b>Net Assets Value</b>	<u>503,103,105</u>	<u>250,133,336</u>
Number of Shares outstanding	<u>40,970,540</u>	<u>19,195,990</u>
<b>Net Asset Value (NAV) Per Share</b>	<u><b>12.28</b></u>	<u><b>13.03</b></u>
<b>20.00 Net Operating Cash Flows Per Shares</b>		
Net Flows from Operating Activites	17,663,319	51,522,031
Weigited Average Number Of Shares (Note-19.00)	<u>28,042,134</u>	<u>28,042,134</u>
	<u><b>0.63</b></u>	<u><b>1.84</b></u>





**AHMAD & AKHTAR**

Chartered Accountants

		Amount in BDT	
		1-Jul-2018 to 31-Dec-2018	1-Jun-2017 to 31-Dec-2017
<b>21.00</b>	<b>Revenue</b>		
	Export Sales	452,516,544	299,999,171
		<b>452,516,544</b>	<b>299,999,171</b>
<b>22.00</b>	<b>Cost of Goods Sold</b>		
	Raw materials consumed	283,148,228	178,149,896
	Factory overhead	73,900,373	64,250,514
	<b>Cost of Manufacturing</b>	<b>357,048,601</b>	<b>242,400,410</b>
	Work in process- Opening	36,821,771	17,325,440
	Work in process- Closing	(25,483,341)	(16,033,491)
	<b>Cost of Production</b>	<b>368,387,032</b>	<b>243,692,359</b>
	Finished goods - Opening	15,837,651	11,223,021
	Finished goods - Closing	(14,157,411)	(7,125,996)
	<b>Cost of Goods Sold</b>	<b>370,067,272</b>	<b>247,789,384</b>
<b>22.01</b>	<b>Raw Materials Consumed</b>		
	<b>Fabrics &amp; Accessories</b>		
	<b>Opening Inventory</b>	49,150,839	58,296,841
	Add: Purchase during the year/period	272,872,355	141,003,594
	<b>Raw materials available for Production</b>	<b>322,023,194</b>	<b>199,300,435</b>
	Closing Inventory	(38,874,966)	(21,150,539)
	<b>Raw Materials Consumed</b>	<b>283,148,228</b>	<b>178,149,896</b>
<b>22.02</b>	<b>Factory Overhead</b>		
	Salary, Wages, Overtime & Allowance	56,189,074	51,052,074
	Stores and spares	1,225,358	725,241
	Repairs & maintenance	364,700	213,262
	Carrying & handling	38,625	3,868
	Testing expenses	446,291	284,446
	Miscellaneous Expenses	261,702	141,568
	Transportation	1,988,459	1,210,366
	Power & Fuel	3,203,800	3,022,542
	Electricity bill	2,177,667	935,516
	Cleaing and Washing	18,944	142,895
	Uniform	49,500	21,410
	Internet	39,000	43,098
	Medical and first aid	47,146	42,278
	Depreciation	7,850,107	6,411,950
		<b>73,900,373</b>	<b>64,250,514</b>
<b>23.00</b>	<b>Operating Expenses</b>		
	Administrative Expenses	10,997,474	8,753,163
	Selling & Distribution Expenses	12,000,957	7,362,950
		<b>22,998,431</b>	<b>16,116,113</b>



	Amount in BDT	
	1-Jul-2018 to 31-Dec-2018	1-Jun-2017 to 31-Dec-2017
<b>23.01 Administrative Expenses</b>		
Salary & allowances	7,026,978	5,767,298
Directors' Remuneration	750,000	750,000
Board Meeting Attendance Fees	14,000	7,500
Travelling & conveyance	201,390	110,984
Repairs & maintenance	93,943	25,877
Employee Recruitment Expenses	19,608	26,447
Stamp & form	15,490	5,899
Entertainment	283,288	119,941
Petrol & fuel	130,892	108,559
Registration & license fees	114,650	52,475
Audit fees	115,000	-
Legal and professionals fees	50,000	3,338
Printing and stationeries	149,894	101,678
Utility bill	108,570	35,952
Miscellaneous Expenses	65,321	108,423
Compliance & Consultancy fees	71,573	92,695
Internet bill	58,353	32,845
Office rent	483,000	363,162
Telephone, Fax & Mobiles	92,600	58,878
Training & Seminar Fees	5,000	19,438
Rent a car	96,700	90,500
Fire Insurance Premium	178,990	158,836
Depreciation	872,234	712,439
	<i>Annexure-A</i>	
	<b>10,997,474</b>	<b>8,753,163</b>
<b>23.02 Selling &amp; Distribution Expenses</b>		
BTB commission	3,327,376	1,602,990
C & F charges	6,445,111	3,976,803
Courier charges	732,141	478,522
Insurance	651,412	335,535
Testing & inspection	56,400	522,635
UD and EPB charges	638,834	352,929
Other expenses	23,960	9,244
Contribution to Central Fund	125,723	84,292
	<b>12,000,957</b>	<b>7,362,950</b>
<b>24.00 Other Income/ (Loss)</b>		
Interest on Special Notice Deposit	375,442	11,964
Interest on FDR	713,274	147,000
Foreign Currency Fluctuation Gain/(Loss)	692,473	(517,445)
	<b>1,781,189</b>	<b>(358,481)</b>
<b>25.00 Financial Expenses</b>		
Bank charges and Commission	5,691,604	2,514,465
Bank interest on OD balances	2,626,995	1,256,147
Bank interest on Demand Loan	943,547	-
Bank interest on SOD	242,167	-
Interest on local Machinery -4336	2,024,120	1,716,025
Interest on Import Machinery -4345	6,285,454	3,990,725
Interest on Factory Building -281	2,777,752	4,313,086
	<b>20,591,639</b>	<b>13,790,449</b>



		Amount in BDT	
		1-Jul-2018 to 31-Dec-2018	1-Jun-2017 to 31-Dec-2017
<b>26.00</b>	<b>Current Tax Expenses</b>		
	Income Tax Expenses	26.01	4,203,936
	Deferred Tax	15.01	1,395,048
			1,281,339
			<b>5,416,123</b>
			<b>2,676,388</b>
<b>26.01</b>	<b>Current Tax Calculation</b>		
	Income before tax		38,859,203
	Add: Accounting Depreciation		22,303,226
	Less: Tax Depreciation		7,124,389
	<b>Taxable Income</b>		<b>(18,853,905)</b>
	Income Tax Rate		12%
	<b>Current tax for the year</b>		<b>3,447,317</b>
	Add: Prior Adjustment for the Year 2017		756,619
			<b>1,395,048</b>
			<b>1,395,048</b>
<b>27.00</b>	<b>Earnings Per Share(EPS)</b>		
	<b>Earnings Per Share(Basic)</b>		
	Total Comprehensive Income		35,224,269
	Weighted Average Number of Ordinary Shares (Note-19.00)		19,268,357
			19,195,990
			<b>1.26</b>
			<b>1.00</b>
	<b>Earnings Per Share(Adjusted)</b>		
	Total Comprehensive Income		35,224,269
	Weighted Average Number of Ordinary Shares (Note-19.00)		19,268,357
			28,042,134
			<b>1.26</b>
			<b>0.69</b>

28.00 Disclosure as per requirements of Schedule XI, part II, para 3, 4, 7, & 8 of the Company Act, 1994.

28.01 Schedule XI, part II, para 3 of the Company Act, 1994.

a) Turnover:

Particulars	31-Dec-2018
Turnover in BDT	
Turnover in Quantity (Pcs)	452,516,544
	1,223,018

b) No Commission Paid to selling agents.

c) No Brokerage and discount paid on sales.

d) (i) Raw Materials Consumed:

Particulars	31-Dec-18
Raw Materials (Value in BDT)	
Raw Materials in Quantities (MTR)- Fabrics	283,148,228
Raw Materials in Quantities (DZN)- Accessories	1,736,479
	59,485

(ii) Finished Goods:

Particulars	31-Dec-18
Opening Quantity (Pcs)	
Production Quantity (Pcs)	42,049
Closing Quantity (Pcs)	1,292,869
	111,900

Employees position of the company, Note-5, Para-3

Total number of employees are as follows:

Salary (Monthly)	Officer & Staff		Workers	Total Employees 31 Dec. 2018
	Head Office	Factory		
Below Tk. 3,000 per month	Nil	Nil		Nil
Above Tk. 3,000 per month	32	200	1325	1557
<b>Total</b>	<b>32</b>	<b>200</b>	<b>1325</b>	<b>1557</b>

29.00 Related Party Transaction:

As per IAS 24: Related party disclosure and as defined in the Securities & Exchange Rules 1987 the related party transaction are as follows:

Particulars	31-Dec-18
Managing Director's Remuneration	750,000
Board meeting attendance fees	14,000
<b>Total</b>	<b>764,000</b>

As per IAS- 24 Para 17:

- (a) Short-term employee benefits  
(i) Remuneration

The details of Director remuneration are given below

Particulars	Relationship with Company	Nature of Transaction	Amount in Taka
			31-Dec-18
Mr. Shahnul Hasan Khan	Managing Director	Remuneration	750,000
	<b>Total</b>		<b>750,000</b>



(ii) Board meeting fees for the period ended 31 December, 2018.

During the period, Board Meeting fees of Taka 14,000 was paid to Board Members for attending the Board Meetings.

(b) Post-employee benefits:	Nil
(c) Other long term benefits:	Nil
(d) termination benefits:	Nil
(e) share-based payment:	Nil

**As per IAS- 24 Para 18:**

Disclosure requirements of IAS 24 Para 18 minimum disclosure shall include:

a) the amount of transaction	764,000
b) the amount of outstanding balance, including commitments	125,000
i) their terms & condition, including whether they are secured, and the nature of the consideration to be provided in settlement	Remuneration
ii) details of any guarantee given or received	Nil
c) Provisions for doubtful debts related to the amount of outstanding balance	Nil
d) the expenses recognized during the period in respect of bad or doubtful debts due from related parties.	Nil

**30.00 Schedule XI, part II, para 4:**

The requirement of para 4, part II, schedule XI of the Companies Act, 1994

	31-Dec-18
(a) Managerial Remuneration paid or payable during the financial year to the directors, including managing director, a managing agent or manager.	750,000
(b) Expenses reimbursed to the managing agent;	Nil
(c) Commission or other remuneration payable separately to a managing agent or his associate;	Nil
(d) Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company.;	Nil
(e) The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year.	Nil
(f) Any other perquisites or benefits in cash or in kind stating, approximate money value where practicable;	Nil
(g) Other allowances and commission including guarantee commission.	Nil
(h) Pensions etc.	
(i) Pensions	Nil
(ii) Gratuities	Nil
(iii) Payments from a provident funds, in excess of own subscription and interest thereon	Nil
(iv) Compensation for loss of office	Nil
(v) Consideration in connection with retirement from office.	Nil



**31.00 Schedule XI, part II, para 7: Capacity Utilization**

The Production Capacity and utilization of its are as follows

Particulars	31-Dec-18
Installed Capacity	1,500,000
Actual Production	1,292,869
Capacity Utilization (%)	86.19%

**32.00 Schedule XI, part II, para 8 of the Companies Act,1994**

(a) Value of imports calculated on C.I.F basis by the company during the financial year in respect of raw materials, components and spare parts and capital goods.

SI No	Particular	Import Amount In BDT
(i)	Raw Materials	272,872,355
(ii)	Components of Spear	1,002,822
(iii)	Capital Goods	-

(b) The Company did not have any expenditure in foreign currency during the financial year on account of royalty, know-how, professional consultation fees, interest and other matters.

(c) Value of all imported raw materials, spare parts and components consumed during the financial year and the value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption.

Particular	Total Consumption	Imported Taka	(%)	Local Taka	(%)
Raw Materials Consumed	283,148,228	283,148,228	99.57%	-	-
Store Items Consumed	1,225,358	-	-	1,225,358	0.43%
<b>Total</b>	<b>284,373,586</b>				

(d) No amount has been remitted during the year in foreign currencies on account of dividends for non-residents shareholders,

(e) Earning in foreign exchange classified under the following heads, namely:

(i) Export made during the year of USD 5,397,459

(ii) No royalty, kown-how, professional and consultation fees were received.

(iii) No Divident received.

**33.00 Cash Flows from Operating Activities (Indirect Method)**

Particular	31-Dec-18	31-Dec-17
Net Profit After Tax	35,224,269	19,268,357
Depreciation as Non Cash Expenses	8,722,341	7,124,389
Amortization of Preliminary Expenses	-	-
Financial Expenses	20,591,639	13,790,449
(Increase)/Decrease of Trade Receivables	(33,441,330)	(19,047,530)
(Increase)/Decrease of Inventories	23,517,080	42,535,276
(Increase)/Decrease of Advance, Deposits & Prepayments	(1,078,541)	(3,604,163)
(Increase)/Decrease of Other Receivables	(193,894)	-
Increase/(Decrease) of Liabilities for Expenses	1,602,336	(6,945,082)
Increase/(Decrease) of Trade & Other Payable	(40,652,084)	(4,276,052)
Increase/(Decrease) of Current Tax Liability	2,159,319	1,395,048
Increase/(Decrease) of Deferred Tax Liability	1,212,188	1,281,340
<b>Net Cash Flows from Operating Activities</b>	<b>17,663,319</b>	<b>51,522,031</b>

**34.00 General**

**a) Capital Expenditure Contract**

There is no capital expenditure contract has been made during the period.





**Gardenia Wears Ltd.**  
**Schedule of Property, Plant and Equipment**  
**As at December 31, 2018**

Particulars	Cost					Rate	Depreciation			Written Down Value as at 31-12-2018
	Balance as on 01 July 2018	Addition during the year	Disposal/ Adjustment	Balance as on 31 Dec 2018	Balance as on 01 July 2018		Charge during the year	Balance as on 31 Dec 2018		
Land & Land development	93,177,241	11,357,105	-	104,534,346	-	-	-	104,534,346		
Building & Civil Construction	113,048,402	47,560,312	-	160,608,714	5%	3,156,346	13,731,081	146,877,633		
Plant & Machineries	111,805,554	11,470,982	-	123,276,536	5%	2,647,411	16,203,835	107,072,701		
Furniture & Fixtures	2,050,617	708,215	-	2,758,832	10%	126,924	347,284	2,411,548		
Office Equipment	6,133,957	1,419,476	-	7,553,433	20%	649,351	1,709,275	5,844,158		
Factory Equipment	26,991,146	2,103,377	-	29,094,523	10%	1,234,806	5,282,654	23,811,869		
Electrical Equipment & Installatio	16,167,801	278,265	-	16,446,066	10%	2,443,165	3,138,673	13,307,393		
Transport & Vehicles	2,944,400	-	-	2,944,400	20%	824,432	1,036,429	1,907,971		
<b>Balance as on 31 Dec. 2018</b>	<b>372,319,119</b>	<b>74,897,732</b>	<b>-</b>	<b>447,216,851</b>		<b>32,726,890</b>	<b>41,449,231</b>	<b>405,767,620</b>		
<b>Balance as on 30 June 2018</b>	<b>351,293,338</b>	<b>21,055,781</b>	<b>-</b>	<b>372,349,119</b>		<b>17,372,309</b>	<b>15,354,581</b>	<b>339,622,229</b>		

**Allocation of Depreciation**  
 Factory Overhead  
 Administrative Expenses

	31-Dec-18
90%	7,850,107
10%	872,234
<b>100%</b>	<b>8,722,341</b>





**Gardenia Wears Ltd.**  
**Accounts Payable**  
**As at December 31, 2018**

**Annexure-B**

Name of Party	Amount	Amount
	31-Dec-18	30-Jun-18
A to Z Accessories	458,215	502,535
Adzi Trims Limited.	2,895,644	-
Afifa Handicreafths Center	662,561	1,312,520
Amanat Shah Weaving Processing Ltd.	-	2,590,749
Anamika enterprise	-	122,733
Angel Button Ltd.	244,023	435,700
Apparel Processing Industries	2,633,325	129,568
AST International	275,128	-
Baly Plastic Industries Ltd.	1,948,883	-
Blessed BD	-	348,620
Brightex Co. Ltd.	182,225	659,420
Changzhou Baoxinli Textile	-	4,153,379
Check Point Systems (BD) Ltd	-	1,120,980
China Jiangsu Textile	-	24,574,860
Décor Wet Processing	1,060,814	583,963
DSA International	-	107,580
Eisha Enterprise	701,729	242,888
Epyllion Limited	3,003,385	103,800
Evince Textiles Ltd.	10,752,785	5,870,726
Foshan Shunde Xinrunxiang Textile	-	3,623,703
Freudenberg Vilene International	-	238,236
Global Glory Button	-	1,653,642
Global Textile Trading Limited	-	4,471,079
Harisons Limited	188,691	-
Hua Jin (HK) Ltd.	-	846,114
Hubei Chengui Shunfu Textile	-	968,796
Interlink Accessories Ltd.	301,788	219,534
Jalal Accessories	337,243	-
Jiangsu High	15,509	-
Jiangsu King Jolly Textile Ltd.	-	218,412
Jiangsu Xinguang Textile	-	1,120,641
Jiashan Ludun	190,285	-
Jubayer Textile Mills	690,413	-
Kunshan XIN JIN	45,073	-
Linyi Gold Lion Textile	-	3,554,045
M.M.S Enterprise	592,549	-
M.R. Textile	1,410,364	-
Mahmud Indigo Limited	-	180,792
Marsik Pvt. Limited	618,442	893,693
Mawna Dyeing And Washing Issue for Tribble 5 Buyer	-	849,137
Mayable and Frank Fashions Ltd	-	-



**AHMAD & AKHTAR**

Chartered Accountants

Montrims Limited		
Muslim Trims	-	804,242
N.S.I International Trading Ltd.	-	99,744
Nantong Wang & Sheng Textile	-	1,324,692
Nassa Sewing Thread Ltd.	-	3,510,211
Pacific Button Inds. Ltd.	470,697	-
Packmat Industries Ltd.	1,288,337	-
Paxar (BD) Ltd.	445,890	-
Peacock Design	-	807,821
Quick Source Accessories	179,143	-
R. R. M. Enterprise	831,111	1,889,745
R.M Interlining Ltd.	519,320	106,979
Rahim Textile	1,660,113	2,182,026
Rahman Textile	-	386,694
Ridge (Pvt) Ltd.	299,523	-
S and B Fashion	-	460,282
S. R. International	494,360	-
Sanzi Textile Mills Limited	109,741	-
Sen Security Sowtion	2,357,254	637,591
Star Accessories Limited	627,572	596,482
Sumec Taxtile	156,853	-
Texperts Limited	-	2,603,535
Textrim Accessories	-	2,262,411
Trims Maker Bangladesh	-	206,609
Well Accessories Ltd.	1,017,467	-
Whuzheou Llangyu IMP And Exp	60,408	-
Yester Accessories Company (BD) Ltd.	-	2,296,472
YIWU Maxwell Fabric and Garment Co., Ltd.	667,848	-
Yokohama Label & Printing (BD) Co., Ltd.	109,594	-
<b>Total</b>	<b>41,221,294</b>	<b>81,873,378</b>

