

Auditor's Report and Audited Financial Statements
of
Prudent Fashions Ltd.
As at and for the year ended 31 March 2021

**Auditor's Report
to the shareholders of
Prudent Fashion Ltd.**

Opinion

We have audited the financial statements of Prudent Fashion Ltd. hereinafter referred to as "the company" which comprise the statement of financial position as at 31 March 2021, 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 a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31 March 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and ICAB by laws.

Going Concern

The financial statements have been prepared using the going concern basis of accounting. Referring to note 2.06 where management stated why the financial statements have been prepared under this assumption. The use of this basis of accounting is appropriate unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. As part of our audit of the financial statements we have nothing material to add or to draw attention to. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Responsibilities of Management and Those Charged with Governance for the Financial

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act 1994 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud and 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 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 a part of audit in accordance with ISAs, we exercise professional judgement 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.
- 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 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. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements of the company. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

Report on other Legal and Regulatory Requirements

In accordance with Companies Act 1994, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof.
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books; and
- c) the company's financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account.

DVC: 2105271550 AS 254844

Dated, 27 MAY 2021
Dhaka

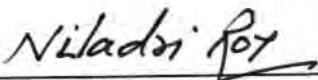


Sukanta Bhattacharjee FCA
Enroll No. 1550
Partner
Snehasish Mahmud & Co.
Chartered Accountants

Prudent Fashions Ltd.
Statement of Financial Position
As at 31 March 2021

In Taka	Notes	31-Mar-21	31-Mar-20
Assets			
Non-current assets			
Property, plant & equipment	4	1	1
Capital work in progress (CWIP)	5	389,109,364	206,492,393
Total non current assets		389,109,365	206,492,394
Current assets			
Advance, deposit and prepayment	6	110,779,469	156,032,070
Cash & cash equivalents	7	1,314,244	2,388,027
Total current assets		112,093,713	158,420,097
Total assets		501,203,078	364,912,491
Equity and liabilities			
Equity			
Share capital	8	196,276,200	43,950,000
Share money deposit	9	144	131,201,344
Retained earnings		(40,198,026)	(14,211,851)
Total equity		156,078,318	160,939,493
Non-current liabilities			
Long term borrowings	10	126,578,255	5,882,708
Total non-current liabilities		126,578,255	5,882,708
Current liabilities			
Short term borrowings	11	131,414,384	71,751,419
Current portion of long term borrowings	10	30,078,889	16,781,567
Advance from related party	12	27,250,000	-
Liabilities for expenses	13	29,803,233	109,557,304
Total current liabilities		218,546,506	198,090,290
Total equity and liabilities		501,203,078	364,912,491

The accompanying notes from 1 to 17 form an integral part of these financial statements.


General Manager, Finance & Account


Director

Note: Under section 189 of the companies Act 1994: Only one director has signed, the other director being not present in Bangladesh at the time of signing these financial statements.

As per our report of same date.

DVC: 2105271550 AS254844

Dated, **27 MAY 2024**,
Dhaka


Sukanta Bhattacharjee FCA
Enroll No. 1550
Partner
Snehasish Mahmud & Co.
Chartered Accountants

Prudent Fashions Ltd.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 March 2021

In Taka	Notes	31-Mar-21	31-Mar-20
Revenue		-	-
Cost of goods sold		-	-
Gross profit		-	-
Operating expenses			
Administrative expenses	14	25,892,610	10,148,135
Selling and distribution expenses		-	-
Total operating expenses		25,892,610	10,148,135
Operating loss		(25,892,610)	(10,148,135)
Other income		-	-
Other expenses		-	-
Loss before tax		(25,892,610)	(10,148,135)
Income tax expenses			
Current year		-	-
Prior year		(93,565)	(7,618)
Loss after tax		(25,986,175)	(10,155,753)
Other comprehensive income / (expenses)		-	-
Net loss		(25,986,175)	(10,155,753)

The accompanying notes from 1 to 17 form an integral part of these financial statements.

Niladri Roy

General Manager, Finance & Account

Vibha

Director

Note: Under section 189 of the companies Act 1994: Only one director has signed, the other director being not present in Bangladesh at the time of signing these financial statements.

As per our report of same date.

DVC: 2105271550AS254844

Dated, 27 MAY 2021
Dhaka

Sukanta Bhattacharjee
Sukanta Bhattacharjee FCA
Enroll No. 1550
Partner
Snehasish Mahmud & Co.
Chartered Accountants

Prudent Fashions Ltd.
Statement of Changes in Equity
For the year ended 31 March 2021

In Taka	Share Capital	Share Money Deposit	Retained Earnings	Total
Opening balance as on 1 April 2019	800,000	82,264,707	(4,056,098)	79,008,609
Share issued during the period	43,150,000	(43,150,000)	-	-
Share money deposit	-	92,086,637	-	92,086,637
Net loss during the period			(10,155,753)	(10,155,753)
Closing balance as at 31 March 2020	43,950,000	131,201,344	(14,211,851)	160,939,493
Share issued during the year	152,326,200	(152,326,200)	-	-
Share money deposit	-	21,125,000	-	21,125,000
Net loss during the year	-	-	(25,986,175)	(25,986,175)
Closing balance as at 31 March 2021	196,276,200	144	(40,198,026)	156,078,318

Niladri

General Manager, Finance & Account

Vik
Director

Note: Under section 189 of the companies Act 1994: Only one director has signed, the other director being not present in Bangladesh at the time of signing these financial statements.

Dated, 27 MAY 2021

Dhaka



Prudent Fashions Ltd.
Statement of Cash Flows
For the year ended 31 March 2021

In Taka	Note	31-Mar-21	31-Mar-20
A. Cash flows from operating activities:			
Net loss before tax		(25,892,610)	(10,148,135)
Tax payment		(93,565)	(7,618)
Adjustments for non cash items			
Depreciation		-	27,337
Cash flow from operating activities before working capital changes		(25,986,175)	(10,128,416)
Change in working capital :			
Decrease/(increase) in advance, deposit and prepayments		45,252,601	(83,760,248)
Increase/(decrease) in payables		(79,754,071)	109,135,028
Net cash flow from operating activities		(60,487,644)	15,246,363
B. Cash flows from investing activities:			
Acquisition of fixed assets		-	-
Acquisition of capital work in progress		(182,616,971)	(200,109,154)
Net cash used in investing activities		(182,616,971)	(200,109,154)
C. Cash flows from financing activities			
Proceeds from share money deposit		21,125,000	92,086,637
Long term loan - USD		73,129,719	5,882,708
Long term loan - BDT		21,240,604	16,781,567
HSBC UPAS loan		39,622,546	-
Short term loan		45,000,000	15,000,000
HSBC temporary loan		662,471	-
Overdraft facility from HSBC		14,000,494	56,751,419
Advance from related party		27,250,000	-
Net cash from financing activities (C)		242,030,833	186,502,331
Net increase in cash & cash equivalent (D = A+B+C)		(1,073,782)	1,639,541
Opening cash and bank balances		2,388,027	748,486
D. Closing balance		1,314,244	2,388,027
Closing balance represents			
Cash in hand		175,446	568,356
Cash at bank		1,138,798	1,819,671
Closing balance reconciled		1,314,244	2,388,027

Niladri Roy

General Manager, Finance & Account

Niraj
Director

Note: Under section 189 of the companies Act 1994: Only one director has signed, the other director being not present in Bangladesh at the time of signing these financial statements.

Dated, 27 MAY 2021

Dhaka



Prudent Fashions Ltd.
Notes to the financial statements
As at and for the year ended 31 March 2021

1.00 Reporting entity

1.01 Formation and legal status

Prudent Fashions Ltd. hereinafter referred to as 'the Company' was formed and incorporated with the Register of Joint Stock Companies and Firms, Bangladesh on 02 March 2017 under the Companies Act 1994 as a private limited company limited by shares vide Registration no: C-136361/2017. The address of the registered office of the company is House-29, Gareeb-E-Newaz Avenue, (4th Floor), Sector-11, Uttara, Dhaka.

1.02 Nature of business

To produce various types of readymade garments viz. Man's shirt, trousers, baby dresses, jeans pants, shirts, T-shirts, sports shirts, women's dresses, gowns, blouse and all other related goods. To establish a factory and to carry on the business of garments thread, export oriented garments ploy bag, garment washing, garment packaging and all kinds of garments accessories designer, manufacture, supplier, exporter, importer and Indenters. To establish and carry on the business of Dyeing, Continues bleaching, Mercerizing, Finishing and Printing all kinds of cloths, Yarn, hosiery goods, dressing materials, later and other goods.

2.00 Basis of preparation

2.01 Statement of compliance

This financial statements have been prepared following accrual basis of accounting except for statement of cash flows in accordance with International Accounting Standards (IASs), International Financial Reporting Standard (IFRSs) and Companies Act 1994.

2.02 Other regulatory compliances

The Company is required to comply with following major laws and regulations along with the Companies Act 1994:

The Income Tax Ordinance, 1984

The Income Tax Rules, 1984

The Value Added Tax Act, 2012

The Value Added Tax Rules, 2016

The Customs Act, 1969

2.03 Basis of measurement

The financial statements have been prepared on historical cost following the accrual basis on accounting.

2.04 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.

2.05 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, 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.



2.06 Going concern

The company was incorporated in 02 March 2017 and the commercial operation of the company has started from April 2021 onwards. As per the original plan the company had already commenced Trial operations in Dec 19 with approx. 125 operators and were scaling up its trial operations to approx. 300 operators by May 2020 with plans of commencing trial commercial production from June 2020. Unfortunately, the advent of pandemic covid 19 and declaration of Lock down by the Government forced management to close down factory operations since 26th March 20 in compliance of directives.

The board of directors of the company believe that the company will be able to realize its assets and discharge its all liabilities and commitments as soon as the commercial operation of the company start, thus the company re started training operations from December 2020 and over the time period of 4 months, the factory got approved by several buyers namely, Kohl's, Nordstrom, Ross Stores, Macy's, Target Australia, Primark etc. The factory is still awaiting its Bond License approval from the custom authorities, however given the bulk order on hand, the factory has started commercial production with a view to sustain itself and its workforce from April 2021 onwards. It is expected by the year end March 2022, the company will reach breakeven point given the good order from various buyers in hand.

The company has long term loan facility for various purpose with HSBC Bank up to a limit of USD 3,740,000 which is approved by Bangladesh Bank vide letter no. # FEI/70694)/OBU loan-06/2020-646 dated 17 February 2020. In addition, in case of any adverse situation Parent is committed to support the entity.

As a result the financial statements of the company has been prepared on a going concern basis.

To reduce business damages and to mitigate the services downsides due to the outbreak of the COVID-19 pandemic, Prudent Fashion Ltd. has taken following measures;

- 1) Ensure effective communication with employees about COVID-19 symptoms and disease prevention recommendations.
- 2) Ensure psychological and financial support to employees, such as emergency assistance, additional insurance coverage, regular payroll payments.
- 3) Ensure organizing a safe work environment: purchase of medical equipment and supplies (e.g., thermometers, antibacterial products), self-monitoring of employees' health, and disinfection of workplaces.
- 4) Ensure employees following up health tips and guidelines from WHO and Govt. of Bangladesh to keep productive working atmosphere.

2.07 Cash flow statements

Cash Flow Statement is prepared as per International Accounting Standard (IAS-7). Cash flow from operating activities is determined for the period under indirect method.

2.08 Reporting period

The financial statement of the company covers for the year 01 April 2020 to 31 March 2021.

3.00 Significant accounting policies

The accounting policies set out below have been applied consistently in these financial statements.

3.01 Property, plant and equipment

Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.



The cost of an item of property, plant and equipment comprises of its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent Costs

The cost of replacing part of an item of fixed assets 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.

Depreciation

Depreciation is charged on all items of property, plant and equipment using the straight line method. For addition to property, plant and equipment, full year depreciation has been charged on assets.

No depreciation is charged on capital work in progress (CWIP) and CWIP has not yet been placed in service.

The depreciation rates used after considering the useful life of assets are as follows:

Particulars	Rate
Computer	33.33%

3.02 Capital work in progress

Property, Plant and Equipment under construction/acquisition is accounted for as capital work-in-progress until construction/acquisition is completed and measured at cost.

3.03 Financial instruments

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

Financial assets

The Company initially recognizes receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transaction.

The Company derecognizes a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

Financial assets include trade receivables, other receivables, export incentive receivables, security deposits, advance, fixed deposits, cash and cash equivalents (excluding cash in hand).

Advances, deposits and prepayments

Advances, deposits and prepayments at the balance sheet date are stated net of provision for amounts estimated to be doubtful of recovery.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and cash at banks which are held by the company without any restriction.

Financial liabilities

The Company initially recognizes all financial liabilities on the transaction date at which the



company becomes a party to the contractual provisions of the liability. A financial liability is derecognized when the Company's contractual obligations are discharged or cancelled or expired.

The Company recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

Financial liabilities include trade payables, accrued liabilities and other payables.

Payables and accruals

Liabilities are recognized for amounts to be paid in future for goods and services received.

3.04 Provisions

A provision is recognized 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. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position.

3.05 Contingencies

Contingent liability

Contingent liability is 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 not wholly within the control of the entity.

The Company discloses contingent liability in the financial statements. A provision is recognized in the period in which the recognition criteria of provision is met.

Contingent asset

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 not wholly within the control of the entity.

The Company does not recognize contingent assets. Only when the realization of the related economic benefits are visually certain should recognition take place provided that it can be measured reliably because, at that point, the asset is no longer contingent.

3.06 Share capital

Paid up capital represents total amount contributed by the shareholders.

Preference Share Capital

Redeemable preference share has been classified as equity upon satisfaction of following condition as per IFRIC 2;

- * The share are not redeemable at a fixed date.
- * The share are not redeemable at the option of the holder.
- * The issuer is not obliged to make payments in the form of interest and dividend and.
- * The terms and condition do not oblige the issuer to distribute a specific percentage of profit

3.07 Taxation

Current tax

Income tax expense is recognized in statement of comprehensive income. Current tax is the expected tax payable on the total income for the period/year using tax rates enacted or substantially enacted as of reporting date and any adjustment to tax payable in respect of previous years. The company qualifies as a private company limited by shares; hence the applicable tax rate is 32.5% for the period. as the company has not started its commercial operation and there is no income hence no income tax provision has been made in the accounts.



Deferred tax

Deferred tax has been provided using the liability method for all temporary time differences arising between the tax bases of assets and liabilities and their carrying value for financial reporting purpose. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the date of statement of financial position. Adjustments arising from such accounting have been recorded in the current year's statement of comprehensive income.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity.

The deferred tax asset/income or liability/expenses does not create a legal liability/recoverability to and from the income tax authority.

As there is no temporary difference between accounting basis and tax basis hence deferred tax is not calculated for the company.

3.08 Foreign currency transactions

Transactions in foreign currency are translated to Bangladesh Taka at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency at the reporting date are retranslated to the functional currency at the exchange rate prevailing at that date.

3.09 Related party

A related party is a person or an entity that is related to the reporting entity:

- (i) A person or a close member of that person's family is related to a reporting entity if that person has control, joint control, or significant influence over the entity or is a member of its key management personnel.
- (ii) An entity is related to a reporting entity if, among other circumstances, it is a parent, subsidiary, fellow subsidiary, associate, or joint venture of the reporting entity, or it is controlled, jointly controlled, or significantly influenced or managed by a person who is a related party.

Parent and ultimate controlling party

Pearl Global (HK) Ltd. holds 99.95% equity shares in the Company. As a result, they are the ultimate controlling party of the Company.

3.10 Events after reporting period

Events after the reporting period that provide additional information about the company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material. The advent of pandemic covid 19 and declaration of Lock down by the Government forced management to close down factory operations since 26th March 20 in compliance of directives .

However, management is planning to start operations based on government declaration of lifting the lock down post 31st May 2020 .

3.11 General

- i) Prior year's figures have been rearranged and restated wherever considered necessary to ensure comparability with the current year and comply with relevant IFRSs.
- ii) Figures in bracket denote negative.

4.00 Property, plant & equipment

In Taka	Notes	31-Mar-21	31-Mar-20
Cost:			
Opening balance		82,000	82,000
Addition during the year		-	-
Closing balance		82,000	82,000
Accumulated depreciation:			
Opening balance		81,999	54,662
Depreciation charged during the year		-	27,337
Closing balance		81,999	81,999
Written down value (WDV)		1	1

Assets wise details have been given in Annexure-A

5.00 Capital work in progress (CWIP)

In Taka	Note	31-Mar-21	31-Mar-20
Building & interior work	5.01	86,349,515	43,171,125
Plant & machinery	5.02	224,046,174	116,035,391
Furniture & fixtures	5.03	23,662,772	11,622,756
Electric and utility equipment	5.04	55,050,904	35,663,121
Closing balance		389,109,364	206,492,393

5.01 Building & interior work

In Taka	Note	31-Mar-21	31-Mar-20
Opening balance		43,171,125	6,383,239
Addition during the year		43,178,390	36,787,886
Closing balance		86,349,515	43,171,125

5.02 Plant & machinery

In Taka	Note	31-Mar-21	31-Mar-20
Opening balance		116,035,391	-
Addition during the year		108,010,783	116,035,391
Closing balance		224,046,174	116,035,391

5.03 Furniture & fixtures

In Taka	Note	31-Mar-21	31-Mar-20
Opening balance		11,622,756	-
Addition during the year		12,040,016	11,622,756
Closing balance		23,662,772	11,622,756

5.04 Electric and utility equipment

In Taka	Note	31-Mar-21	31-Mar-20
Opening balance		35,663,121	-
Addition during the year		19,387,783	35,663,121
Closing balance		55,050,904	35,663,121



6.00 Advance, deposit and prepayments:

In Taka	Note	31-Mar-21	31-Mar-20
Construction linked advance to land lord		105,270,698	96,313,370
Advance to employees		-	263,988
AED Consultant		260,932	260,932
Saidul Builder		-	569,492
Security deposit to Dhaka Palli Biddut		2,000,000	2,000,000
Clean Water Engineering		-	971,687
BBS Cables Ltd		-	706,554
Aastha Design & Construction		-	1,615,069
Sajan International		-	35,092
Prudential Consultant		86,750	162,000
Master Racks And Furniture		-	6,850,000
Concept Architects		-	3,085,712
Classic		-	5,851,399
DBL Ceramics Limited		-	578
Rahimafrooz Energy		-	1,012,144
Crossmars Energy Ltd		-	1,389,699
CSL Software Resources		-	400,000
Primtech Limited		-	565,129
HRC Lighting Limited		-	63,583
Innova EPC Limited		-	5,442,190
SB Enterprise		-	957,664
Jamalpur Glass & Thai		-	2,508,227
Real Technology & Engineering Ltd		-	1,557,875
New-Tech International		236,068	1,419,956
AM Construction		-	1,007,344
Green Delta Insurance Company		-	921,266
RAK Paints		-	1,283,795
Simrin Enterprise		-	319,688
Trade Linkers		-	180,000
Maxim Technologies		-	180,000
Global Engineering		-	318,749
Getco Limited		-	99,750
Walton Plaza		-	37,896
Scanwell Logistics		-	9,066
Agni Systems Ltd.		-	34,800
Charuta (pvt) Limited		-	125,540
Ati Ceramics Limited		-	109,387
Creative Solutions		-	849,597
I Take Interior Limited		-	3,905,574
Iconic Engineering & Trading Company		-	38,979
Likhon IT Solution		-	127,486
M.B Trade Corporation		-	269,941
M/s. Badal Enterprise		-	202,500
M/s. Habib Enterprise		-	734,600
M/s Morgen International		-	42,791
Nova Powertrains Limited		-	29,400
Saikat Trading Company		-	48,980



Shakti Hormann Private Ltd.	-	5,008,142
System Care Electronics	-	99,421
Technocrat Enterprise	-	308,700
Touch & Treat	-	1,176,665
Unicom Refrigeration Works	-	641,440
Ves Fire Detection Systems	-	3,918,234
Bureau Veritas Bangladesh Ltd	160,000	-
RFL Plastics Limited	621,526	-
Zinia Furniture	480,396	-
Energypac Electronics Ltd.	363,580	-
Xtra Power Bangladesh	346,920	-
Bangladesh Enwinding Service Ltd.	245,000	-
A-3 Engineers & Consultancy	98,000	-
B.T.S Engineering Workshop	11,074	-
Prepaid Insurance	430,544	-
Advance to Employee	167,981	-
Closing balance	110,779,469	156,032,070

7.00 Cash and cash equivalents

In Taka	Note	31-Mar-21	31-Mar-20
Cash in hand		175,446	568,356
Cash at bank:			
UCBL, A/c-0781101000001416		6,821	1,163,636
HSBC, A/c- 001-009885-011		-	-
DBBL, A/c- 12211022753		1,066,699	656,035
HSBC, A/c- 001-009885-005		65,277	-
Closing balance		1,314,244	2,388,027

8.00 Share capital

In Taka	Note	31-Mar-21	31-Mar-20
Authorized capital:			
15,60,000 ordinary shares of Tk. 100 each*		156,000,000	156,000,000
15,00,000 preference shares of Tk. 100 each		150,000,000	-
		306,000,000	156,000,000
Issued, subscribed and paid up capital:			
462,762 ordinary shares of Tk. 100 each		46,276,200	43,950,000
15,00,000 Preference shares of Tk. 100 each**		150,000,000	-
		196,276,200	43,950,000

Share holding position:

Name of the shareholders	%	No of shares	Par Value	Total
Pearl Global (HK) Ltd.	99.95%	462,532	Tk 100.00	46,253,200
Mr. Deepak Kumar Seth	0.02%	115	Tk 100.00	11,500
Mr. Pulkit Seth	0.02%	115	Tk 100.00	11,500
Total	100%	462,762		46,276,200

Share holding position (Preference shares)

Name of the shareholders	%	No of shares	Par Value	Par Value
Norp Knit Industries Limited	73%	1,102,000	Tk 100.00	110,200,000
Pearl Global (HK) Ltd.	27%	398,000	Tk 100.00	39,800,000
Total	100%	1,500,000		150,000,000



*Board members of Prudent Fashions Ltd. have decided to increase authorized share capital of the company from Taka 15,60,00,000 divided into 15,60,000 Ordinary shares of Taka 100 each to Taka 30,60,00,000, divided into 15,00,000 Preference shares of Taka 100 each and 15,60,000 Ordinary shares of Taka 100 each in the Extra- Ordinary General Meeting held on 3'd February 2020 at 3.00 P.M. at its registered office at 29, Gareeb- E- Newaz Avenue, (4th Floor), Sector-17, Uttara, Dhaka, Bangladesh. Accordingly amended MOA and AOA and also application to increase authorized capital were submitted to the Registrar of Joint Stock Companies And Firms (RJSC) on the same date. The approval from RJSC has been received and return of allotment submitted on 14 February 2021.

**Upon getting approval from RJSC regarding the increase of authorized share capital, Return of allotment (Form-XV) for redeemable preference share has been filed to RJSC on 14 February 2021

9.00 Share money deposit*

In Taka	Notes	31-Mar-21	31-Mar-20
Pearl Global (HK) Ltd		52	20,998,252
Mr. Deepak Kumar Seth		69	1,569
Mr. Pulkit Seth		23	1,523
Norp Knit Industries Ltd		-	110,200,000
Closing balance		144	131,201,344

*Prudent Fashions Ltd. received Tk. 21,125,000 from Pearl Global (HK) Ltd as share money deposit during the year and total share money deposesot from Pearl Global stood at Tk 4,21,23,200 Subsequently, 23,232 ordinary shares amounting to Tk. 23,23,200 and 3,98,000 preference shares amounting to Tk. 3,98,00,000 have been issued to Pearl Global. In addition 15 ordinary shares amounting to Tk. 1,500 have been issued to Mr. Deepak Kumar Seth and Mr. Pulkit Seth individually and 11,02,000 preference share amounting to Tk. 11,02,00,000 have been issued to Norp Knit Industries Ltd.

10.00 Long Term Borrowings

In Taka	Notes	31-Mar-21	31-Mar-20
HSBC Long Term Foreign Currency Loan (Loan Line-10)*		79,012,427	5,882,708
Long Term Local Currency Loan - HSBC (Loan Line-11)**		38,022,171	16,781,567
HSBC UPAS Loan (Loan Line- 9A)***		39,622,546	-
Closing balance		156,657,144	22,664,275
Current portion of long term borrowings		30,078,889	16,781,567
Non current portion of long term borrowings		126,578,255	5,882,708
Total		156,657,144	22,664,275

*As per the approval of Bangladesh Bank vide letter no. # FEI/70694)/OBU loan-06/2020-646 dated 17 February 2020, the company has long term loan facility with HSBC Bank up to a limit of USD 3,740,000 equivalent to BDT 310,420,000(approx.). Company has received USD 931,750 unto the reporting date. The purpose of the long term loan facility is to finance construction material. Interest is charged on daily balances @ 2.85% p.a. over the LIBOR. Interest is payable on maturity or quarterly basis, whichever is earlier.

**The company has short term loan facility with HSBC Bank up to a limit of BDT 85,000,000. The purpose of the long term loan facility is to local procurement of machineries and equipment. Interest is charged on daily balances @ 9% p.a. Interest is payable on maturity or quarterly basis, whichever is earlier. As per the approval of Bangladesh Bank vide letter no. এফইপিডি (বঝাঅ) / 70004 (1) / 2020-5068 dated 22 September 2020, the company has got the approval to convert this loan as 5 years long term loan.



*The company has usance payment at sight (UPAS) HSBC Bank up to a limit of USD 3,740,000. The purpose of the long term loan facility is to release deferred import documents, to release deferred import documents against Borrower's acceptance and to issue Shipping Guarantee (SGT). Interest is charged on daily balances @ 2.85% p.a. over the LIBOR. Interest is payable on maturity or quarterly basis, whichever is earlier.

11.00 Short Term Borrowings

In Taka	Notes	31-Mar-21	31-Mar-20
HSBC Short Term Loan Facility (Loan Line-4)*		60,000,000	15,000,000
HSBC Temporary Loan**		662,471	-
HSBC Overdraft Facility (Loan Line-5)***		70,751,913	56,751,419
Closing balance		131,414,384	71,751,419

*The company has short term loan facility with HSBC Bank up to a limit of BDT 80,000,000. The purpose of the short term loan facility is to finance salary, wages and local purchase. Interest is charged on daily balances @ 8% p.a. Interest is payable on maturity or quarterly basis, whichever is earlier.

**The company has short term loan facility with HSBC Bank up to a limit of USD 3,650,000 to retire sight import documents by creating clean import loan(CIL), to release deferred import documents against borrower's acceptance and issue shipping guarantee. Interest is payable @ 9% per annum and payable at maturity or quarterly in arrears whichever is earlier.

***The company has Bank overdraft Facility with HSBC Bank up to a limit of BDT 80,000,000. The purpose of the bank overdraft facility is to finance, general and administrative expense. Floating interest rate is 8.5% p.a. Interest is payable on quarterly basis.

12.00 Advance from related party

In Taka	Notes	31-Mar-21	31-Mar-20
Norp Knit Industries Limited		27,250,000	-
Closing balance		27,250,000	-

13.00 Liabilities for expenses

In Taka	Notes	31-Mar-21	31-Mar-20
Hari Chand Anand & Co		-	717,120
Protec Electronics Limited		96,600	296,600
Focus Garment Tech		-	1,170,300
Ramsons Garment		-	3,780,318
Veit Hong Kong Limited		-	2,063,380
Sewing Solutions Limited		-	3,726,700
Elgi Equipment's Limited		-	3,477,700
Eastman-C.R.A.(Hong Kong)		-	7,556,071
Dtm Elektrotechnik		-	11,620,000
Hikari (Shanghai)		-	15,578,021
Brother Machinery (Asia) Limited		-	20,438,003
Mamun & Brothers		-	83,078
Maco USA Inc.		-	1,577,000
Thermax Limited		-	5,478,000
Five Star Associates		13,565	6,131
Banga Building Materials		-	760
Arsi Fire International		13,510	89,700
Big Electronics		-	14,220



Himaloy Chemical Products	20,916	23,075
M/s. Babul Enterprise	-	88,200
Mukta Automobiles	-	91,665
Power Link Machine (UK) Co. Ltd.	-	5,238,877
R.S. Marker Paper House	61,528	46,201
Scientex Marketing Corporation	-	19,600
SP Fabrics	134,145	134,145
Taj Paper House & Stationery	81,949	3,930
Unique Cement Industries Ltd.	-	2,020
Viresh International BD.	-	10,200
Expenses Payable	-	20,750
Payable to Md.Abdus salam	-	-
Salary & Wages Payable	20,768,159	3,117,595
TDS payable	195,689	353,900
Audit fees	57,500	57,500
VDS payables	336,839	281,554
Aquatech engineering service	-	333,325
Azad paper castle	-	68,526
Chowdhury printing press	48,470	97,366
Classic	45,544	3,885,722
Clean water engineering services	-	483,750
Desh printing	-	135,275
Electronics for imaging India priva	-	903,218
Iconic engineering & trading compan	-	32,250
Ifad enterprises ltd	-	46,600
Innova EPC limited	-	231,126
M.B trade corporation	35,606	644,140
M.M corporation	62,870	54,270
M/S Satkhira traders	-	217,550
M/S Selim enterprise	-	80,600
Manufactures Y transformations AB.S	-	535,350
Master racks & furniture	-	4,578,000
Morgen International	-	121,080
Rahimafrooz Energy service	-	1,383,300
S.B enterprise	-	1,406,353
Shakti Hormann private ltd	-	4,893,182
Syatem care electronics	-	90,783
Taj paper house & stationary	-	15,382
Technocrat enterprise	-	677,250
Trade linkers	-	193,500
Uttar bongo international	118,991	534,942
Zoom Accessories	28,968	129,925
Pearl Global (HK) Ltd.	622,225	622,225
Primtech Limited	124,949	-
Master Racks and Furniture	197,715	-
Global Engineering	48,181	-
M/S Jamalpur Glass & Thai Aluminu	168,616	-
Genesis Technology Ltd	109,536	-
Uniglory Agencies Limited	147,663	-



Simrin Enterprise	90,487	
Likhon IT Solution	284,141	
Saidul Builders	44,100	
Falcon Security Limited	289,033	
Dhaka Palli Bidyut Samity-1	889,444	
Md.Abdus Salam	72,000	
A. M. Construction	169,698	
Unicom Refrigeration Works	292,600	
Evermark Limited	39,200	
Smart Printing Solutions Ltd	87,387	
Rn Technology	8,050	
Manufactures Y Transformations Ab, S.	546,960	
Touch & Treat	137,070	
Creative Solutions	67,894	
Midway Trade Syndicate	59,907	
A.H Trading Co.	26,500	
Al Modina Folder House And Engineer	15,330	
M/S Quality Electric And Lighting C	14,400	
Abdul Khalek Molla	50,000	
Md Abu Daud Mrida	38,000	
Sobjan	40,000	
Standard Compliance Signage	102,637	
A.R. International	5,000	
Deeptex International	23,520	
Dighi Departmental Store	112,257	
Digitech Solution Bangladesh	30,870	
Grameen Phone Ltd	11,777	
Green Valley Consortium	17,776	
J.K.Sewing Centre	30,698	
M/S Alomgir Enterprise	28,181	
M/S Fatema Enterprise	110,371	
M/S Habib Enterprise	723,250	
Ma Babar Dua Engineering & Workshop	88,200	
Max & Zusun (Bd) Co	22,050	
Meghna Pulp And Paper Mills Ltd.	38,184	
Merino Trade	239,000	
Mostafiz & Parvez Enterprise	145,800	
Ms Apk Enterprise	12,815	
Oliom Technology	65,997	
One Bengal Services	21,794	
Pacific Associates Ltd	5,500	
Sindabad. Com Ltd	5,645	
Style Furniture	14,000	
Walton Plaza	50,360	
Un-Invoiced Vendor Liability	1,095,615	
Closing balance	29,803,233	109,557,304



14.00 Administrative expenses

In Taka	Notes	31-Mar-21	31-Mar-20
Salary		9,167,518	5,013,412
Registration fees and exp		31,500	111,102
Printing and stationery		386,089	272,568
Mobile and internet bill		99,711	238,950
Travelling and conveyance		218,764	188,193
Bank charges		344,879	806,904
Audit fees		230,000	172,500
Handling & transport		129,979	71,166
Documentation expenses		100,650	376,000
Staff welfare expenses		337,219	-
Housekeeping & cleaning		101,302	120,182
Entertainment expense		90,384	103,262
Guest house/hotel expenses		-	50,876
Legal & profession fees		290,390	250,100
Depreciation on computer equipment		-	27,337
Courier charges domestic		-	29,756
Immigration expenses		34,149	28,000
Insurance - general		-	158,488
Interest on overdraft		5,349,998	1,544,920
Office expenses		769,869	150,106
Recruitment expenses		63,160	49,547
Repair & maintenance - office		887,211	235,992
Travel overseas		-	14,630
Uniform expenses		-	134,144
Interest on short term loan		4,369,931	-
Interest on long term taka loan		611,810	-
R&m - factory & p&m & vehicle		198,804	-
Forex fluctuation loss		1,344,864	-
Purchase accessories		14,752	-
Stores spares & consumables		694,736	-
Membership & subscription		24,942	-
Total		25,892,610	10,148,135

15.00 Related party transactions

During the year, the company carried out a number of transactions with related parties in the normal course of business and on arms' length basis. The name of these related parties, nature of these transactions and their total value have been set out in accordance with the provisions of IAS-24.

Name of the Party and relationship	Nature of transaction	Opening amount	Transaction/a djustment during the year	Closing amount
Pearl Global (HK) Ltd.	Share money deposit	20,998,252	(20,998,200)	52
	Liabilities for expenses	622,225	-	622,225
Norpe Knit Industries Ltd.	Share money deposit	110,200,000	(110,200,000)	-
	Advance	-	27,250,000	27,250,000



16.00 Number of employees

The company has seventeen hundred and eight (1708) employees during the period.

17.00 Contingent liabilities*

In Taka	Notes	31-Mar-21	31-Mar-20
Documentary credit		27,013,519	-
Import bill		7,969,594	-
Total		34,983,113	-

*Letter of credit issued to the vendor.



Prudent Fashions Ltd.
Schedule of Property, Plant & Equipment
As at 31 March 2021

Annexure-A

Particulars	Cost		Rate of Depreciation	Depreciation		WDV as at 31-Mar-21
	As at 1-Apr-20	Addition this year		As at 1-Apr-20	Charged this year	
Computer	82,000	-	33%	81,999	-	1
Total Property, plant & equipment	82,000	-		81,999	-	1

As at 31 March 2020

Particulars	Cost		Rate of Depreciation	Depreciation		WDV as at 31-Mar-20
	As at 1-Apr-19	Addition this year		As at 1-Apr-19	Charged this year	
Computer	82,000	-	33%	54,662	27,337	1
Total Property, plant & equipment	82,000	-		54,662	27,337	1

