

Auditor's Report and Audited Financial Statements
of
Prudent Fashions Limited
As at and for the year ended 31 March 2020

**Auditor's Report
to the shareholders of
Prudent Fashion Limited**

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 2020, 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 2020, 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 Statements and Internal Controls

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.

Auditors' 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 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.
- 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.

Dated, 03 JUN 2020
Dhaka
smac


**Snehasish Mahmud & Co.
Chartered Accountants**

Prudent Fashions Limited
Statement of Financial Position
As at 31 March 2020

In Taka	Notes	31 March 2020	31 March 2019
Assets			
Non-current assets			
Property, plant & equipment	4	1	27,338
Capital work in progress (CWIP)	5	206,492,393	6,383,239
Total non-current assets		206,492,394	6,410,577
Current Assets			
Advance, deposit and prepayment	6	156,032,070	72,271,822
Cash & cash equivalents	7	2,388,027	748,486
Total current assets		158,420,097	73,020,308
Total assets		364,912,491	79,430,886
Equity and liabilities			
Equity			
Share capital	8	43,950,000	800,000
Share money deposit	9	131,201,344	82,264,707
Retained earnings		(14,211,851)	(4,056,097)
Total equity		160,939,493	79,008,610
Non-current liabilities			
Long term borrowings	10	5,882,708	-
Total non-current liabilities		5,882,708	-
Current liabilities			
Short term borrowings	11	88,532,986	-
Liabilities for expenses	12	109,557,304	422,276
Total current liabilities		198,090,290	422,276
Total equity and liabilities		364,912,491	79,430,886

The accompanying notes from 1 to 15 form an integral part of these financial statements.


Managing Director


Director

As per our report of same date.

Dated, 30 JUN 2020
 Dhaka
 smac

Snehasish Mahmud & Co.
Chartered Accountant

Prudent Fashions Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 March 2020

In Taka	Notes	31 March 2020	31 March 2019
Revenue		-	-
Cost of goods sold		-	-
Gross profit		-	-
Operating expenses			
Administrative expenses	13	10,148,135	3,325,658
Selling and distribution expenses		-	-
Total operating expenses		10,148,135	3,325,658
Operating loss		(10,148,135)	(3,325,658)
Other income		-	-
Other expenses		-	-
Loss before tax		(10,148,135)	(3,325,658)
Income tax expenses			
Prior year		7,618	-
Current year		-	-
Loss after tax		(10,155,753)	(3,325,658)
Other comprehensive income / expenses		-	-
Net loss		(10,155,753)	(3,325,658)

The accompanying notes from 1 to 15 form an integral part of these financial statements.


Managing Director


Director

As per our report of same date.

Dated, 03 JUN 2020
 Dhaka
Smac

Snehasish Mahmud & Co.
Chartered Accountants

Prudent Fashions Limited
Statement of Changes in Equity
For the year ended 31 March 2020

In Taka	Share Capital	Share Money Deposit	Retained Earnings	Total
Opening balance as on 1 April 2018	800,000	32,466,282	(730,439)	32,535,843
Share money deposit	-	49,798,425	-	49,798,425
Net loss during the year	-	-	(3,325,658)	(3,325,658)
Closing balance as at 31 March 2019	800,000	82,264,707	(4,056,097)	79,008,610
Share issued during the year	43,150,000	(43,150,000)	-	-
Share money deposit	-	92,086,637	-	92,086,637
Net loss during the year	-	-	(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



Managing Director



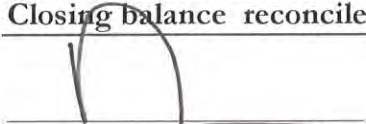
Director

Dated,
Dhaka



Prudent Fashions Limited
Statement of Cash Flows
For the year ended 31 March 2020

In Taka	Note	31-Mar-20	31-Mar-19
A. Cash flows from operating activities:			
Net loss before tax		(10,155,753)	(3,325,658)
Adjustments for non cash items			
Depreciation		27,337	27,331
Cash flow from operating activities before working capital changes		(10,128,416)	(3,298,327)
Change in Working capital :			
Increase in advance deposit and prepayments		(83,760,248)	(42,110,890)
Increase in payables		109,135,028	65,574
Net cash flow from operating activities		15,246,363	(45,343,643)
B. Cash flows from investing activities:			
Acquisition of fixed assets		-	-
Acquisition of capital work in progress		(200,109,154)	(4,307,882)
Net cash used in investing activities		(200,109,154)	(4,307,882)
C. Cash flows from financing activities			
Proceeds from issue of shares		-	-
Proceeds from share money deposit		92,086,637	49,798,425
Long Term Loan - USD		5,882,708	-
Long Term Loan - BDT		16,781,567	-
Short Term Loan		15,000,000	-
Net cash from financing activities (C)		129,750,912	49,798,425
Net increase in cash & cash equivalent (D = A+B+C)		(55,111,879)	146,900
Opening cash and bank balances		748,486	601,586
D. Closing balance		(54,363,393)	748,486
Closing balance represents			
Cash in hand		568,356	173,519
Cash at Bank		1,819,671	574,967
Overdraft Facility from HSBC		(56,751,419)	-
Closing balance reconciled		(54,363,393)	748,486


Managing Director


Director

Dated, _____
Dhaka



Prudent Fashions Limited
Notes to the financial statements
As at and for the year ended 31 March 2020

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 VAT and SD Act, 2012

The VAT and SD Rules, 2012

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 polices 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 not been started yet. As per the plan the company has already hired 125 operators and were scaling up its trial operations to approx. 300 operators by May 2020 with plans of commencing primary 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 activities 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 . Management would perform health check of the work force and based on their travel record start training operations from approx. 15th June allowing quarantine period of 15 days to ensure the work force many of whom would be returning back from villages are in good health .

The trial operations would be gradually scaled up with social distancing norms with a view to commence commercial operations from 1st September 2020. The board of directors of the company believes 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 from 1st September 2020.

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.

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 2019 to 31 March 2020.

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).

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.



3.04 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.

3.05 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.

3.06 Payables and accruals

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

3.07 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.

3.08 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.

3.09 Share capital

Paid up capital represents total amount contributed by the shareholders.

3.10 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 35% 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.

3.11 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.

3.12 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% shares in the Company. As a result, they are the ultimate controlling party of the Company.

3.13 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.

3.14 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-20	31-Mar-19
At cost			
Opening balance		82,000	82,000
Addition during the year		-	-
Closing balance		82,000	82,000
Accumulated depreciation			
Opening balance		54,662	27,331
Depreciation charged during the year		27,337	27,331
Closing balance		81,999	54,662
Written Down Value (WDV)		1	27,338

Assets wise details have been given in Annexure-A

5.00 Capital work in progress (CWIP)

In Taka	Note	31-Mar-20	31-Mar-19
Building & Interior Work	5.01	43,171,125	6,383,239
Plant & Machinery	5.02	116,035,391	-
Furniture & Fixtures	5.03	11,622,756	-
Electric and utility equipment	5.04	35,663,121	-
Closing balance		206,492,393	6,383,239

5.01 Building & Interior Work

In Taka	Note	31-Mar-20	31-Mar-19
Opening balance		6,383,239	2,075,358
Addition during the year		36,787,886	4,307,881
Closing balance		43,171,125	6,383,239

5.02 Plant & Machinery

In Taka	Note	31-Mar-20	31-Mar-19
Opening balance		-	-
Addition during the year		116,035,391	-
Closing balance		116,035,391	-

5.03 Furniture & Fixtures

In Taka	Note	31-Mar-20	31-Mar-19
Opening balance		-	-
Addition during the year		11,622,756	-
Closing balance		11,622,756	-

5.04 Electric and utility equipment

In Taka	Note	31-Mar-20	31-Mar-19
Opening balance		-	-
Addition during the year		35,663,121	-
Closing balance		35,663,121	-



6.00 Advance, deposit and prepayments:

In Taka	Note	31-Mar-20	31-Mar-19
Construction Linked Advance to Land Lord*		96,313,370	70,000,000
Advance to employees		263,988	50,890
AED Consultant		260,932	160,932
Saidul Builder		569,492	60,000
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		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		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	-
Scan well 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 Compan		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 Powertronics 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	-
Closing balance	156,032,070	72,271,822

7.00 Cash and cash equivalents

In Taka	Note	31-Mar-20	31-Mar-19
Cash in hand		568,356	173,519
Cash at bank:			
United Commercial Bank Limited (UCBL), Mohakhali Branch, A/c-0781101000001416		1,163,636	516,292
HSBC, Gulshan Branch 001-009885-011		-	58,675
DBBL 12211022753		656,035	-
Closing balance		2,388,027	748,486

8.00 Share capital

In Taka	Note	31-Mar-20	31-Mar-19
Authorized capital:			
15,60,000 ordinary shares of Tk. 100 each*		156,000,000	156,000,000
Issued, subscribed and paid up capital:			
439,500 ordinary shares of Tk. 100 each		43,950,000	800,000

Share holding position:

Name of the shareholders	%	No of shares	Par Value	Total
Pearl Global (HK) Ltd.	99.95%	439,300	Tk 100.00	43,930,000
Mr. Deepak Kumar Seth	0.02%	100	Tk 100.00	10,000
Mr. Pulkit Seth	0.02%	100	Tk 100.00	10,000
Total	100%	439,500		43,950,000

*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 amend 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 not yet been received.



9.00 Share money deposit

In Taka	Notes	31-Mar-20	31-Mar-19
Pearl Global (HK) Ltd*		20,998,252	43,161,615
Mr. Deepak Kumar Seth		1,569	1,569
Mr. Pulkit Seth		1,523	1,523
Norp Knit Industries Ltd**		110,200,000	39,100,000
Closing balance		131,201,344	82,264,707

*In the meeting of the Board of Directors of Prudent Fashions Ltd. held on 10 December 2019 at 10:00 am. at its registered office at 29, Gareeb- E- Newaz Avenue, (4th Floor), Sector- I 1, Uttara, Dhaka, Bangladesh, the Board has decided to issue and make allotment of total of 4,31,500 ordinary shares @ Tk.100/- each to Pearl Global (HK) Ltd. represented by Mr. Kashmir Singh Rathour and application for share allotment was submitted to RJSC on the same date.

**As per Extra- Ordinary General Meeting of the members of Prudent Fashions." (The Company") held on 3 February 2020, the board has decided to make allotment of total 949,000 Preference share of Tk. 100/- each valuing Tk. 94,900,000 to Norp Knit Industries Ltd. and application for share allotment was submitted to RJSC on 24 February 2020. The approval from RJSC has not yet been received.

10.00 Long Term Borrowings

In Taka	Notes	31-Mar-20	31-Mar-19
HSBC Long Term Foreign Currency Loan (Loan Line-10)		5,882,708	-
Closing balance		5,882,708	-

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 31,042,000(approx.). Company has received USD 70,876 upto 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.

11.00 Short Term Borrowings

In Taka	Notes	31-Mar-20	31-Mar-19
HSBC Short Term Loan Facility (Loan Line-4)*		15,000,000	-
Short Term Local Currency Loan - HSBC (Loan Line-11)**		16,781,567	-
HSBC Overdraft Facility (Loan Line-5)***		56,751,419	-
Closing balance		88,532,986	-

*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 @ 9.25% 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 BDT 85,000,000. The purpose of the short term loan facility is to local procurement of machineries and equipment. Interest is charged on daily balances @ 10.5% p.a. Interest is payable on maturity or quarterly basis, 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 9.5% p.a. Interest is payable on quarterly basis.

12.00 Liabilities for expenses

In Taka	Notes	31-Mar-20	31-Mar-19
Hari Chand Anand & Co		717,120	-
Protect Electronics Limited		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	-
Aquatech Engineering Service		26,950	-
Mamun & Brothers		83,078	-
Maco USA Inc.		1,577,000	-
Thermax Limited		5,478,000	-
Five Star Associates		6,131	-
Banga Building Materials		760	-
Arsi Fire International		89,700	-
Big Electronics		14,220	-
Chowdhury Printing press		67,846	-
Desh Printing		57,965	-
Himaloy Chemical Products		23,075	-
M.M Corporation		25,170	-
M/s. Babul Enterprise		88,200	-
Mukta Automobiles		91,665	-
Power Link Machine (UK) Co. Ltd.		5,238,877	-
R.S. Marker Paper House		46,201	-
Scientex Marketing Corporation		19,600	-
SP Fabrics		134,145	-
Taj Paper House & Stationery		3,930	-
Unique Cement Industries Ltd.		2,020	-
Uttar bongo international		477,142	-
Viresh International BD.		10,200	-
Zoom Accessories		126,367	-
Expenses Payable		20,750	-
Payable to Md.Abdus salam		-	32,000
Salary payable		3,117,595	280,957
TDS payable		353,900	51,819
Audit fees		57,500	57,500
VDS payables		281,554	-
Aquatech engineering service		306,375	-



Azad paper castle	68,526	-
Chowdhury printing press	29,520	-
Classic	3,885,722	-
Clean water engineering services	483,750	-
Desh printing	77,310	-
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	644,140	-
M.M corporation	29,100	-
M/S Satkhira traders	217,550	-
M/S Selim enterprise	80,600	-
Manufacturas Y transformados 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	-
System care electronics	90,783	-
Taj paper house & stationary	15,382	-
Technocrat enterprise	677,250	-
Trade linkers	193,500	-
Uttar bongo international	57,800	-
Zoom Accessories	3,558	-
Pearl Global (HK) Ltd.	622,225	-
Closing balance	109,557,304	422,276

13.00 Administrative expenses

In Taka	Notes	31-Mar-20	31-Mar-19
Salary		5,013,412	90,000
Registration fees and exp		111,102	1,276,755
Printing and stationery		272,568	15,262
Project expenses		-	37,850
Mobile and internet bill		238,950	85,793
Travelling and conveyance		188,193	77,640
Bank charges		806,904	25,087
Audit fees		172,500	57,500
Handling & transport		71,166	500
Documentation expenses		376,000	1,229,605
Staff welfare expenses		-	11,698
Housekeeping & cleaning		120,182	9,000
Entertainment expense		103,262	21,767
Guest house/Hotel expenses		50,876	278,732
Legal & Profession Fees		250,100	81,138
Depreciation on Computer Equipment		27,337	27,332
Courier Charges Domestic		29,756	-



Prudent Fashions Limited
Schedule of Property, Plant & Equipment
As at 31 March 2020

Annexure-A

Particulars	Cost			Rate of Depreciation	Depreciation				WDV as at 31-Mar-20	
	As at 1-Apr-19	Addition this year	Adjustment this year		As at 31-Mar-20	As at 1-Apr-19	Charged this year	Adjustment t/disposal		As at 31-Mar-20
Computer	82,000	-	-	82,000	33%	54,662	27,337	-	81,999	1
Total Property, plant & equipment	82,000	-	-	82,000		54,662	27,337	-	81,999	1

As at 31 March 2019

Annexure-A

Particulars	Cost			Rate of Depreciation	Depreciation				WDV as at 31-Mar-19	
	As at 1-Apr-18	Addition this year	Adjustment this year		As at 31-Mar-19	As at 1-Apr-18	Charged this year	Adjustment t/disposal		As at 31-Mar-19
Computer	82,000	-	-	82,000	33%	27,331	27,331	-	54,662	27,338
Total Property, plant & equipment	82,000	-	-	82,000		27,331	27,331	-	54,662	27,338

