

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”

“Investment in capital market involves certain degree of risks. The investors are required to read the prospectus and risk factors carefully, assess their own financial conditions and risk taking ability before making their investment decisions.”

Public Issue of 20,000,000 Ordinary Shares

Issue date of the Prospectus:

Offer price Tk. 10.00 each (at par), Total fund to be raised Tk. 200,000,000

Opening and closing date of subscription

Opening date of subscription:

Closing date of subscription:

DRAFT PROSPECTUS

Name of Issuer

GARDENIA
GARDENIA WEARS LTD.


Name of Issue Manager

 MTB
CAPITAL LTD.
You can invest with us

MTB CAPITAL LTD.

(a) Preliminary information and declarations:

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

Name & Address	Telephone, Fax, Email & Web address	Contact Person
Issuer		
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Issue Manager		
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Underwriters		
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Auditor		
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The Company has no involvement with Valuer; Credit rating is not applicable for the issuer.

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

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

(iv) "CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE OR OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2015. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, ISSUE MANAGER, ISSUE MANAGER'S CHIEF EXECUTIVE OFFICER, UNDERWRITERS AND AUDITOR(S)."

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

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

(vi) 'General Risk'

"Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offer. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'risk factors' given on page numbers 106 to 114."

(vii) "Gardenia Wears Ltd.'s Absolute Responsibility"

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

(b) Availability of Prospectus:

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

Name & Address	Telephone, Fax, Email & Web address	Contact Person
Issuer		
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Issue Manager		
MTB Capital Ltd. MTB Tower (Level-3) 111 Kazi Nazrul Islam Avenue Bangla Motor, Dhaka-1000	Tel: +88 02 48321760 Fax: +88 02 8321543 Email: info.mtbcap@mutualtrustbank.com Web: www.mtbcap.com	Khairul Bashar A. T. Mohammed Chief Executive Officer & SEVP
Underwriters		
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Prospectus would also be available on the web sites of BSEC (www.sec.gov.bd) and at the Public Reference Room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

- (ii) Name and dates of the newspapers where abridged version of prospectus was published:

Information will disclose after publication of prospectus.

Sl.	Name of newspaper	Date of publication
01		
02		
03		
04		

(iii) Definitions and Acronyms or Elaborations:

A		N	
AGM	Annual General Meeting	NAV	Net Asset Value
Allotment	Letter of allotment for shares	NRB	Non-resident Bangladeshi
B		O	
BO A/C	Beneficial owner account or Depository account	Offering Price	Price of the Securities of Gardenia Wears Ltd. being offered
BAS	Bangladesh Accounting Standard	Our Company	Gardenia Wears Ltd.
BDT	Bangladeshi Taka	P	
BSEC	Bangladesh Securities and Exchange Commission	P/E	Price earnings ratio
BFRS	Bangladesh Financial Reporting Standard	Pound	United Kingdom Pound
C		R	
CDBL	Central Depository Bangladesh Ltd.	Registered Office	Registered Office of GWL
Commission	Bangladesh Securities and Exchange Commission	RJSC	Registrar of Joint Stock Companies & Firms
Companies Act	Companies Act, 1994 (Act. No. XVIII of 1994)	S	
CEO	Chief Executive Officer	Securities Sponsors	Shares of Gardenia Wears Ltd. The Sponsor shareholders of GWL.
CFO	Chief Financial Officer	Subscription	Application Money
CSE	Chittagong Stock Exchange Ltd.	T	
CIB	Credit Information Bureau	The Company	Gardenia Wears Ltd.
D		TIN	Tax Identification Number
DSE	Dhaka Stock Exchange Ltd.	Tk.	Taka
E		U	
EPS	Earnings per share	USD	United States Dollar
EURO	Euro Union Regional Currency	V	
F		VAT	The value added tax
FC Account	Foreign currency account	W	
G		WDV	Written Down Value
GWL	Gardenia Wears Ltd.	WPPF	Workers' Profit Participation Fund
GBP	Great Britain Pound		
I			
IPO	Initial public offering		
Issue	Public issue		
Issuer	Gardenia Wears Ltd.		
Issue Manager	MTB Capital Ltd.		
M			
MD	Managing Director		
MTBCL	MTB Capital Ltd.		

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SECTION (I): EXECUTIVE SUMMARY

(a) About the industry:

Bangladesh is a developing country. Its economy is largely dependent on agriculture. However, the readymade garments (RMG) sector has emerged as a biggest earning source of foreign currency. Industries like textile, pharmaceuticals, agribusiness, jute, leather, tea, food processing etc. are contributing to the development of economy of Bangladesh. Among them, RMG has secured the top position for earning foreign currency. RMG sector has been playing a pivotal in facilitating the country's export earnings, contributing 83.40% of total export (source: EPB). In 2017-18, 4560 Germans factories in Bangladesh where generating employment to the tune of 4 million. (Source: BGMEA).

RMG sector is not only contributing to the national economy but also working on human development. It contributes significantly to GDP, women endorsement, reduction of child labor, gender equality and reduction of infant mortality. In last three decades, RMG shapes itself a good apparel sourcing spot in the world. RMG sector contributes 13.37% in fiscal year 2017-18 of GDP of Bangladesh.


The dramatic growth of RMG sector is due to RMG entrepreneurs, BGMEA (Bangladesh Garment Manufacturers and Exporters Association), BKMEA (Bangladesh Knitwear Manufacturers and Exporters Association), government support, GSP facility, low labor cost, effective and efficient worker etc. RMG entrepreneurs are encouraged by different tools such as quotas through the WTO, Agreement on Textiles and Clothing (ATC) etc. RMG sector has been providing many employment opportunities especially for women and empowering them to make a social revolution. The RMG sector helps to reduce the rate of poverty through creating job opportunities. Around 60% of the western brands of RMG are being exported from Bangladesh to European buyers and 40% to American buyers.

Bangladesh's considering the sector's importance to the country's economic stability, ensuring steady growth for RMG export in the short to medium term, is a key policy imperative. In FY 2017-18, Bangladesh earned USD 5.35 billion from the US—a growth of 2.84 per cent from the USD 5.20 billion earned during the same period last year (FY 2016/17). During the same time, Bangladesh earned USD 3.72 billion from the UK, marking a whopping 12.60 per cent growth from the USD 3.30 billion earned throughout the same period last year. Bangladesh earned USD 847 million from Japan in FY 2017-18, marking a 13.84 per cent growth from the earning of USD 744 million during the same period last year. (Source: EPB). According to the data of Export Promotion Bureau (EPB), the country's overall exports grew 5.81 percent in the outgoing fiscal year 2017-18 (FY18) to \$36.67 billion from \$34.65 billion of the fiscal year 2016-17 (FY17) riding on the higher shipment of garment products.

Development and production of textiles and apparel, combined with intelligent logistic and service concepts will be key to global leadership. Future growth would be contingent on the outcomes of multitude of internal and external factors, which could potentially determine the sector's competitiveness and performance vis-à-vis its closest competitors.

(b) About the Issuer:

Name of the Company	Gardenia Wears Ltd.
Date of Incorporation	May 07, 2014
Converted to Public Limited	November 27, 2018
Date of Commercial Operation	August 1, 2016
The Logo of the Issuer	
Registered & Corporate Office	House: 1041 (1st Floor), Avenue: 09, Road: 45 (Old), Mirpur DOHS, Dhaka-1216
Factory	310/668, Sitpara, Bormi, Sreepur, Gazipur-1743
Telephone & Fax Number	Tel: +88 02 44801085; Fax: +88 02 44801084
E-mail Address	info@gardeniawears.com
Contact Person	Aparesh Paul, ACMA, Chief Financial Officer

Board of Directors	<ol style="list-style-type: none"> 1. Mohammed Ruhul Amin, Chairman & Nominee Director of Bestinet (Bangladesh) Ltd. 2. Shahnul Hasan Khan, Managing Director 3. Naseem Ahmed, Director 4. Mrs. Sayeda Ahmed, Director 5. Mrs. Rafsana Rafique, Director 6. Mohammed Taifur Hossain, Director 7. Mohammed Tajul Islam, Nominee Director of Application Mentors Ltd. 8. Mohammad Shariat Ullah, Director 9. Mohammad Obaidul Haque, Director 10. Md. Mamoon Al Bashir, Independent Director 11. Walid Bin Kader, Independent Director 12. Mohammed Aziz Uddin Bhuyan, Independent Director
Auditor's Name with Address	 AHMAD & AKHTAR Chartered Accountants BCIC Bhaban (3rd Floor), 30-31, Dilkusha C/A, Dhaka-1000
Nature of 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, Boys & Girls' Pants & Shirts', Boys' Polo Shirts, Boys' Long Pant, Jacket, Ladies Shorts, Girls' Tops and Girls' Skirts etc. and marketing thereof.

(c) Financial information:

Major financial information of Gardenia Wears Ltd. is as follows:

Particulars	(Amount in BDT)		
	31.12.2018	30.06.2018	30.06.2017
Revenue	452,516,544	648,569,059	303,357,265
Gross Profit	82,449,272	117,816,115	54,055,854
Other Income	1,781,189	(306,672)	(2,444,922)
Profit Before Tax	40,640,392	45,613,024	21,747,196
Total Comprehensive Income	35,224,269	39,215,566	18,782,905
Total Assets	863,516,617	704,412,303	537,458,218
Share Capital	409,705,400	191,959,900	191,959,900
Retained Earnings	93,397,704	58,173,436	18,957,870
Face Value	10	10	10
No. of ordinary shares outstanding	40,970,540	19,195,990	19,195,990
Net Asset Value (NAV) per Share	12.28	13.03	10.99
Earnings Per Share	1.26	2.04	1.64

(d) Features of the issue and its objects:

Offer price	Tk. 10.00
Number of shares	20,000,000 Ordinary shares
Offer size	Tk. 200,000,000.00
Purpose of raising fund	Net proceeds from IPO will be used for procurement of Building and other Civil Construction, Land development, Plant & Machinery, Furniture and Fixture and Electrical Equipment and IPO expenses.
Date of implementation	Within 12 months from receiving the IPO fund.

(e) Legal and other Information:

Name of the company	Gardenia Wears Ltd.
Legal status	Public Limited
Date of incorporation	May 07, 2014
Date of commercial operation	August 1, 2016
Registration number	C-115802/14

Particulars	License Issuer/ Issuing Authority	Certificate/ License No.	Issue Date	Renewal Date	Expiry Date
Certificate of Incorporation	Registrar joint stock companies and firms	C-115802/14	07.05.2014	N/A	N/A
TIN Certificate	National Board of Revenue	166675193077	12.05.2014	N/A	N/A
VAT Certificate	Custom, Exercise & VAT Commissionerate	BIN: 000491211	22.06.2017	N/A	N/A
Trade License	6 No. Bormi Union Parishod, Gazi Pur	89/2018-2019	08.08.2016	15.07.2018	30.06.2019
Fire License	Fire Service & Civil Defense, Dhaka	DD/Dhaka/25481/2015	21.09.2015	07.08.2018	30.06.2019
Boiler (02 No.)	Head Office of Boiler Inspection	8812, 8813	-	02.01.2019	01.07.2019
Environment Clearance Certificate	Department of Environment	৩০.৩৩.৮৬.৩.৬২৩. ১৯০৪১৫/প্রশা-১৮৫	30.04.2015	N/A	N/A
Import Registration Certificate	The Import & Export Control Bureau	ব-১০৫১০০	17.07.2016	03.07.2018	30.06.2019
Export Registration Certificate	The Import & Export Control Bureau	র-০১৫১০৭৮	18.08.2016	03.07.2018	30.06.2019
Factory License	Department of Inspection for Factories and Establishments	17636/Gazipur	20.10.2015	03.07.2018	30.06.2019
Bonded Warehouse License	Customs Bond Commissionerate	১৮২২/কাস- এসবিডব্লিউ/২০১৬	04.10.2016	-	-
Energy Regulatory	Bangladesh Energy Regulatory Commission	LWC-1882	26.02.2017	28.01.2019	25.02.2020
Enrolment Certificate	Export Promotion Bureau	BD06103	08.09.2018	-	30.06.2019
Gold Certificate of Compliance	Worldwide Responsible Accredited Production	19290	-	-	11.01.2020
BGMEA Membership Certificate	BGMEA	6169	06.01.2018	07.01.2019	31.12.2019
Certificate of Compensation/ Insurance Benefit	BGMEA	78	20.05.2018	-	31.12.2019

(f) Promoters' background:

Background of promoters of Gardenia Wears Ltd.:

1. Naseem Ahmed

Mr. Naseem Ahmed has completed his LLM (Master in Law) from Dhaka University. He has a long experience in managing export oriented readymade garments industry, textile dyeing industry and many other business. He has a keen interest in latest developments in textile sector and gathered advanced knowledge in management, marketing and technical knowhow. Mr. Ahmed is entrusted with the responsibility of overall management of textile division who is assisted by other directors, professional managers, local and foreign specialists and technologists in the respective functional areas of the company.

2. N. Chowdhury

Mr. Chowdhury is a corporate leader with a track record of leading large teams successfully. He possesses experience of taking strategic initiatives in the arena of various sectors, especially in the field of finance, textile and power sector. He has completed his Master in Business Administration (MBA) from University of New Castle, UK. Mr. Chowdhury has attended numerous training programs and workshops in many countries like Canada, Singapore, Germany, Korea, Thailand, Malaysia, China, India, Australia, United States of America, South Africa, New Zealand, Middle East etc.. His proven track record of establishing business & operational excellence, fostering team spirit and leadership qualities, knowledge development and structured analytical approach are the keys to the tremendous success to the respective organizations.

3. Mrs. Sayeda Ahmed

Mrs. Sayeda Ahmed has completed his M.A from University of Dhaka. She is experienced in garments sector for marketing product. Her wisdom in socioeconomic activities has been very helpful to the organization success. She is keen in looking after compliance and labor law issues in the factory and takes an interest in prompting women's rights in the workplace.

4. Mrs. Rintia Nazim

Mrs. Rintia Nazim did her MBA in Marketing, from Eastern University, and has been involved with the Company since inception in various capacities. She is also engaged as Director of GBB Power Ltd.

5. Mrs. Rafsana Rafique

Mrs. Rafsana Rafique did her MBA in Marketing from American International University, Bangladesh. She is a director of GBB Power Ltd.

6. Mrs. A. A. Shahid

Mrs. Shahid is a business leader of over 15 years of experience. She had served various renowned financial institutions and manufacturing undertaking. She has directly contributed into successful implementations of company's business operation process. She has attended numerous training programs and workshops both locally and internationally. Being passionate over quality education for all, she has donated in numerous educational and training programs in her arena to ensure the best possible education for all and creating skilled manpower to serve the nation. She has completed her B.S.S (Hon's) and Masters in Public Administration from Dhaka University. She had established sound Public Relation affairs between company and with stakeholders and played instrumental role in automating the value chain for the organization.

7. SEML

The Company was incorporated in Bangladesh as a private limited company under the Registrar of Joint Stock Companies & Firms. The management team of SEML possesses world-class investment management and financial market research experience as well as an extensive network of local business relationships. SEML is driven by a proactive team of highly professional executives skilled in investment management services, fund operations and other advanced financial product.

8. SHL

SHL is an IT base software management company, who develop customized software for various institutions, sell and maintain the software for many organizations. With the vision of paper less operation for business. The Company was incorporated as a private limited company under company's act 1994. The Company sales comprehensive IT solutions and services including Systems Integration, Information Systems Outsourcing, Core Financial Software.

(g) Capital structure and history of capital raising:

The company intends to issue 20,000,000 ordinary shares of Tk. 10.00 (Ten) each at par totaling Tk. 200,000,000.00 (Twenty crore) through Initial Public Offering (IPO) subject to regulatory approvals.

Particulars	No. of shares	Face value	Amount in BDT
Authorized capital	95,000,000	10.00	950,000,000
Paid-up capital (as on 31.12.2018)	40,970,540	10.00	409,705,400
Pre-IPO Paid-up Capital	40,970,540	10.00	409,705,400
To be issued through IPO	20,000,000	10.00	200,000,000

Post-IPO Paid-up Capital	60,970,540	10.00	609,705,400
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The history of capital raising of Gardenia Wears Ltd. is as follows:

Allotments	No. of shares	Face value	Consideration		Amount in BDT
			In cash	Other than cash (Bonus)	
As per Memorandum	3,000,000	10.00	30,000,000	-	30,000,000
1 st Allotment (October 30, 2015)	1,285,715	10.00	12,857,150	-	12,857,150
2 nd Allotment (January 16, 2017)	5,650,506	10.00	56,505,060	-	56,505,060
3 rd Allotment (May 18, 2017)	9,259,769	10.00	92,597,690	-	92,597,690
4 th Allotment (November 22, 2018)	21,774,550	10.00	217,745,500	-	217,745,500
Total	40,970,540		409,705,400	-	409,705,400

(h) Summary of valuation report of securities:

Methods followed		Amount in BDT
Method-1	Net assets value per share	12.28
Method-2	Earning based value per share (Considering average Sector P/E)	14.47
	Earning based value per share (Considering average Market P/E)	12.16
Method-3	Projected earnings for the next three accounting year with rationales of the projection	N/A
Method-4	Average market price per share of similar stocks	37.23

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

Disclosure in respect of issuance of security in Dematerialized Form:

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

Conditions imposed by the Commission in the Consent Letter:

PART-A

1. The Company shall go for Initial Public Offer (IPO) for 2,00,00,000 ordinary shares of Tk. 10.00 each at par totaling to **Tk. 20,00,00,000.00 (Taka twenty crore only)** following the Securities and Exchange Ordinance, 1969, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Depository Act, 1999 and rules made there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within **02 (two) working days** of issuance of this consent letter. The issuer shall post the full prospectus, vetted by Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, within **3 (three) working days** from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to the Commission, the stock exchanges and the issue manager a diskette containing the text of the vetted prospectus in "MS -Word" format.
3. The Company shall submit **40 (Forty)** copies of the printed prospectus to the Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
4. The issuer company and the issue manager shall ensure transmission of the prospectus and its abridged version for NRBs through email to the Bangladesh Embassies and Missions abroad within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper. A compliance report shall be submitted in this respect to the Commission jointly by the issuer and the Issue Manager within **02 (Two) working days** from the date of said transmission of the prospectus.
5. The following declaration shall be made by the company in the prospectus, namely: -

"Declaration about Listing of Shares with the stock exchange (s):

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

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

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

6. All applicants shall apply for a minimum lot of 500 shares worth Taka 5,000/- (Taka five thousand only) or its multiples.
7. The IPO shall stand cancelled in case of under-subscription in any category above 35%. In such an event, the issuer and issue manger shall inform the Commission **within 2 (two) working days** and release the

subscription money within 10 (ten) working days after receiving verification report from CDBL and the information from exchanges regarding subscription.

8. 20% of the securities reserved for other general public shall be reserved for ক্ষতিগ্রস্থ ক্ষুদ্র বিনিয়োগকারী. In case of under-subscription under any of sub-categories of eligible investors category or general public category, the unsubscribed portion shall be added to other sub-category of the same category. In case of over subscription in the general public category, the issuer and the issue manager shall jointly conduct an open lottery.
9. An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.
10. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money.
11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.
12. The Company shall furnish the list of allottees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty Four) hours** of allotment.
13. Shares not allotted at the time of according this consent, but allotted after listing, in favor of sponsors, directors or shareholders having 10% or more shares other than Alternative Investment Fund, through stock dividends, shall be subject to a lock-in period of 02 (two) years from the date of issuance of the prospectus.
14. If any share of Sponsors/Directors/Promoters is in paper format, it shall be handed over to securities custodian registered with the Commission and shall remain held till completion of lock-in period and the name of the securities custodian shall be furnished to the Commission jointly by the issuer and issue manager, along with a confirmation thereof from the custodian, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/Directors/Promoters) can be demated and shall remain in lock-in under CDBL system and issuer shall submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with the lock-in confirmation to the Commission within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to the Commission.
15. The Company shall not declare any dividend/bonus shares before listing of its capital with any Exchange from the date of this consent for raising of capital.
16. The Company shall not engage itself into any merger/amalgamation or acquisition activities without taking “No Objection” from the Commission, on the scheme of the said merger/amalgamation or acquisition, as recommended by the Board of Directors, before approval by the shareholders in General Meeting.

PART-B

Application Process

Step-1 (Applicant)

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25th (twenty fifth) working day** from the date of publication of abridged version of prospectus.

2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
 - a) Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/ Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
 - b) Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02 (two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains Foreign Currency account debiting the same account **and provide the customer with a certificate mentioning the FC account number which has been debited to issue the FDD. The applicant shall also submit the certificate with their application.** No banker shall issue more than two drafts from any Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.
 - c) Eligible investors shall submit application through the electronic subscription system of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by the exchange(s).

Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall:
 - a) post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
 - b) accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the "Public Issue Application Account" maintained with its bank within the first banking hour of **next working day** of the cut-off date;
 - c) instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall prepare a list containing the draft information against the respective applicant's particulars.
6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and within 03 (three) working days from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde '~' separator) format, the certificate(s) issued by its banker, the drafts **and certificates** received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.
7. **On the next working day**, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts **and certificates** submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers' certificates in their custody.

8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

Step-3 (Issuer)

9. The Issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. **On the next working day**, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges **within 10 (ten) working days** from the date of receiving information from the Exchanges.
12. The Issuer and the issue manager shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges.
13. The Issuer and issue manager shall arrange posting the lottery result on their websites within **06 (six) hours** and on the websites of the Commission and Exchanges within **12 (twelve) hours** of lottery.
14. Within **02 (two) working days** of conducting lottery, the Issuer shall:
 - a) send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Exchange.
 - b) send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.
 - c) issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.
 - d) send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

Step-4 (Intermediary)

15. **On the next working day**, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
 - a) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
 - b) send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;
16. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall request its banker to:
 - a) release the amount blocked for unsuccessful (other than NRB and foreign) applicants;
 - b) remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign) who are subject to penal provisions to the respective 'Escrow' accounts of the Issuer opened for subscription purpose.

17. **On the next working day** of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
18. **Simultaneously**, the stockbrokers/Merchant Bankers shall release the application money blocked in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' accounts of the Issuer. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.
19. All drafts submitted by NRB or Foreign applicants shall be deposited in the Issuer's respective 'Escrow' accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant's bank account **(FC account which has been debited to apply by NRB or foreign applicants)** through banking channel within 10 (ten) working days from the date of lottery.

Miscellaneous:

20. The Issuer, Issue Manager(s), Stockbrokers and Merchant Bankers shall ensure compliance of the above.
21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
22. Amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
23. The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk. 2,00,000.00 (taka two lac) for a public issue.
24. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk. 5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
25. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
26. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
27. The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

PART-C

1. The issue manager shall carefully examine and compare the published prospectus and its abridged version on the date of publication with the copies vetted by the Commission. If any discrepancy is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to the Commission and the stock exchanges concerned. In this regard, the issue manager shall submit a compliance report to the Commission within 5 working days from the date of such publications.
2. The fund collected through Public Offering shall not be utilized prior to listing with Exchange(s) and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.

3. The Company shall furnish status report on utilization of Public Offering proceeds audited by foreign affiliated auditors and authenticated by the board of directors to the Commission and the exchanges within 15 (Fifteen) days of the closing of each month until such fund is fully utilized, as mentioned in the schedule contained in the prospectus. The issuer shall simultaneously post the status report in its website and Exchanges shall also post the same in company information contained in websites of the Exchanges. In the event of any irregularity or inconsistency, the Commission may employ or engage any person to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.
4. While auditing the utilization of IPO proceeds, the auditors will perform their jobs under the following terms of reference (TOR) and confirm the same in their report/certificate:
 - (a) Whether IPO proceeds have been utilized for the purposes/heads as specified in the prospectus;
 - (b) Whether IPO proceeds have been utilized in line with the condition (if any) of the Commission's consent letter;
 - (c) Whether utilization of IPO proceeds have been completed within the time schedule/ implementation schedule as specified in the published prospectus;
 - (d) Whether utilization of IPO proceeds is accurate and for the purpose of the company as mentioned/specified in the published prospectus; and
 - (e) The auditors should also confirm that: (i) assets have been procured/imported/constructed maintaining proper/required procedure as well as at reasonable price; and (ii) auditors' report has been made on verification of all necessary documents/papers/vouchers in support of IPO proceeds making reconciliation with Bank Statement.
5. All transactions, excluding petty cash expenses, shall be effected by crossed cheques or bank transfers.
6. Proceeds of the public offering shall not be transferred to any other bank account before listing with the Exchange(s). The proceeds shall not be used for any purpose other than those specified in the prospectus without any valid ground. Any material deviation in respect must have prior approval of at least 51% of the public shareholders, other than sponsors and directors, in a general meeting through a board approved agenda and due notification to the shareholders. Before the said general meeting, such deviation as recommended by the board of directors shall be published as price-sensitive information with detailed description and reason for such deviation. If approved by the shareholders, the meeting resolution shall be submitted to the Commission along with reasonable explanations and decision shall be published as price-sensitive information.
7. If any quarter or half-year of the financial year ends after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the said quarterly/half yearly financial statements in accordance with the Commission's Notification SEC/CMRRCD/2008-183/admin/03-34 dated September 27, 2009 and Rules 13 of the Securities and Exchange Rules, 1987.
8. In the event of arising issues concerning Price Sensitive Information as defined under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা ১৯৯৫ after publication of the abridge version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the information as price sensitive in accordance with the Commission's Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000.

PART-D

1. As per provision of the Depository Act, 1999 & Regulations made thereunder, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the depository system of Central Depository Bangladesh Ltd. (CDBL) and any further issuance of shares (including rights/bonus) will be made in dematerialized form only.
2. The issuer and the issue manager shall ensure due compliance of all the above conditions, the 'Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015' and the listing regulations of the exchanges.
3. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

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

Annexure- A

Declaration about the responsibility of the directors, including the CEO of the issuer in respect of the prospectus
[See rule 4 (1)(d)]

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

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

Sd/- Shahnul Hasan Khan Managing Director	Sd/- Mohammed Taifur Hossain Director	Sd/- Mohammed Ruhul Amin Chairman & Nominee Director of Bestinet (Bangladesh) Ltd.
Sd/- Mrs. Sayeda Ahmed Director	Sd/- Naseem Ahmed Director	Sd/- Mohammad Shariat Ullah Director
Sd/- Mohammad Obaidul Haque Director	Sd/- Mrs. Rafsana Rafique Director	Sd/- Mohammed Tajul Islam Nominee Director of Application Mentors Ltd.
Sd/- Md. Mamoon Al Bashir Independent Director	Sd/- Mohammed Aziz Uddin Bhuyan Independent Director	Sd/- Md. Walid Bin Kader Independent Director

Date: 30th March, 2019

Annexure B

Due diligence certificate by issue manager

To
The Bangladesh Securities and Exchange Commission
Sub: Public Issue of 20,000,000 Ordinary Shares of Tk. 200,000,000.00 by Gardenia Wears Ltd.

Dear Sir,

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

1. We have examined all the documents submitted with the application for the above mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue:
2. On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

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

- (b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with:
- (c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws:
- (d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid:
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments:
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association:
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus:
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision:
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission:
- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any:
- (k) We also declare that we have managed the public issue of following issuers in the last 05 (Five) years:

Issuer company	Issue Month/ Year	Issue Price	Dividend Payment History			
			December 2014	June 2016 (18 months)	June 2017	June 2018
Zaheen Spinning Limited	November, 2014	Tk. 10.00	15% Stock	15% Stock	15% Stock	10% Stock
Oimex Electrode Limited	August, 2017	Tk. 10.00	-	-	10% Stock	12.50% Stock
Coppertech Industries Ltd.	Approved by BSEC on December 26, 2018 and listing is under process.					

Place: Dhaka
Date: March 25, 2019

Sd/-
Khairul Bashar A. T. Mohammed
Chief Executive Officer & SEVP
MTB Capital Ltd.

Due diligence certificate by the underwriter(s)

To
The Bangladesh Securities and Exchange Commission

Sub: Public offer of 20,000,000 Ordinary Shares of Tk. 10.00 of Gardenia Wears Ltd.

Dear Sir,

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

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision: and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 308,990,000.00 (Taka thirty crore eighty nine lac ninety thousand) and we have the capacity to underwrite a total amount of Tk. 1,544,950,000.00 (Taka one hundred fifty four crore forty nine lac fifty thousand) as per relevant legal requirements. We have committed to underwrite for up to Tk. 45,000,000.00 (Taka four crore fifty lac) for the upcoming issue.
- b) At present, the following underwriting obligations are pending for us:

(Name of the issue and amount underwritten)

Sl.	Name of the issue	Issue Type	Amount underwritten (in Tk.)
1	Summit Shipping Limited	IPO	52,500,000
2	SBS Cables Limited	IPO	13,600,000
3	Madina Cement Ind. Ltd.	IPO	78,375,000
4	AB Bank Limited	Rights	90,000,000
5	Ratanpur Steel Re-Rolling Mills Ltd.	Rights	50,000,000
6	Electro Battery Com. Ltd.	IPO	39,375,000
7	PEB Steel Alliance Limited	IPO	22,500,000
8	Ring Shine Textile Ltd.	IPO	43,750,000
Total			390,100,000

- c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us:
- d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer: and
- e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Khairul Bashar A. T. Mohammed

Chief Executive Officer & SEVP

MTB Capital Ltd.

Place: Dhaka

Date: March 25, 2019

Due diligence certificate by the underwriter

To
The Bangladesh Securities and Exchange Commission

Sub: Public offer of 20,000,000 Ordinary Shares of Tk. 10.00 of Gardenia Wears Ltd.

Dear Sir,

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

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision: and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 250,000,000/- (Taka Twenty Five Crore Only) and we have the capacity to underwrite a total amount of Tk. 1,250,000,000/- (Taka One Hundred and Twenty Five Crore Only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 25,000,000/- (Taka Two Crore Fifty Lac) for the upcoming issue.
- b) At present, the following underwriting obligations are pending for us:

(Name of the issue and amount underwritten)

Sl.	Name of the issue	Issue Type	Amount underwritten (in Tk.)
1.	Baraka Patenga Power Limited	IPO	25,000,000/=
Total			25,000,000/=

- c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us:
- d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer: and
- e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-
Ashraf Ahmed
Managing Director & CEO
Riverstone Capital Limited

Date: March 24, 2019

SECTION (IV): ABOUT THE ISSUER

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


Name of the issuer	Gardenia Wears Ltd.
Date of incorporation	May 07, 2014
Date of commercial operations	August 1, 2016
Logo	
Address of the registered & corporate office	House: 1041 (1st Floor), Avenue: 09, Road: 45 (Old), Mirpur DOHS, Dhaka-1216
Address of the factory	310/668, Sitpara, Bormi, Sreepur, Gazipur-1743
Telephone number	+88 02 44801085
Fax number	+88 02 44801084
Contact person	Aparesh Paul, ACMA, Chief Financial Officer
Website address	www.gardeniawears.com
Email address	info@gardeniawears.com

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

Sl.	Name of the Sponsors of the Issuer
1	N. Chowdhury
2	Naseem Ahmed
3	Mrs. Sayeda Ahmed
4	Mrs. Rintia Nazim
5	Mrs. Rafsana Rafique
6	Mrs. A. A. Shahid
7	SEML
8	SHL

Sl.	Name of the Directors of the Issuer	Designation
1	Mohammed Ruhul Amin	Chairman & Nominee Director of Bestinet (Bangladesh) Ltd.
2	Shahnul Hasan Khan	Managing Director
3	Naseem Ahmed	Director
4	Mrs. Sayeda Ahmed	Director
5	Mrs. Rafsana Rafique	Director
6	Mohammed Taifur Hossain	Director
7	Mohammed Tajul Islam	Nominee Director of Application Mentors Ltd.
8	Mohammad Shariat Ullah	Director
9	Mohammad Obaidul Haque	Director
10	Md. Mamoon Al Bashir	Independent Director
11	Walid Bin Kader	Independent Director
12	Mohammed Aziz Uddin Bhuyan	Independent Director


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

Name of the auditor	AHMAD & AKHTAR., Chartered Accountants
Logo	
Address	BCIC Bhaban (3rd Floor), 30-31, Dilkusha C/A, Dhaka-1000
Telephone number	+88 02 9561289
Fax number	+88 02 9564366
Contact person	Kanchi Lal Das, M.Com, FCA
Website address	www.aacabd.com
Email address	aacano120@gmail.com

(d) Name of the Stock Exchanges where the specified securities to be listed:

Particulars	Name & Address	Logo	Contact details
Stock Exchanges	Dhaka Stock Exchange Limited (DSE) 9/F, Motijheel C/A, Dhaka-1000		Tel: +88 02 9564601, 9576210-18 Fax: +88 02 9564727, 9569755 E-mail: reasearch@dsebd.org Web: www.dsebd.org
	Chittagong Stock Exchange Ltd. (CSE) CSE Building, 1080 Sk. Mujib Road Agrabad C/A, Chittagong		Tel: +88 02 9513911-15 Fax: +88 02 9513906 E-mail: jabed@cse.com.bd Web: www.cse.com.bd

SECTION (V): CORPORATE DIRECTORY OF THE ISSUER

Company name	:	Gardenia Wears Ltd.
Company logo	:	
Legal position	:	Gardenia Wears Ltd. was incorporated in May 07, 2014 as a private limited company under Registrar of Joint Stock Companies and Firms (RJSC) vides registration number C-115802/14 under the companies Act 1994. It was converted into a public limited company on November 27, 2018.
Date of incorporation	:	May 07, 2014
Date of commercial operation	:	August 1, 2016
Authorized capital	:	Tk. 950,000,000
Paid-up capital	:	Tk. 409,705,400
Registered & corporate office	:	House: 1041 (1st Floor), Avenue: 09, Road: 45 (Old), Mirpur DOHS, Dhaka-1216
Factory	:	310/668, Sitpara, Bormi, Sreepur, Gazipur-1743
Board of directors	:	Mohammed Ruhul Amin Chairman & Nominee Director of Bestinet (Bangladesh) Ltd.
		Shahnul Hasan Khan Managing Director
		Naseem Ahmed Director
		Mrs. Sayeda Ahmed Director
		Mrs. Rafsana Rafique Director
		Mohammed Taifur Hossain Director
		Mohammed Tajul Islam Nominee Director of Application Mentors Ltd.
		Mohammad Shariat Ullah Director
		Mohammad Obaidul Haque Director
		Md. Mamoon Al Bashir Independent Director
		Walid Bin Kader Independent Director
	Mohammed Aziz Uddin Bhuyan Independent Director	
Issue manager	:	MTB Capital Ltd. MTB Tower (Level-3), 111 Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka-1000
Auditor	:	AHMAD & AKHTAR Chartered Accountants BCIC Bhaban (3rd Floor), 30-31, Dilkusha C/A, Dhaka-1000 Phone: +88 02 9561289; Fax: +88 02 9564366; Email: aacano120@gmail.com; Web: www.aacabd.com
Lead Banker	:	The Premier Bank, Banani Br., Dhaka
Compliance officer of issuer	:	Aparesh Paul, ACMA, Chief Financial Officer

SECTION (VI): DESCRIPTION OF THE ISSUER

(a) Summary:

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

Bangladesh is a developing country. Its economy is largely dependent on agriculture. However, the readymade garments (RMG) sector has emerged as a biggest earning source of foreign currency. Industries like textile, pharmaceuticals, agribusiness, jute, leather, tea, food processing etc. are contributing to the development of economy of Bangladesh. Among them, RMG has secured the top position for earning foreign currency. RMG sector has been playing a pivotal in facilitating the country's export earnings, contributing 83.40% of total export (source: EPB). In 2017-18, 4560 Germans factories in Bangladesh where generating employment to the tune of 4 million. (Source: BGMEA).

RMG sector is not only contributing to the national economy but also working on human development. It contributes significantly to GDP, women endorsement, reduction of child labor, gender equality and reduction of infant mortality. In last three decades, RMG shapes itself a good apparel sourcing spot in the world. RMG sector contributes 13.37% in fiscal year 2017-18 of GDP of Bangladesh.

The dramatic growth of RMG sector is due to RMG entrepreneurs, BGMEA (Bangladesh Garment Manufacturers and Exporters Association), BKMEA (Bangladesh Knitwear Manufacturers and Exporters Association), government support, GSP facility, low labor cost, effective and efficient worker etc. RMG entrepreneurs are encouraged by different tools such as quotas through the WTO, Agreement on Textiles and Clothing (ATC) etc. RMG sector has been providing many employment opportunities especially for women and empowering them to make a social revolution. The RMG sector helps to reduce the rate of poverty through creating job opportunities. Around 60% of the western brands of RMG are being exported from Bangladesh to European buyers and 40% to American buyers.

Bangladesh's considering the sector's importance to the country's economic stability, ensuring steady growth for RMG export in the short to medium term, is a key policy imperative. In FY 2017-18, Bangladesh earned USD 5.35 billion from the US—a growth of 2.84 per cent from the USD 5.20 billion earned during the same period last year (FY 2016/17). During the same time, Bangladesh earned USD 3.72 billion from the UK, marking a whopping 12.60 per cent growth from the USD 3.30 billion earned throughout the same period last year. Bangladesh earned USD 847 million from Japan in FY 2017-18, marking a 13.84 per cent growth from the earning of USD 744 million during the same period last year. (Source: EPB). According to the data of Export Promotion Bureau (EPB), the country's overall exports grew 5.81 percent in the outgoing fiscal year 2017-18 (FY18) to \$36.67 billion from \$34.65 billion of the fiscal year 2016-17 (FY17) riding on the higher shipment of garment products.

Development and production of textiles and apparel, combined with intelligent logistic and service concepts will be key to global leadership. Future growth would be contingent on the outcomes of multitude of internal and external factors, which could potentially determine the sector's competitiveness and performance vis-à-vis its closest competitors.

Business environment of the issuer:

The Issuer's business environment is conducive to the business as we have good supply of raw materials. We have skilled labor force as well. The wage of labor is reasonable. Government policy is favorable to the sector. Overall, it is a business-friendly situation.

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

This information is not applicable for Gardenia Wears Ltd. since it has no subsidiary company.

(b) General Information:

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

Name: Gardenia Wears Ltd.	
Registered & Corporate office	
Address	: House: 1041 (1st Floor), Avenue: 09, Road: 45 (Old), Mirpur DOHS, Dhaka-1216
Telephone	: +88 02 44801085
Fax	: +88 02 44801084
Factory	
Address	: 310/668, Sitpara, Bormi, Sreepur, Gazipur-1743
Telephone	: +88 02 44801085
Fax	: +88 02 44801084

(ii) The board of directors of the issuer:

Sl.	Name of the board of director	Designation
1	Mohammed Ruhul Amin	Chairman & Nominee Director of Bestinet (Bangladesh) Ltd.
2	Shahnul Hasan Khan	Managing Director
3	Naseem Ahmed	Director
4	Mrs. Sayeda Ahmed	Director
5	Mrs. Rafsana Rafique	Director
6	Mohammed Taifur Hossain	Director
7	Mohammed Tajul Islam	Nominee Director of Application Mentors Ltd.
8	Mohammad Shariat Ullah	Director
9	Mohammad Obaidul Haque	Director
10	Md. Mamoon Al Bashir	Independent Director
11	Walid Bin Kader	Independent Director
12	Mohammed Aziz Uddin Bhuyan	Independent Director

(iii) Names, addresses, telephone numbers, fax numbers and Email addresses of the chairman, managing director, whole time directors, etc. of the issuer:

Name	Position	Address	Telephone, Fax & Email
Mohammed Ruhul Amin	Chairman	186, SPL Western Tower, Level-8, Dhaka	Tel: +88 02 44801085 Fax: +88 02 44801084 Email: ruhul.amin@gardeniawears.com
Shahnul Hasan Khan	Managing Director	House: 37, Road: 08, Block: E, Niketon, Gulshan, Dhaka	Tel: +88 02 44801085 Fax: +88 02 44801084 Email: shahnul@gardeniawears.com
Naseem Ahmed	Whole time director	PBL Tower, 11th floor, 17 Kemal Ataturk, Avenue, Gulshan-2, Dhaka-1212	Tel: +88 02 44801085 Fax: +88 02 44801084 Email: naseem@gardeniawears.com
Mrs. Sayeda Ahmed		PBL Tower, 11th floor, 17 Kemal Ataturk, Avenue, Gulshan-2, Dhaka-1212	Tel: +88 02 44801085 Fax: +88 02 44801084 Email: sayeda@gardeniawears.com
Mrs. Rafsana Rafique		La Casita, Apt. No.: F5, House: 35, Road: 12/A, Dhanmondi, Dhaka	Tel: +88 02 44801085 Fax: +88 02 44801084 Email: rafsana@gardeniawears.com

(iv) Names, addresses, telephone numbers, fax numbers and Email addresses of the CFO, company secretary, legal advisor, auditors and compliance officer:

Name	Position	Address	Telephone, Fax & Email
Aparesh Paul, ACMA	Chief Financial Officer	House: 1041 (1st Floor), Avenue: 09, Road: 45 (Old), Mirpur DOHS, Dhaka-1216	T: +88 02 44801085 F: +88 02 44801084 E: aparesh@gardeniawears.com
Mr. Ajoy Kumar Saha	Company Secretary	Middle Kawlar, Dakshin Khan, Uttara, Dhaka	T: +88 02 44801085 F: +88 02 44801084 E: ajoy@gardeniawears.com
-	Legal Advisor	-	-
AHMAD & AKHTAR	Auditors	BCIC Bhaban (3rd Floor), 30-31, Dilkusha C/A, Dhaka-1000	Tel: +88 02 9561289 Fax: +88 02 9564366 Email: aacano120@gmail.com
Aparesh Paul, ACMA	Compliance Officer	House: 1041 (1st Floor), Avenue: 09, Road: 45 (Old), Mirpur DOHS, Dhaka-1216	T: +88 02 44801085 F: +88 02 44801084 E: aparesh@gardeniawears.com

(v) Names, addresses, telephone numbers, fax numbers, contact person, website addresses and e-mail addresses of the issue manager(s), registrar to the issue etc.:

Name	:	MTB Capital Ltd.
Address	:	MTB Tower (Level 3), 111 Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka 1000
Telephone number	:	+88 02 48321760
Fax number	:	+88 02 8321543
Contact person	:	Khairul Bashar A. T. Mohammed Chief Executive Officer & SEVP
Website address	:	www.mtbcap.com
Email address	:	info.mtbcap@mutualtrustbank.com

(vi) Details of credit rating:

The Company is issuing shares at par. As such no credit rating is required.

(vii) Details of underwriting:

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

Name and address	Telephone number, fax number & e-mail address	Contact person	Amount Underwritten (BDT)
MTB Capital Ltd. MTB Tower (Level-3) 111 Kazi Nazrul Islam Avenue Bangla Motor, Dhaka-1000	T: +88-02-48321760 F: +88-02-8321543 E: info.mtbcap@mutualtrustbank.com W: www.mtbcap.com	Khairul Bashar A. T. Mohammed Chief Executive Officer & SEVP	45,000,000
Riverstone Capital Limited Lotus Kamal Tower 2 (13th Floor), 59 & 61 Gulshan South Avenue, Dhaka-1212	T: +880-02-9898190 F: +880-02-9898190 E: sumit@riverstone.com.bd W: www.riverstone.com.bd	Sumit Podder Primary Market Operations Manager	25,000,000
Total			70,000,000

b) Declaration by the underwriters that they have sufficient resources as per the regulatory requirements to discharge their respective obligations:

As per the Declaration by the underwriters (Section III, Due Diligence Certificate of the Underwriters.), they are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities and have the adequate capacity to underwrite as per relevant legal requirements.

c) Major terms and conditions of the underwriting agreements.

1. As per guideline of the Bangladesh Securities and Exchange Commission, 35% of the IPO (i.e.; for Tk. 70,000,000.00) shall have to be underwritten by the underwriters, subject to the terms stated as follows:
2. The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than 5 (Five) weeks from the date of subscription closer), if any of the following events occur:
 - (a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the Stock Exchange(s) concerned; or
 - (b) At least 65% of the IPO is not subscribed.
3. The Company shall issue 20,000,000 Ordinary Shares of Tk. 10.00 each in accordance with the consent of the Bangladesh Securities and Exchange Commission and the provisions of this Agreement. The said total issue of 20,000,000 Ordinary Shares at Tk. 10.00 each shall be offered to the public for subscription through a prospectus duly approved by the Bangladesh Securities and Exchange Commission (BSEC).
4. The Underwriter shall underwrite on a firm commitment basis. This commitment is irrevocable and unequivocal
5. Prior to publication of the prospectus the Company shall have to obtain a consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and providing for payment of underwriting commission not exceeding 0.50% (zero point five zero percent) on the amount underwritten and no additional commission will be paid on the amount of shares required to be subscribed by the Underwriter.
6. If and to the extent that the shares offered to the public by a prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within 10 (ten) days of the closure of subscription call upon the Underwriter in writing with a copy of the said writing to the Bangladesh Securities and Exchange Commission, to subscribe or procure subscriber to subscribe the shares not so subscribed within the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within 15 (fifteen) days after being called upon to do so. The amount so received shall be credited in the share subscription account of the Company within the said period. If payment is made by Cheque/ Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled its obligation towards its underwriting commitment under this Agreement, until such time as the Cheque/ Bank Draft has been encashed and the Company's share subscription account credited.
7. In any case within 7 (Seven) days after the expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the underwriters, to the Commission.

(c) Capital Structure:

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

Particulars	No. of shares	Class of securities	Nominal price	Issue price	Amount in BDT
Authorized capital	95,000,000	Ordinary Shares	10.00	10.00	950,000,000
Issued, subscribed and paid-up capital	40,970,540	Ordinary Shares	10.00	10.00	409,705,400

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

Allotments	No. of shares	Class of securities	Issue price	Consideration		Amount (BDT)
				In cash	Other than cash	
As per Memorandum	3,000,000	Ordinary Share	10.00	30,000,000	-	30,000,000
1 st Allotment (October 30, 2015)	1,285,715		10.00	12,857,150	-	12,857,150
2 nd Allotment (January 16, 2017)	5,650,506		10.00	56,505,060	-	56,505,060
3 rd Allotment (May 18, 2017)	9,259,769		10.00	92,597,690	-	92,597,690
4 th Allotment (November 22, 2018)	21,774,550		10.00	217,745,500	-	217,745,500
Total	40,970,540		-	409,705,400	-	409,705,400

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

Description	Securities to be offered		Percentage	Break-up of Securities	Nominal Value	Issue Price	Issue Amount (BDT)
Offer price BDT 10.00 each at Par, Total size of fund to be raised Tk. 200,000,000	Eligible Investor (EI)	Mutual Funds and CIS	10%	2,000,000	10.00	10.00	20,000,000
		EI excluding mutual fund and CIS	40%	8,000,000			80,000,000
	General Public (GP)	NRB	10%	2,000,000			20,000,000
		Other*	40%	8,000,000			80,000,000
Total			100%	20,000,000	10.00	10.00	200,000,000

*20% of the securities reserved for other general public shall be reserved for ক্ষতিগ্রস্থ ক্ষুদ্র বিনিয়োগকারী.

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

Particulars	Before the present issue	After the present issue
Paid-up capital	409,705,400	609,705,400
Convertible instruments	N/A	N/A
Share premium account	N/A	N/A

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

Sl.	Category of Shareholders	No of ordinary shares held		% of Holding		
		Pre-IPO	Post-IPO	Pre-IPO	Post-IPO	
1	Director or Sponsors	18,392,937	18,392,937	44.89%	30.17%	
2	Other than Director or Sponsor	22,577,603	22,577,603	55.10%	37.03%	
3	Eligible Investors	Mutual Funds and CIS	-	2,000,000	-	3.28%
		EI excluding mutual fund and CIS	-	8,000,000	-	13.12%
4	General Public	NRB	-	2,000,000	-	3.28%
		Others	-	8,000,000	-	13.12%
Total		40,970,540	60,970,540	100.00%	100.00%	

There is no convertible instrument, so no conversion is required.

(v) Where shares have been issued for consideration in other than cash at any point of time, details in a separate table, indicating the date of issue, persons to whom those are issued, relationship with the issuer, issue price, consideration and valuation thereof, reasons for the issue and whether any benefits have been accrued to the issuer out of the issue:

The Company has not issued any of its ordinary shares for consideration in other than cash at any point of time.

(vi) Where shares have been allotted in terms of any merger, amalgamation or acquisition scheme, details of such scheme and shares allotted:

The Company has not allotted any shares in terms of merger, amalgamation or acquisition scheme.

(vii) Where the issuer has issued equity shares under one or more employee stock option schemes, date-wise details of equity shares issued under the schemes, including the price at which such equity shares were issued:

The Company has not issued any equity shares under one or more employee stock option schemes.

(viii) If the issuer has made any issue of specified securities at a price lower than the issue price during the preceding two years, specific details of the names of the persons to whom such specified securities have been issued, relation with the issuer, reasons for such issue and the price thereof:

The Company has not made any issue of specified securities at a price lower than the issue price during the preceding two years.

(ix) The decision or intention, negotiation and consideration of the issuer to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue:

The Company has no such decision or intention, negotiation and consideration to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue.

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

Name	Nature of issue	Date of Allotment & date when the shares were made fully paid up	No. of Shares	Face value & Issue price	Consideration	Percentage (%)		Lock in period*	Number & percentage of pledged shares
						Pre-IPO	Post-IPO		
Mohammed Ruhul Amin, Nominee Director of Bestinet (Bangladesh) Ltd.	Ordinary Shares	22.11.2018	1,250,000	Tk. 10.00	Cash	3.05%	2.05%	3 Years	No Pledge
Shahnul Hasan Khan	Ordinary Shares	22.11.2018	2,180,000	Tk. 10.00	Cash	5.32%	3.58%	3 Years	No Pledge
Naseem Ahmed	Ordinary Shares	07.05.2014	900,000	Tk. 10.00	Cash	5.59%	3.76%	3 Years	No Pledge
		15.12.2014	(100,000)						
		16.01.2017	1,360,826						
		18.05.2017	923,259						
		12.06.2018	(937,875)						
22.11.2018	145,746								
Mrs. Sayeda Ahmed	Ordinary Shares	07.05.2014	100,000	Tk. 10.00	Cash	3.40%	2.29%	3 Years	No Pledge
		18.05.2017	212,125						
		12.06.2018	937,875						
		22.11.2018	144,413						
Mrs. Rafsana Rafique	Ordinary Shares	07.05.2014	500,000	Tk. 10.00	Cash	4.15%	2.79%	3 Years	No Pledge
		15.12.2014	(275,000)						
		18.05.2017	1,105,591						
		22.11.2018	371,098						
Mohammed Taifur Hossain	Ordinary Shares	15.12.2014	450,000	Tk. 10.00	Cash	8.31%	5.58%	3 Years	No Pledge
		16.01.2017	1,184,094						
		18.05.2017	1,028,589						
		22.11.2018	742,196						
Mohammed Tajul Islam, Nominee Director of Application Mentors Ltd.	Ordinary Shares	22.11.2018	1,250,000	Tk. 10.00	Cash	3.05%	2.05%	3 Years	No Pledge
Mohammad Shariat Ullah	Ordinary Shares	22.11.2018	1,920,000	Tk. 10.00	Cash	4.69%	3.15%	3 Years	No Pledge
Mohammad Obaidul Haque	Ordinary Shares	22.11.2018	3,000,000	Tk. 10.00	Cash	7.32%	4.92%	3 Years	No Pledge
Md. Mamoon Al Bashir	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Walid Bin Kader	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mohammed Aziz Uddin Bhuyan	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Lock-in period of shares starts from the issue date of Prospectus.

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

Name	Position	No. of Ordinary Shares	Face Value	Percentage of holding	
				Pre-IPO	Post-IPO
Mohammed Ruhul Amin	Chairman & Nominee Director of Bestinet (Bangladesh) Ltd.	1,250,000	Tk. 10	3.05%	2.05%
Shahnul Hasan Khan	Managing Director	2,180,000	Tk. 10	5.32%	3.58%
Naseem Ahmed	Director	2,291,956	Tk. 10	5.59%	3.76%
Mrs. Sayeda Ahmed	Director	1,394,413	Tk. 10	3.40%	2.29%
Mrs. Rafsana Rafique	Director	1,701,689	Tk. 10	4.15%	2.79%
Mohammed Taifur Hossain	Director	3,404,879	Tk. 10	8.31%	5.58%
Mohammed Tajul Islam	Nominee Director of Application Mentors Ltd.	1,250,000	Tk. 10	3.05%	2.05%
Mohammad Shariat Ullah	Director	1,920,000	Tk. 10	4.69%	3.15%
Mohammad Obaidul Haque	Director	3,000,000	Tk. 10	7.32%	4.92%
Md. Mamoon Al Bashir	Independent Director	N/A	N/A	N/A	N/A
Walid Bin Kader	Independent Director	N/A	N/A	N/A	N/A
Mohammed Aziz Uddin Bhuyan	Independent Director	N/A	N/A	N/A	N/A
Total		18,392,937		44.88%	30.17%

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

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

Name of shareholder	Position	Address	Amount of securities owned	Percentage of ownership
Shahnul Hasan Khan	Managing Director	House: 37, Road: 08, Block: E, Niketon, Gulshan, Dhaka-1217.	2,180,000	5.32%
Mohammed Taifur Hossain	Director	Apt No. CW2, Haidari Villa, House No: 17, Road No. 05, Dhanmondi R/A, Dhaka	3,404,879	8.31%
Naseem Ahmed	Director	PBL Tower, 11th floor, 17 Kemal Ataturk Avenue, Gulshan-2, Dhaka-1212	2,291,956	5.59%
Mohammad Obaidul Haque	Director	73/3, Shantinagor, Palton, Dhaka-1217.	3,000,000	7.32%
Mrs. Rintia Nazim	Shareholder	La Casita, Apt. No.: F5, House: 35, Road: 12/A, Dhanmondi, Dhaka	2,191,688	5.35%
Mohammed Ul Mohasew	Shareholder	House: 24, Road: 07, Sector: 04, Uttara, Dhaka	2,500,000	6.10%
Uttara Finance and Investments Limited	Shareholder	JBC Tower (6th Floor) 10, Dilkhusha C/A Dhaka-1000	3,990,000	9.74%
Mujibur Rahman	Shareholder	Uttara Center (15th Floor), 102, Shahid Tajuddin Ahmed Sarani, Tejgaon, Dhaka	3,510,000	8.57%
Total			23,068,523	56.30%

*There is no event or intent of exercising warrant, option or right to convert any convertible instrument.

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

Name of the shareholders	Designation	No. of ordinary share	Percentage (%)
Shahnul Hasan Khan	Managing Director	2,180,000	5.32%

(d) Description of Business:

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

Date of incorporation	May 07, 2014
Date of commercial operation	August 1, 2016
Nature of 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, Boys & Girls' Pants & Shirts', Boys' Polo Shirts, Boys' Long Pant, Jacket, Ladies Shorts, Girls' Tops and Girls' Skirts etc. and marketing thereof.
Subsidiaries company	The Company has no subsidiary company.

(ii) Location of the project:

The registered office and corporate office of the Company is situated at House: 1041 (1st Floor), Avenue: 09, Road: 45 (Old), Mirpur DOHS, Dhaka-1216, Bangladesh and Factory of the company is situated at 310/668, Sitpara, Bormi, Sreepur, Gazipur-1743, Bangladesh.

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

GWL has been using sophisticated machinery and technology in order to produce high-quality man's and a woman's woven Garments. It helps the Company to be competitive over the competitors in the market because of latest machineries and technologies.

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

Date of incorporation	Incorporated as a private limited company on May 07, 2014 having Registration No. C-115802/14 under the Companies Act 1994, under the Registrar of Joint Stock Companies & Firms of Bangladesh.
Private to public	Converted into a public limited company on November 27, 2018.
Installed capacity (PCS)	1,500,000 Half Yearly
Actual production (PCS)	1,292,869 Half Yearly
Launching of plant	August 1, 2016
Launching of products	August 1, 2016
Commercial operation	August 1, 2016
Shipment	The company first shipment its product on 10.11.2016
Changes in ownership	<ul style="list-style-type: none"> Naseem Ahmed, Mrs. Sayeda Ahmed & Mrs. Rafsana Rafique are sponsor director. Mohammed Ruhul Amin, Shahnul Hasan Khan, Mohammad Shariat Ullah, Mohammad Obaidul Haque and Mohammed Tajul Islam appointed as director on November 22, 2018
Changes in key management personal	<ul style="list-style-type: none"> Aparesh Paul, ACMA has joined the company as Chief Financial Officer on 01.07.2015 Mir Shakil Ahsan has joined the Company as Director-Marketing on 01.01.2018 S. M. Moniruzzaman has joined the company as Head of Human Resources on 15.01.2017 Ajoy Kumar Saha has joined the Company as Company Secretary on 01.07.2018

Appointment of independent director

- Md. Mamoon AL Bashir & Walid Bin Kader have been appointed as independent director on November 27, 2018
- Mohammed Aziz Uddin Bhuyan appointed as Independent Director on December 2, 2018

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

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, Boys & Girls' Pants & Shirts', Boys' Polo Shirts, Boys' Long Pant, Jacket, Ladies Shorts, Girls' Tops and Girls' Skirts etc. and marketing thereof.

Past Trends: Last 2.5 years sales of the Gardenia Wears Ltd.:

Particulars	31.12.2018	30.06.2018	30.06.2017
Revenue	452,516,544	648,569,059	303,357,265

GWL is 100% export oriented and there are no local sales.

Future prospects:

Bangladesh Export sector is heavily inclined to RMG. RMG and textile sector contributes maximum of national export of Bangladesh. This sector has remarkable growth and huge contribution to the overall export of the country. As an exporter of RMG sector, GWL also has the opportunity to increase its export including developing infrastructure and skill workforce. Gardenia Wears Ltd. is 100% export oriented garments industry. So future prospect of local market is not applicable for us.

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

The Company has following product or service that accounts for more than 10% of the Company's total revenues for the period ended December 31, 2018.

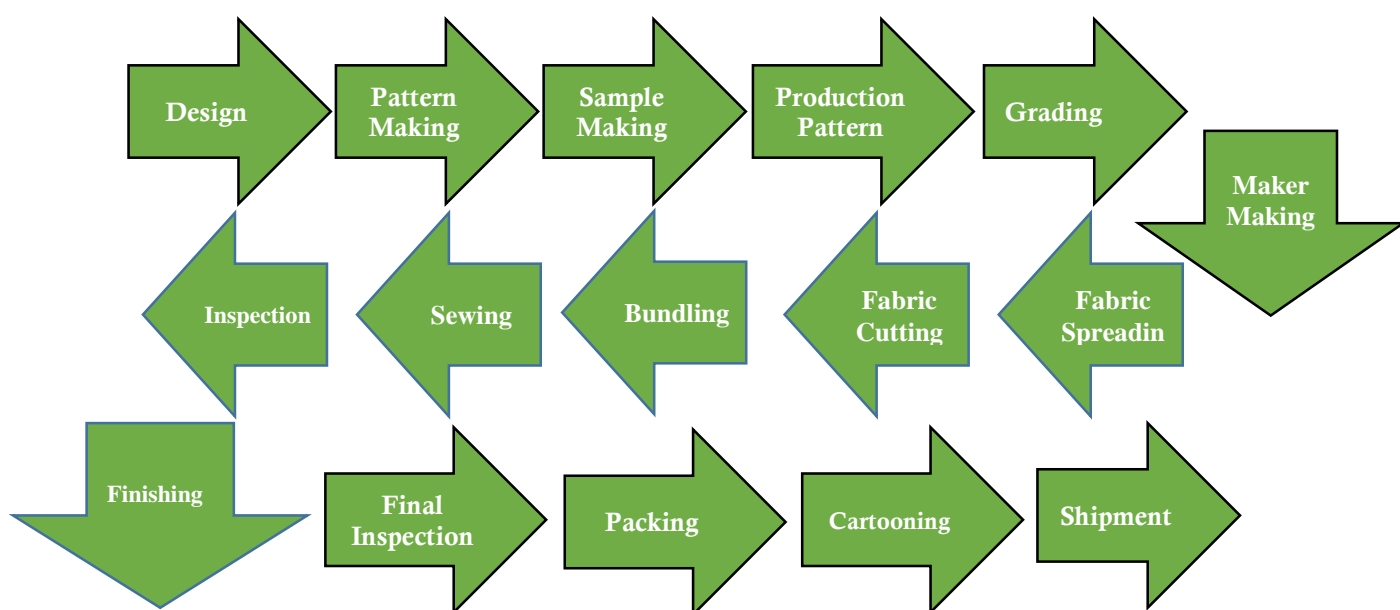
Name of the products	Contribution to sales	% of total revenue
Men's L/S Shirt	144,805,294	32.00%
Men's S/S Shirt	63,352,316	14.00%
Ladies Tops	76,927,813	17.00%
Men's Long Pant	85,978,143	19.00%
Kids Long Pant	49,776,820	11.00%

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

Gardenia Wears Ltd. does not have any associates, subsidiary or holding company.

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

The process flow



Export Possibilities and Obligation:

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

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

The Textile and Apparel industry comprises over 5,000 manufacturers, most of which are Ready Made Garments manufacturers. However, among the listed companies in the textile sector, only 6 are considered a major competitor of Gardenia Wears Ltd.

			(Amount in BDT)
SL.	Name of Competitor	Address	Revenue Earned December-18
01	Tosrifa Industries Ltd.	Holding No 4/2 A, Plot 49 & 57 135 Gopalpur Munnu Nagar, Tongi, Gazipur	748.57 Million
02	Envoy Textiles Ltd.	Envoy Tower, 18/E, Lake Circus, Kalabagun, West Panthapath, Dhaka 1205	4,518.4 Million
03	Desh Garments Ltd.	Awal Center (Floors 6th & 7th), 34, Kemal Ataturk Avenue, Banani C/A, Dhaka - 1213	409.03 Million
04	HWA Well Textile (BD)	Ariabo, Barpa, Rupgonj, Narayangonj	750.84 Million
05	Regent Textile Mills Ltd.	138 Eastern Nibash, Flt: 402, Gulshan Avenue, Dhaka	886.06 Million
06	Simtex industries Ltd.	Khagan, Birulia, Savar, Dhaka-1341	678.64 Million

Source: DSE Website.

N.B. There is no data available regarding market shares of the respective listed company. Due to unavailability of information, it is not possible to input the other competitors.

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

The names of the major suppliers and address are mentioned below:

Sl.	Supplier Name	Address	Type of Raw Material
1	Global Textile Trading Ltd.	Hong Kong	Fabrics
2	Shanghai Mode Imp & Exp Co. Ltd.	China	Fabrics
3	China Jiangsu Textiles Ltd.	China	Fabrics
4	Nantong Wang & Sheng Textile Co., Ltd.	China	Fabrics
5	Suntex Industry Co. Ltd.	China	Fabrics
6	Wujiang Yisheng Garments Co. Ltd.	China	Fabrics
7	N. S. I. International	China	Accessories
8	Freudenberg and VileneInt'l Ltd,	Hong Kong.	Interlining
9	R M Interlining	Bangladesh	Interlining
10	Pacific Button Industries Ltd.	Bangladesh	Button
11	Check point System Bangladesh Ltd.	Bangladesh	Care Label
12	Zaber & Zubair Fabrics	Bangladesh	Fabrics

Contingency plan:

GWL has alternative options for purchasing raw materials & accessories. The Company maintains good relationship with its raw material suppliers. If any supplier unable or disagree to supply raw materials then the Company will go for next best alternative supplier(s) immediately.

(xi) Sources & requirement of power, gas, water & other utilities and contingency plan for disruption:

All required utility facilities are available at the project site and those are stated below:

Power:

The Company meets its required power from Mymensingh Palli Bidyut Samity-2. The total sanctioned electricity load for the company is 500 KW. The company has 2 Generators with capacity of 500 & 100 KVA to avoid interruption of power supply.

Gas:

The Company does not require Gas.

Water:

The Company requires around 70,000 litter water per day for its production. It has 2 (two) submersible pump and 1 (one) water reserve tank with capacity 7 lac litter.

Contingency plan:

The company has 2 Generators with capacity of 500 & 100 KVA to avoid interruption of power supply.

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

Company name	Address	Phone/ Fax E-mail & Web	Amount & percentage for the year ended December 31, 2018	
			Amount	(%)
Vetir Comptabilite Peripherie (GEMO)	49111 St Pierre-Montlimart, Cedex France	Tel: 33(0) 241717073 Fax: Email: scrviceclients@gemo.fr Web: www.gemo.fr	92,325,339	20.40%
Auchan Retail Ltd.	40, Avenue De Flande Croix, 59170, France	Tel: +33320816800 Fax: +33320816909 Email: sbegum@auchan.com Web:www.auchan-retail.com	83,334,977	18.42%
B-Style S.R.L	Via Sondrio Pertini 18/C 25125 BRESCIA Italy	Tel :39 0303533262 Fax: +39 0303533262 Email: info@bstyle.eu Web: www.b-style.it	70,396,891	15.56%
ZXY International	Nataniel Cox 620 Subterraneo, Santiago Chile	Tel: 971508962231 Fax: 97143696909 Email:vinay@zxyinternational.com Web:- zxyinternational.com	78,734,088	17.40%

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

Following companies are supplier of 10% or more raw materials of Gardenia Wears Ltd. as on December 31, 2018:

Company name	Address	Phone/ Fax E-mail & Web	Amount & percentage for the year ended December 31, 2018	
			Amount	(%)
China Jiangsu Textile	Room-1208, HUBU Street, China	Tel: 025-84400656 Fax:- web: www.cccme.org.cn Email: ccemservice@cccme.org.cn	92,476,810	23%
Global Textile Trading Limited	Suite 1505-6, Albion Plaza, 2-6 Granville Road, Tsimshatsui, Kowloon, Hong Kong	Tel: (86)13564526176 Fax: (852) 69772577 web: www.gttl.com.hk Email: guillem@gttl.com.hk	38,850,696	10%

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

Declaration regarding contract with principal suppliers or customers

This is to certify that Gardenia Wears Ltd. does not have any contract with its principal suppliers or customers.

Sd/-
Shahnul Hasan Khan
Managing Director

Sd/-
Aparesh Paul, ACMA
Chief Financial Officer

Sd/-
Mohammed Ruhul Amin
Chairman

Date: 30th March, 2019

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

Particulars	License Issuer/ Issuing Authority	Certificate/ License No.	Issue Date	Renewal Date	Expiry Date
Certificate of Incorporation	Register Joint Stock Companies and Firms	C-115802/14	07.05.2014	N/A	N/A
TIN Certificate	National Board of Revenue	166675193077	12.05.2014	N/A	N/A
VAT Certificate	Custom, Exercise & VAT Commissionerate	BIN: 000491211	22.06.2017	N/A	N/A
Trade License	6 No. Bormi Union Parishod, Gazi Pur	89/2018-2019	08.08.2016	15.07.2018	30.06.2019
Fire License	Fire Service & Civil Defense, Dhaka	DD/Dhaka/25481/2015	21.09.2015	07.08.2018	30.06.2019
Boiler (02 No.)	Head Office of Boiler Inspection	8812, 8813	-	02.01.2019	01.07.2019
Environment Clearance Certificate	Department of Environment	৩০.৩৩.৮৬.৩.৬২৩. ১৯০৪১৫/প্রশা-১৮৫	30.04.2015	N/A	N/A
Import Registration Certificate	The Import & Export Control Bureau	ব-১০৫১০০	17.07.2016	03.07.2018	30.06.2019
Export Registration Certificate	The Import & Export Control Bureau	র-০১৫১০৭৮	18.08.2016	03.07.2018	30.06.2019
Factory License	Department of Inspection for Factories and Establishments	17636/Gazipur	20.10.2015	03.07.2018	30.06.2019
Bonded Warehouse License	Customs Bond Commissionerate	১৮২২/কাস- এসবিডব্লিউ/২০১৬	04.10.2016	-	-
Energy Regulatory	Bangladesh Energy Regulatory Commission	LWC-1882	26.02.2017	28.01.2019	25.02.2020
Enrolment Certificate	Export Promotion Bureau	BD06103	08.09.2018	-	30.06.2019
Gold Certificate of Compliance	Worldwide Responsible Accredited Production	19290	-	-	11.01.2020
BGMEA Membership Certificate	BGMEA	6169	06.01.2018	07.01.2019	31.12.2019
Certificate of Compensation/ Insurance Benefit	BGMEA	78	20.05.2018	-	31.12.2019

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

The Company obtained neither any patent right/ trademarks nor signed any royalty agreement with any party except trademark on Company Name & Logo.

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

The Company had 1,557 employees, staff and worker as on December 31, 2018.

Particulars	Head Office	Factory	Total
Full time employee & Staff	32	200	232
Full time Worker	-	1,325	1,325
Grand Total	32	1525	1,557

(xviii) A brief description of business strategy:

GWL is a 100% export oriented woven Ready Made Garment (RMG) unit. The Company have started the journey back in 2016. GWL has a highly dynamic, well trained, motivated and skilled workforce that meets the demands of its international customers such as Gemo, Jules, Brice, Bizzbee, Auchan, kiabi and Reliance. To ensure the highest level of quality, all products are manufactured using technologically advanced machinery imported from Europe and Asia. The Company is under the membership of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The company is dedicated to excellence in merchandising, product development, production, and logistics. The Company have earned a reputation throughout the global apparel industry as one of the foremost factories in Bangladesh for its commitment to quality, timely delivery, and total value. Through GWL's extensive sourcing network, the company have the ability to effectively procure the best materials. GWL's customers rely on the company to deliver the best quality products and superb service which enable them to successfully compete in the emerging marketplace.

The factories have wonderful landscapes with uninterrupted power supply, wide open ground, dormitory, medical center, workshop, Prayer facility, water supply and other modern facilities. GWL has a wide range of product development capabilities. GWL utilize progressive tools to meet specific price points and achieve quality. The management team has an extensive understanding of the needs of companies in the West as well as production capabilities of firms in the East, making overseas sourcing easier.

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

Total actual capacity and its utilization

Period	Products	Installed capacity during the period (Pcs)	Capacity Utilization during the period (Pcs)	Actual Capacity Utilization (%)
01.07.2018-31.12.2018	Garments & Woven	1,500,000	1,292,869	86.19%
01.07.2017-30.06.2018		3,000,000	1,744,204	58.14%
01.07.2016-30.06.2017		3,000,000	872,100	29.10%

Projected capacity and its utilization

Year	Products	Projected Capacities Existing & proposed (Pcs)	Projected Capacity Utilization (Pcs)	Projected Capacity Utilization (%)
30.06.2019	Garments & Woven	3,000,000	2,610,000	85%-90%
30.06.2020		3,000,000	2,610,000	85%-90%
30.06.2021		6,000,000	3,810,000	60%-65%
30.06.2022		6,000,000	4,950,000	80%-85%
30.06.2023		6,000,000	5,010,000	80%-85%

Rationale to Achieve:

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

(e) Description of property:

The Written down value of Property, Plant and Equipment's owned by the company as per audited accounts as on December 31, 2018 are stated below:

Particulars	Amount in BDT
Land & Land development	104,534,346
Building & Civil Construction	146,877,633
Plant & Machinerics	107,072,701
Furniture & Fixtures	2,411,548
Office Equipment	5,844,158
Factory Equipment	23,811,869
Electrical Equipment & Installation	13,307,393
Transport & Vehicles	1,907,971
Balance as on December 31, 2018	405,767,620

(i) Location and area of the land, building, principal plants and other property of the company and the condition thereof:

The Company's registered and corporate office is situated at House: 1041 (1st Floor), Avenue: 09, Road: 45 (Old), Mirpur DOHS, Dhaka-1216, Bangladesh and the factory of the company located at 310/668, Sitpara, Bormi, Sreepur, Gazipur-1743, Bangladesh. The entire assets of the company are located at the Company's head office and its factory. Details are as under:

Sl.	Particulars	Location and Area	Condition of the Property
01	Land & Land development	At Factory	Position hold by the company
02	Building & Civil Construction	At Factory	Factory buildings and sheds are in good condition.
03	Plant & Machinerics	At Factory	Working in good condition
04	Furniture & Fixtures	At Factory and Head Office	Good condition
05	Office Equipment	Head Office	Good condition
06	Factory Equipment	At Factory	Good condition
07	Electrical Equipment & Installation	At Factory	Working in good condition
08	Transport & Vehicles	At Factory	Running

Details of Land Properties

Deed no.	Purchase date	Location	Dag no	Deed value	Land area (Decimal)
13507/14	23.10.2014	28 no. Bormi, Sripur, Gazipur	SA: 310; RS: 668	9,652,000	83.75
13650/14	26.10.2014	28 no. Bormi, Sripur, Gazipur	SA: 307, 309, 310; RS: 601, 603, 668	4,236,000	36.75
901/15	25.01.2015	28 no. Bormi, Sripur, Gazipur	SA: 208; RS: 602	2,140,000	16.32
859/15	25.01.2015	28 no. Bormi, Sripur, Gazipur	SA: 308; RS: 602	3,413,000	26.04
1121/15	28.01.2015	28 no. Bormi, Sripur, Gazipur	SA: 308; RS: 602	4,034,000	35.00
1640/15	10.02.2015	28 no. Bormi, Sripur, Gazipur	SA: 308; RS: 602	6,454,000	56.00
1725/15	10.02.2015	28 no. Bormi, Sripur, Gazipur	SA: 308; RS: 602	1,070,000	8.16
1880/15	12.02.2015	28 no. Bormi, Sripur, Gazipur	SA: 308; RS: 602	713,000	5.44
2457/15	25.02.2015	28 no. Bormi, Sripur, Gazipur	SA: 309; RS: 603	780,000	7.00
2528/15	25.02.2015	28 no. Bormi, Sripur, Gazipur	SA: 310; RS: 668	3,015,000	23.00
2751/15	03.03.2015	28 no. Bormi, Sripur, Gazipur	SA: 308; RS: 602	2,294,000	17.50
4573/15	08.04.2015	28 no. Bormi, Sripur, Gazipur	SA: 309, 242; RS: 603, 307	3,670,000	28.00
7042/15	01.06.2015	28 no. Bormi, Sripur, Gazipur	SA: 310; RS: 668	9,174,000	70.00
10033/15	11.08.2015	28 no. Bormi, Sripur, Gazipur	SA: 309; RS: 603	2,336,000	21.00
10002/15	11.08.2015	28 no. Bormi, Sripur, Gazipur	SA: 309; RS: 603	3,894,000	35.00
16658/15	20.08.2015	28 no. Bormi, Sripur, Gazipur	SA: 309; RS: 603	5,006,000	45.00
11797/15	10.09.2015	28 no. Bormi, Sripur, Gazipur	SA: 309; RS: 603	10,680,000	96.00

17145/15	28.12.2015	28 no. Bormi, Sripur, Gazipur	SA: 310; RS: 668	2,753,000	21.00
153/16	04.01.2016	28 no. Bormi, Sripur, Gazipur	SA: 308; RS: 602	2,294,000	17.50
Total				77,608,000	648.46

Details of Factory Building and other construction

Number of Buildings	Building Description	Types of Buildings	Total Building Area	Usage (sft)	Written Down Value As on 31.12.2018
Building-1 (2 -storied)	Production Building (Cutting, Sewing, Finishing, Sample, CAD, Maintenance, CT PAT, Store, Office.)	Pillar-Steel, Wall-Brick, Roof-Prefabricated Steel & RCC Panels	70,761.96 SFT (Ground & 1 st Floor)	70,761.96 SFT	146,877,633
Building-2 (1 -storied)	Utility House (Sub-Station, Generator, Switch Gear, Boiler, Compressor, Fire Pump)	Pillar-RCC, Wall-Brick, Roof-RCC	2,884.73 SFT	2,884.73 SFT	
Building-3 (1 -storied)	Security House	Pillar-RCC, Wall-Brick, Roof-RCC	371.40 SFT	371.40 SFT	
Shed - 1 (1 -storied)	Bonded Ware House	Pillar-Steel, Wall-Brick, Roof-Prefabricated Steel	3,519.8 SFT	3,519.8 SFT	
Shed - 2 (1 -storied)	Facility Building(Dining, Locker Room, Canteen, Prayer Room, Medical, Child Care, Training Center)	Pillar-Steel, Wall-Brick, Roof-Prefabricated Steel	12,604.54 SFT	12,604.54 SFT	
Other construction	Water Reserve	Pillar-RCC, Wall-RCC, Roof-RCC	2,214 SFT	2,214 SFT	
	Boundary wall	Pillar-RCC, Wall-RCC	695 RFT	695 RFT	

(ii) Whether the property is owned by the Company or taken on lease:

All the assets of the Company are in its own name except registered office & corporate office which are rental premises.

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

Sl.	Deed no	Date of purchase	Last payment date of current rent	Deed value	Registration, land development & other cost	Area (decimal)	Current use
1	13507/14	23.10.2014	02.01.2019	9,652,000	26,926,346	83.75	Factory Building, Utility House, Facility Building, Bonded Ware House etc.
2	13650/14	26.10.2014		4,236,000		36.75	
3	901/15	25.01.2015		2,140,000		16.32	
4	859/15	25.01.2015		3,413,000		26.04	
5	1121/15	28.01.2015		4,034,000		35.00	
6	1640/15	10.02.2015		6,454,000		56.00	
7	1725/15	10.02.2015		1,070,000		8.16	
8	1880/15	12.02.2015		713,000		5.44	
9	2457/15	25.02.2015		780,000		7.00	
10	2528/15	25.02.2015		3,015,000		23.00	
11	2751/15	03.03.2015		2,294,000		17.50	
12	4573/15	08.04.2015		3,670,000		28.00	
13	7042/15	01.06.2015		9,174,000		70.00	

14	10033/15	11.08.2015	2,336,000	21.00
15	10002/15	11.08.2015	3,894,000	35.00
16	10658/15	20.08.2015	5,006,000	45.00
17	11797/15	10.09.2015	10,680,000	96.00
18	17145/15	28.12.2015	2,753,000	21.00
19	153/16	04.01.2016	2,294,000	17.50
Total			77,608,000	648.46

Mutation:

Date	Amount of Land
3-Feb-15	86.00
24-May-15	227.42
22-Jul-15	89.25
31-Jan-16	171.00
19-Oct-16	17.50
22-Mar-17	57.04

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

Sl.	Name of the persons from whom the lands have been acquired	Cost of acquisition	Relation
1	Salah Uddin Haider (Al-Amin)	9,652,000	There is no relation between seller of land and the issuer or any sponsor or director thereof.
2	Md. Rafiqul Islam Mridha	4,236,000	
3	Md. Shariful Islam Clifton	2,140,000	
4	Sultana Razia Milon	3,413,000	
5	Md Abdul Barek	4,034,000	
6	Md Islam Uddin	6,454,000	
7	Md Shariful Islam	1,070,000	
8	Md Shahabul Islam Shihab	713,000	
9	Mehrun	780,000	
10	Steps Towards Development	3,015,000	
11	Moslema	2,294,000	
12	Shamsul Haq Mridha	3,670,000	
13	Md Sharif Haider	9,174,000	
14	Md Amdadul Haq	2,336,000	
15	Md Hadiul Islam	3,894,000	
16	Md Sharif Al Amin	5,006,000	
17	Md Tajul Islam Mridha	10,680,000	
18	Md Nazrul Islam	2,753,000	
19	Aklima Khatun	2,294,000	
Total		77,608,000	

(v) Details of whether the issuer has received all the approvals pertaining to use of the land, if required:

The Company has received all the approval of pertaining to use of the land.

(vi) If the property is owned by the issuer, whether there is a mortgage or other type of charge on the property, with name of the mortgagee:

Total 648.46 decimal project land and factory Buildings of the Company mortgaged to the Premier Bank Ltd., Banani Branch, Dhaka against Import Machinerics, Local Machinerics & Factory Building as stated in the financial statements.

(vii) If the property is taken on lease, the expiration dates of the lease with name of the lessor, principal terms and conditions of the lease agreements and details of payment:

No Property is taken by the Company under lease agreement.

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

Sl.	Name of Machinery	Date of Purchase	Sellers name	Address	Condition when purchased	Country of origin	Purchase price including other related cost	Useful Economic Life (Years)		WDV in 31.12.2018 BDT
								When purchased	Remaining	
1	Lockstitch ewing Machine	2016	JUKI	Juki Singapore Pte Singapore	Brand New	China	9,032,788	20	17.75	7,739,123.17
2	High Speed lockstitch sewing	2016	JUKI	Juki Singapore Pte Singapore	Brand New	China	1,408,655	20	17.75	1,206,909.49
3	EDGE Trimmer Sewing Machine	2016	JUKI	Juki Singapore Pte Singapore	Brand New	Vietnam	2,003,421	20	17.75	1,716,493.73
4	Lockstitch Machine	2016	JUKI	Juki Singapore Pte Singapore	Brand New	China	2,358,194	20	17.75	2,020,456.70
5	Overlock Machine	2016	JUKI	Juki Singapore Pte Singapore	Brand New	China	1,069,535	20	17.75	916,357.38
6	Button Holding Machine	2016	JUKI	Juki Singapore Pte Singapore	Brand New	Japan	3,871,195	20	17.75	3,316,767.33
7	Lockstitch Button Holding Machine	2016	JUKI	Juki Singapore Pte Singapore	Brand New	China	3,662,505	20	17.75	3,137,965.96
8	Lockstitch Button Sewing Machine	2016	JUKI	Juki Singapore Pte Singapore	Brand New	China	2,462,539	20	17.75	2,109,856.93
9	Double Chainstitch Machine	2016	JUKI	Juki Singapore Pte Singapore	Brand New	Japan	1,752,993	20	17.75	1,501,931.90
10	Double Chainstitch Machine	2016	JUKI	Juki Singapore Pte Singapore	Brand New	Japan	427,814	20	17.75	366,543.32
11	Pinpoint Saddle Stitching	2016	JUKI	Juki Singapore Pte Singapore	Brand New	Japan	498,247	20	17.75	426,888.52
12	Lock Stitch Machine	2016	JUKI	Juki Singapore Pte Singapore	Brand New	China	860,845	20	17.75	737,556.00
13	Double Needle	2016	JUKI	Juki Singapore Pte Singapore	Brand New	Taiwan	721,718	20	17.75	618,354.79
14	Straight Linear Fusing Press	2016	JUKI	Juki Singapore Pte Singapore	Brand New	Vietnam	195,647	20	17.75	167,626.57
15	Needle Detector	2016	JUKI	Juki Singapore Pte Singapore	Brand New	Japan	843,454	20	17.75	722,655.97
16	Double Chainstitch Machine	2016	JUKI	Juki Singapore Pte Singapore	Brand New	Japan	787,804	20	17.75	674,975.66
17	Computer Control Cycle Machine	2016	JUKI	Juki Singapore Pte Singapore	Brand New	Japan	1,616,606	20	17.75	1,385,077.78
18	Locked Swing Machine	2016	JUKI	Juki Singapore Pte Singapore	Brand New	China	11,963,927	20	17.75	10,250,468.24
19	Locked Swing Machine	2016	JUKI	Juki Singapore Pte Singapore	Brand New	China	1,406,499	20	17.75	1,205,062.30
20	Overlock / Safely Stitch Machine	2016	JUKI	Juki Singapore Pte Singapore	Brand New	China	1,993,409	20	17.75	1,707,915.53
21	Semi Dry Hrad Lockstitch	2016	JUKI	Juki Singapore Pte Singapore	Brand New	China	3,139,446	20	17.75	2,689,818.08
22	Double Chainstitch Machine	2016	JUKI	Juki Singapore Pte Singapore	Brand New	China	524,399	20	17.75	449,294.83
23	Double Chainstitch Machine	2016	JUKI	Juki Singapore Pte Singapore	Brand New	Japan	2,264,290	20	17.75	1,940,001.54
24	Bar Tacking Machine	2016	JUKI	Juki Singapore Pte Singapore	Brand New	Japan	3,486,729	20	17.75	2,987,364.33
25	Eyelet Button Hole	2016	JUKI	Juki Singapore Pte Singapore	Brand New	Japan	1,599,242	20	17.75	1,370,200.47
26	Button Holing Machine	2016	JUKI	Juki Singapore Pte Singapore	Brand New	Japan	1,288,423	20	17.75	1,103,896.58
27	Fastening Machine	2016	JUKI	Juki Singapore Pte Singapore	Brand New	Thailand	486,197	20	17.75	416,564.75
28	Belt Loop Making Machine	2016	JUKI	Juki Singapore Pte Singapore	Brand New	Japan	262,199	20	17.75	224,647.42
29	Blind Stitch Machine	2016	JUKI	Juki Singapore Pte Singapore	Brand New	Germany	321,238	20	17.75	275,230.28
30	Toyo Brand Model	2016	JUKI	Juki Singapore Pte Singapore	Brand New	Taiwan	225,734	20	17.75	193,405.06
31	Single Speed Straight Knife M/C	2016	Eastman-CRA	Kowloon, Hong Kong	Brand New	USA	538,408	20	17.75	461,297.82
32	Lycra and Woven Fabric	2016	Eastman-CRA	Kowloon, Hong Kong	Brand New	USA	1,700,236	20	17.75	1,456,729.97
33	Hardcore Laminated	2016	Eastman-CRA	Kowloon, Hong Kong	Brand New	USA	1,558,549	20	17.75	1,335,335.81
34	Transfer table Machine	2016	Eastman-CRA	Kowloon, Hong Kong	Brand New	USA	66,120	20	17.75	56,650.61
35	Fabric End Cutting Table	2016	Eastman-CRA	Kowloon, Hong Kong	Brand New	USA	141,686	20	17.75	121,394.16
36	Fabric Loading Machine	2016	Eastman-CRA	Kowloon, Hong Kong	Brand New	USA	321,156	20	17.75	275,160.11

37	Feed Rail	2016	Eastman-CRA	Kowloon, Hong Kong	Brand New	USA	566,745	20	17.75	485,576.66
38	Knife Machine	2016	Eastman-CRA	Kowloon, Hong Kong	Brand New	USA	368,384	20	17.75	315,624.83
39	Collar Blocking Machine	2016	Nagi Shine Development Ltd.	Kowloon, Hong Kong	Brand New	China	1,253,007	20	17.75	1,073,552.94
40	Cuff Blocking Machine	2016	Nagi Shine Development Ltd.	Kowloon, Hong Kong	Brand New	China	1,052,101	20	17.75	901,420.06
41	Trimming & Turning Machine	2016	Nagi Shine Development Ltd.	Kowloon, Hong Kong	Brand New	China	262,186	20	17.75	224,635.80
42	Trimming & Turning Machine	2016	Nagi Shine Development Ltd.	Kowloon, Hong Kong	Brand New	China	278,042	20	17.75	238,221.03
43	Coolset Ironing Table	2016	Veit	Veit Hongkong Ltd, Hongkong	Brand New	China	1,751,647	20	17.75	1,500,778.73
44	Coolset Ironing Table	2016	Veit	Veit Hongkong Ltd, Hongkong	Brand New	China	285,786	20	17.75	244,855.97
45	Steam iron	2016	Veit	Veit Hongkong Ltd, Hongkong	Brand New	China	830,977	20	17.75	711,965.81
46	Iron teflon sole	2016	Veit	Veit Hongkong Ltd, Hongkong	Brand New	China	234,784	20	17.75	201,158.59
47	Trouser seam buck iron	2016	Veit	Veit Hongkong Ltd, Hongkong	Brand New	China	415,489	20	17.75	355,982.91
48	Steam iron completed	2016	Veit	Veit Hongkong Ltd, Hongkong	Brand New	China	43,527	20	17.75	37,293.45
49	Manual floding table	2016	Veit	Veit Hongkong Ltd, Hongkong	Brand New	China	1,026,631	20	17.75	879,597.97
50	Fusing Machine	2016	Veit	Veit Hongkong Ltd, Hongkong	Brand New	Germany	3,465,747	20	17.75	2,969,387.15
51	Front Placket Device FPd	2016	Veit	Veit Hongkong Ltd, Hongkong	Brand New	Germany	1,784,623	20	17.75	1,529,031.34
52	Digitizer Machine	2016	Winda	Winda Technology Ltd. China	Brand New	China	91,233	20	17.75	78,166.62
53	Inkjet Plotter	2016	Winda	Winda Technology Ltd. China	Brand New	China	456,164	20	17.75	390,833.10
54	Pattern Cutting Machine	2016	Winda	Winda Technology Ltd., China	Brand New	China	547,397	20	17.75	468,999.72
55	CAD System	2016	Winda	Winda Technology Ltd., China	Brand New	China	196,151	20	17.75	168,058.23
56	Industrial Locar Cabinet	2016	Fujian	Fujian Quanzou Jianfeng Imp.	Brand New	China	1,047,558	20	17.75	897,527.95
57	Industrial worker Chair	2016	Fujian	Fujian Quanzou Jianfeng Imp.	Brand New	China	4,190,232	20	17.75	3,590,111.80
58	Busbar Trunking System	2016	Schneide	Schneider Electric Overseas Asia Pte Ltd, Singapore	Brand New	Singapore	5,533,261	20	17.75	4,740,794.68
59	Spring System and Fire Resistant Door	2016	Naffco	NAFFCO, Dubai	Brand New	Dubai	19,262,031.75	20	17.75	16,503,347.64
60	Button Sewing Machine	2018	Juki	Juki Bangladesh	Brand New	Japan	3,366,288	20	19.67	3,310,183.21
61	Double Chain Stitch	2018	Juki	Juki Bangladesh	Brand New	Japan	587,915	20	19.67	578,116.50
62	Double Chainstitch Machine	2018	Juki	Juki Bangladesh	Brand New	Japan	967,215	20	19.67	951,094.90
63	Double Chainstitch Machine	2018	Juki	Juki Bangladesh	Brand New	Japan	981,439	20	19.67	965,081.58
64	Overlook Machine	2018	Juki	Juki Bangladesh	Brand New	China	218,098	20	19.67	214,462.57
65	SNAP Fasteing	2018	Juki	Juki Bangladesh	Brand New	Thailand	142,238	20	19.67	139,866.90
66	Stitching Machine	2018	Juki	Juki Bangladesh	Brand New	China	189,650	20	19.67	186,489.20
67	Button Holing Machine	2018	Juki	Juki Bangladesh	Brand New	Japan	1,441,340	20	19.67	1,417,317.88
68	Double Chainstitch Machine	2018	Juki	Juki Bangladesh	Brand New	Japan	2,787,855	20	19.67	2,741,391.17
69	Vertical Swing Machine	2018	Juki	Juki Bangladesh	Brand New	Vietnam	788,944	20	19.67	775,795.05
Total assets										107,072,701

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

Production Machineries for Shirt:

Sl No	Name Of Machinery	Model No	COUNTRY	Quantity	Units Price	Total Amount (USD)
1	BROTHER BRAND MODEL SINGLE NEEDLE DIRECT DRIVE LOCKSTITCHER (PREMIUM SPEC) FOR LIGHT AND MEDIUM MATERIAL WITH ELECTRONIC FEEDING SYSTEM (DIGIFLEX FEED) AND THREAD TRIMMER (SHORT TRIMMING) COMPLETE SET. VIETNAM MADE HEAD AND CONTROL BOX, CHINA MADE TABLE AND STAND AND CASTOR WHEEL	Brother Brand Model S-7250A-403P	China	55	680	37400
2	BROTHER BRAND MODEL SINGLE NEEDLE STRAIGHT LOCKSTITCHER WITH FABRIC SIDE CUTTER. CHINA MADE HEAD AND SERVO MOTOR, CHINA MADE TABLE AND STAND, CASTOR WHEEL AND LED LIGHT	Brother Brand Model S-777B-31-64	China	10	1100	11000
3	BROTHER BRAND MODEL TWIN NEEDLE DIRECT DRIVE LOCK STITCHER WITH THREAD TRIMMER FOR LIGHT AND MEDIUM MATERIAL. CHINA MADE HEAD AND CONTROL BOX, CHINA MADE TABLE AND STAND, CASTOR WHEEL AND LED LIGHT	T-8422c-403-N64D/G50WD	China	5	2550	12750
4	BROTHER BRAND MODEL TWO NEEDLE FEED OFF THE ARM CHAINSTITCHER FOR MEDIUM MATERIALS WITH BELT PULLER. CHINA MADE HEAD, CHINA MADE SERVO MOTOR, CHINA MADE TABLE AND STAND, CASTOR WHEEL AND LED LIGHT	DA-927A-3-264L/PF-B	China	10	2800	28,000
5	BROTHER BRAND MODEL ELECTRONIC LOCKSTITCH BUTTON HOLER FOR WOVEN MATERIAL. VIETNAM MADE HEAD, CONTROL BOX, CHINA MADE TABLE AND STAND, CASTOR WHEEL AND LED LIGHT	HE-800C-2	China	10	3600	36,000
6	BROTHER BRAND MODEL DIRECT DRIVE ELECTRONIC	BE-438HX		10	3650	36,500

	LOCKSTITCH BUTTON SEWER. CHINA MADE HEAD AND CONTROL BOX, SEMI-DRY, DIGITAL TENSION, CHINA MADE TABLE AND STAND AND CASTOR WHEEL					
Total Amount (USD)						161,650
Amount in BDT (161,650*83.95)						1,35,70,517

Production Machineries for Pant:

Sl No	Name Of Machinery BROTHER BRAND MODEL	Model No	COUNTRY	Quantity	Units Price	Total Amount (USD)
1	BROTHER BRAND MODEL SINGLE NEEDLE DIRECT DRIVE LOCKSTITCHER (PREMIUM SPEC) FOR LIGHT AND MEDIUM MATERIAL WITH ELECTRONIC FEEDING SYSTEM (DIGIFLEX FEED) AND THREAD TRIMMER (SHORT TRIMMING) COMPLETE SET. VIETNAM MADE HEAD AND CONTROL BOX, CHINA MADE TABLE AND STAND AND CASTOR WHEEL	S-7300A-405P	China	30	800	24,000
2	SINGLE NEEDLE DIRECT DRIVE LOCKSTITCHER (PREMIUM SPEC) FOR HEAVY MATERIAL WITH ELECTRONIC FEEDING SYSTEM (DIGIFLEX FEED) AND THREAD TRIMMER (SHORT REMAINING THREAD) COMPLETE SET. VIETNAM MADE HEAD AND CONTROL BOX, CHINA MADE TABLE AND STAND AND CASTOR WHEEL	S-7250A-405P	China	160	680	108,800
3	TWIN NEEDLE DIRECT DRIVE LOCK STITCHER WITH THRED TRIMMER AND SPILT NEEDLE BAR FOR HEAVY MATERIAL. CHINA MADE HEAD AND CONTROL BOX, CHINA MADE TABLE AND STAND,CASTOR WHEEL AND LED LIGHT	T-8422C-405-N64D/G50WD	China	35	2550	89,250
4	TWIN NEEDLE DIRECT DRIVE LOCK STITCHER WITH THRED TRIMMER AND SPILT NEEDLE BAR FOR HEAVY MATERIAL. CHINA MADE HEAD AND	T-8452C-405-N64D/G50WD		20	3000	60,000

	CONTROL BOX, CHINA MADE TABLE AND STAND,CASTOR WHEEL AND LED LIGHT					
5	DIREC DRIVE ELECTRONIC LOCKSTITCH BAR TACKER FOR HEAVY MATERIAL. CHINA MADE HEAD AND CONTROL BOX, CHINA MADE TABLE AND STAND,CASTOR WHEEL	KE-430HS-05	China	15	2500	37,500
6	ELECTRONIC EYELET BUTTON HOLE MACHINE WITH UPPER AND LOWER THRED TRIMMER. CHINA MADE HEAD, CHINA MADE CONTROL BOX, CHINA MADE SEMI SUBMERGE TABLE AND STAND, CASTOR WHEEL AND LED LIGHT.	RH-9820-02-12 FS	China	03	9600	28,800
7	DIRECT DRIVE PROGRAMMER ELECTRONIC PATTERN SEWER WITH CYLINDER BED (220MM X 100MM) FOR HEAVY MATERIAL. CHINA MADE HEAD, CHINA MADE CONTROL BOX CHINA MADE TABLE AND STAND, CASTOR WHEEL AND LED LIGHT.	BAS-326H-05A	China	03	12000	36,000
8	ELECTRONIC LOCKSTITCH BUTTON HOLER FOR WOVEN MATERIAL VIETNAM MADE HEAD, CONTROL BOX, CHINA MADE CHINA MADE TABLE AND STAND,CASTOR WHEEL AND LED LIGHT	HE-800C-2	China	03	3600	10,800
9	DIRECT DRIVE ELECTRONIC LOCKSTITCH BUTTON SEWR.CHINA MADE. CHINA MADE HEAD,CHINA MADE CONTROL BOX CHINA MADE TABLE AND STAND,CASTOR WHEEL	BE-438HS	China	03	3550	10,650
10	GERMANY MADE AUTOMATIC POCKET WELTING MACHINE WITH BROTHER HEAD, COMPLETE SET WITH STANDARD ACCESSORIES AND 12 MM GUAGE	BASS-3050/12-3022-B	China	03	17000	51,000

	PARTS, CORNER KINF, DART STRETCHER, STUCKER, LASER LIGHT AND CASTER WHEEL AND LIGHT.					
Total Taka						456,800
Amount in BDT (456,800*83.95)						3,83,48,360

(x) In case the machineries are yet to be delivered, the date of quotations relied upon for the cost estimates given shall also be mentioned:

There are no such machineries which are yet to be delivered.

(xi) If plant is purchased in brand new condition then it should be mentioned:

All plants and machineries of the Company were purchased in brand new condition.

DECLARATION RELATED TO MACHINERIES BEING BRAND NEW

After due verification, we declare that all the plants and machineries of Gardenia Wears Ltd. were purchased in brand new condition. There are no re-conditioned or second-hand Machineries installed in the Company.

Dated: 12 February 2019
Place: Dhaka

Sd/-
Kanchi Lal Das, M.Com, FCA
Managing Partner

(xii) Details of the second hand or reconditioned machineries bought or proposed to be bought, if any, including the age of the machineries, balance estimated useful life, etc. as per PSI certificates of the said machineries as submitted to the Commission:

The Company neither purchased any second hand/ reconditioned machineries nor have any plan to purchase such machineries in future.

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

PHYSICAL VERIFICATION REPORT BY THE ISSUE MANAGER OF GARDENIA WEARS LTD.

This is to certify that we have visited the registered office and factory of Gardenia Wears Ltd. on November 05, 2018 and we have found the registered office and factory as details below:

Purpose of Visit:

As a part of Issue Manager's due diligence process in order to verify the operational status and assets of Gardenia Wears Ltd. before public issue of ordinary shares.

Visited and accompanied by:

Particulars	Name & Designation		
Visited by Issue Manager MTB Capital Ltd.	Khairul Bashar A. T. Mohammed Chief Executive Officer and SEVP	Abdullah Shaleh Arafin Manager, Public Issue & Corporate Advisory	G. M. Fazle Rabbi Assistant Manager
Accompanied by Issuer Gardenia Wears Ltd.	Aparesh Paul, ACMA Chief Financial Officer		A.K. Azad General Manager-Production

Address:

Registered & Corporate office	House: 1041 (1st Floor), Avenue: 09, Road: 45 (Old), Mirpur DOHS, Dhaka-1216
Factory	310/668, Sitpara, Bormi, Sreepur, Gazipur-1743

Company overview:

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, Boys & Girls' Pants & Shirts', Boys' Polo Shirts, Boys' Long Pant, Jacket, Ladies Shorts, Girls' Tops and Girls' Skirts etc. and marketing thereof.

The company was incorporated on May 07, 2014 under the Company Act-1994. The project is located at 310/668 Sitpara, Bormi, Sreepur, Gazipur, Bangladesh on its own project land measuring 648.46 decimal lands. All the infrastructural facility like uninterrupted power supply, water, transportation, drainage system are available on the project site. Furthermore, it would be equipped with state of the art machineries and equipment of reputed brands.

Products:

The Company has following types of garments products:

Specification	Products Name		
	Woven Fabrics	Garments for Men's	Garments for Ladies
	Poplin in pure cotton, CVC, TC	Casual shirts	Chino pants/ Chino shorts
	Oxford	Dress shirts	Swim shorts
	Linen	Fishing shirt	Reversible shorts
	Dobby	Performance shirt	Cargo Shorts
	Denim	Reversible shirt	Denim shorts/pants up to 9 oz only
	Twill	Fashion shirt	Fashionable shorts
	Canvas	Blouses	Skirts
	Satin	Dresses	
	Voille		
	Chambray		

Description of property:

We have identified the registered office, corporate office and factory of Gardenia Wears Ltd. All the assets of the Company are in its own name except registered office & corporate office which are rental premises. Details of the property are as follows:

1. Land:

We have found that the Company possesses total 648.46 decimal of land. The land is situated at 310/668, Sitpara, Bormi, Sreepur, Gazipur-1743, Bangladesh. All land measuring 648.46 decimal is company's own name.

2. Factory buildings and sheds:

Number of Buildings	Building Description	Types of Buildings	Total Building Area	Usage (sft)
Building-1 (2 -storied)	Production Building (Cutting, Sewing, Finishing, Sample, CAD, Maintenance, CT PAT, Store, Office.)	Pillar-Steel, Wall-Brick, Roof-Prefabricated Steel & RCC Panels	70,761.96 SFT (Ground & 1 st Floor)	70,761.96 SFT
Building-2 (1 -storied)	Utility House (Sub-Station, Generator, Switch Gear, Boiler, Compressor, Fire Pump)	Pillar-RCC, Wall-Brick, Roof-RCC	2,884.73 SFT	2,884.73 SFT
Building-3 (1 -storied)	Security House	Pillar-RCC, Wall-Brick, Roof-RCC	371.40 SFT	371.40 SFT
Shed - 1 (1 -storied)	Bonded Ware House	Pillar-Steel, Wall-Brick, Roof-Prefabricated Steel	3,519.8 SFT	3,519.8 SFT
Shed - 2 (1 -storied)	Facility Building(Dining, Locker Room, Canteen, Prayer Room, Medical, Child Care, Training Center)	Pillar-Steel, Wall-Brick, Roof-Prefabricated Steel	12,604.54 SFT	12,604.54 SFT
Other construction	Water Reserve	Pillar-RCC, Wall-RCC, Roof-RCC	2,214 SFT	2,214 SFT
	Boundary wall	Pillar-RCC, Wall-RCC	695 RFT	695 RFT

3. Plant & Machinery and Office Equipment: In factory, we found all the machineries which are mentioned in the prospectus.

4. Vehicle: Company have on Micro bus for stuffs pick and drop.

5. Fire Fighting Equipment: The Company placed significant number of fire extinguisher, sand bucket, hose pipe and nozzles in various place to prevent accident from fire.

6. Power, Gas and Water facility:

Power: The Company meets its required power from Mymensingh Palli Bidyut Samity-2. The total sanctioned electricity load for the company is 500 KW. The company has 2 Generators with capacity of 500 & 100 KVA for its backup.

Gas: The Company does not require Gas.

Water: The Company requires around 70,000 litter water per day for its production. It has 2 (two) submersible pump and 1 (one) water reserve tank with capacity 7 lac litter.

7. Signboard: The signboard of the Company is well displayed at the factory premises.

Besides these assets we have also found other assets like Furniture & Fixture, Electrical Installation & Equipment, Office Equipment, firefighting equipment and others.

It is mentionable here that during our visit, we have checked inventory register and roster (Workers' duty register) and found 1302 no of workers on that shift and all machineries are in good condition and the company is in operation fully.

Sd/-

Khairul Bashar A. T. Mohammed
Chief Executive Officer and SEVP
MTB Capital Ltd.

(xiv) If the issuer is entitled to any intellectual property right or intangible asset, full description of the property, whether the same are legally held by the issuer and whether all formalities in this regard have been complied with:

The Company has no intellectual property right or intangible asset.

(xv) Full description of other properties of the issuer:

(As per audited financial statement on December 31, 2018)

Particulars	W.D.V. (Amount in BDT)
Furniture & Fixtures	2,411,548
Office Equipment	5,844,158
Factory Equipment	23,811,869
Electrical Equipment & Installation	13,307,393
Transport & Vehicles	1,907,971

(f) Plan of operation and discussion of financial condition:

(i) If the issuer has not started its commercial operation, the company's plan of operations for the period which would be required to start commercial operation which shall, among there, include the following information:

Gardenia Wears Ltd. was incorporated on May 07, 2014 and started its commercial operation on August 1, 2016. Therefore, it is not applicable for the company.

(ii) If the issuer had been in operation, the issuer's revenue and results from operation, financial position and changes in financial position and cash flows for the last five years or from commercial operation, which is shorter, shall be furnished in tabular form which shall, among others, include the following information:

Revenue and results from operation:

(Amount in BDT)

Particulars	31.12.2018	30.06.2018	30.06.2017
Revenue	452,516,544	648,569,059	303,357,265
Less: Cost of Goods Sold	370,067,272	530,752,944	249,301,411
Gross Profit/(Loss)	82,449,272	117,816,115	54,055,854
Less: Operating Expenses	22,998,431	36,332,556	26,601,835
Profit from Operation	59,450,842	81,483,559	27,454,019
Less: Financial Expenses	20,591,639	35,563,863	3,261,901
Net Operating Profit	38,859,203	45,919,696	24,192,118
Add: Other Income/(Loss)	1,781,189	(306,672)	(2,444,922)
Profit Before Tax	40,640,392	45,613,024	21,747,196
Less: Income Tax Expenses	5,416,123	6,397,459	2,964,291
Current Tax Expenses	4,203,936	3,918,072	1,357,084
Deferred Tax Expenses	1,212,188	2,479,388	1,607,207
Total Comprehensive Income	35,224,269	39,215,566	18,782,905
Earnings Per Share	1.26	2.04	1.64

Statement of financial position:

(Amount in BDT)

Particulars	31.12.2018	30.06.2018	30.06.2017
ASSETS			
Non-Current Assets	438,212,812	388,763,136	349,603,853
Property, Plant & Equipment	405,767,620	339,592,229	333,921,029
Capital Work in Progress	32,445,192	49,170,907	15,682,824
Preliminary Expenses	-	-	-
Current Assets	425,303,804	315,649,167	187,854,365
Advance, Deposit and Prepayments	51,925,421	19,508,544	12,290,380
Trade Receivables	158,554,519	125,113,189	33,057,234
Others Receivable	503,482	309,588	-
Inventories	78,728,254	102,245,333	86,845,302
Cash and Cash Equivalents	135,592,129	68,472,513	55,661,449
Total Assets	863,516,617	704,412,303	537,458,218
EQUITY AND LIABILITIES			
Shareholders' Equity	503,103,104	250,133,336	210,917,770
Share Capital	409,705,400	191,959,900	191,959,900
Retained Earnings	93,397,704	58,173,436	18,957,870
Non-Current Liabilities	182,332,630	253,960,315	132,740,375
Long Term Borrowings (net off Current Portion)	177,033,847	184,683,845	125,384,954
Share Money Deposit	-	65,189,875	5,748,214
Deferred Tax Liability	5,298,783	4,086,595	1,607,207
Current Liabilities	178,080,883	200,318,652	193,800,073
Trade & Others Payables	59,815,923	86,448,437	27,468,560
Accruals & Provision	23,368,552	19,606,896	76,637,164
Short Term Borrowings	70,485,956	64,954,614	57,908,744
Current Portion of Long Term Borrowings	20,558,860	20,558,860	20,558,860
Interest payable on Bank Loan	3,851,592	8,749,845	11,226,745
Total Liabilities	360,413,512	454,278,967	326,540,448
Total Shareholders' Equity and Liabilities	863,516,617	704,412,303	537,458,218
Net Asset Value (NAV) per Share	12.28	13.03	10.99

Statement of changes in financial position:

Particulars	Ordinary share capital	Retained earnings	Other Income/(Loss)	Total
Balance as on 31.12.2018	409,705,400	93,397,704	1,781,189	504,884,293
Balance as on 30.06.2018	191,959,900	58,173,436	(306,672)	249,826,664
Balance as on 30.06.2017	191,959,900	18,957,870	(2,444,922)	208,472,848

Statement of cash flows:

(Amount in BDT)

Particulars	31.12.2018	30.06.2018	30.06.2017
A. Cash Flows From Operating Activities			
Cash Receipt from Customers & Others	420,662,506	555,896,844	267,855,109
Cash Paid to Suppliers & Others	(336,412,458)	(384,366,979)	(244,052,775)
Cash Paid to Employees	(63,966,052)	(123,606,301)	(65,482,873)
Cash Generate from Operating Activities	20,283,995	47,923,565	(41,680,539)

Income Taxes Paid	(2,620,677)	(3,918,071)	(2,105,852)
Net Cash Flows from Operating Activities	17,663,319	44,005,494	(43,786,391)
B. Cash Flows From Investing Activities			
Acquisition of Property, Plant and Equipment	(28,890,581)	(95,101,116)	(103,798,898)
Capital Work in Progress	(62,953,362)	(35,065,718)	8,896,317
Net cash used in Investing Activities	(91,843,943)	(130,166,834)	(94,902,581)
C. Cash Flows From Financing Activities			
Increase/(Decrease) in Share Capital	-	-	88,399,817
Share Money Deposit	167,355,625	59,441,661	5,748,214
Cash paid for Financial Expenses	(23,936,730)	(26,814,018)	(3,261,901)
Increase/(Decrease) in Short Term Loan from Bank	5,531,342	7,045,871	57,908,744
Increase/(Decrease) in Long Term Loan from Bank	(7,649,998)	59,298,890	40,943,814
Net Cash Flows from Financing Activities	141,300,239	98,972,404	189,738,688
D. Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)			
	67,119,605	12,811,064	51,049,716
E. Opening Cash & Cash Equivalents	68,472,513	55,661,449	4,611,732
F. Closing Cash & Cash Equivalents (E + D)	135,592,129	68,472,513	55,661,448
Net Operating Cash Flow per Share	0.63	2.29	(2.28)

a) Internal and external sources of cash:

(Amount in BDT)

Particulars	31.12.2018	30.06.2018	30.06.2017
Internal sources of cash			
Share Capital	409,705,400	191,959,900	191,959,900
Retained Earnings	93,397,704	58,173,436	18,957,870
Sub Total	503,103,104	250,133,336	210,917,770
External sources of cash			
Long Term Borrowings (net off Current Portion)	177,033,847	184,683,844	125,384,954
Short Term Borrowings	70,485,956	64,954,614	57,908,744
Current Portion of Long Term Borrowings	20,558,860	20,558,860	20,558,860
Sub Total	268,078,663	270,197,318	203,852,558
Grand Total	771,181,767	520,330,654	414,770,328

b) Any material commitments for capital expenditure and expected sources of funds for such expenditure:

The Company has no material commitment for capital expenditure other than as specified in “use of proceeds” section of this prospectus.

c) Causes for any material changes from period to period in revenues, cost of goods sold, other operating expenses and net income:

The Company’s revenue and other income as well as operating expenses and net income have continued to change due to increasing business volume and increase in capacity utilization.

(Amount in BDT)

Particulars	31.12.2018	30.06.2018	30.06.2017
Revenue	452,516,544	648,569,059	303,357,265
Cost of goods sold	370,067,272	530,752,944	249,301,411
Operating expenses	22,998,431	36,332,556	26,601,835
Total Comprehensive Income	35,224,269	39,215,566	18,782,905

Year	Revenue	Cost of Goods Sold	Operating Expenses	Total Comprehensive Income
31.12.2018	Sales of the company Increased by 50.84% in December 31, 2018 from December 31, 2017.	Costs of goods sold changed due to increase in sales revenue.	The company's Operating Expenses mainly increased due to increase in Salary & allowances and Selling Expense.	Total Comprehensive Income mainly increased due to increase in sales.
30.06.2018	Sales of the company increased by 113.80% in June 30, 2017 from June 30, 2018.	Costs of goods sold changed due to increase in sales revenue.	The company's Operating Expenses mainly increased due to increase in Salary & allowances and Selling Expense.	Total Comprehensive Income mainly increased due to increase in sales.
30.06.2017	Sales Tk. 303,357,265 in this year.	Cost of Goods sold is 82.2% of sales.	Operating expense is 8.77% of sales.	Total Comprehensive Income is 6.19% of sales.

*The company started its commercial operation on August 1, 2016.

d) Any seasonal aspects of the issuer's business:

There is no significant seasonal aspect on the company's business but sales usually accelerates during the 2nd quarter due to Christmas.

e) Any known trends, events or uncertainties that may have material effect on the issuer's future business:

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

- i) Political unrest
- ii) Natural disaster
- iii) Increased competition
- iv) Entrance of new technology

f) Any assets of the company used to pay off any liabilities:

No assets of the Company have been used to pay off any liability.

g) Any loan taken from or given to any related party or connected person of the issuer with details of the same:

The Company did not take from or given to any loan to any related party or connected person.

h) Any future contractual liabilities the issuer may enter into within next one year, and the impact, if any, on the financial fundamentals of the issuer:

The Company has no plan to enter into any contractual liabilities other than the normal course of business within next one year that would impact the financial fundamental of the company.

i) The estimated amount, where applicable, of future capital expenditure:

The Company does not have any plan for future capital expenditure other than as specified in **use of proceeds** section in this prospectus.

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

1. **VAT:** The Company has VAT registration number BIN: 000491211. It pays VAT in time and submitted return accordingly. As on December 31, 2018. Total VAT liability of the company amounting to Tk. 92,702. VAT payable amount created against administrative expenses. Subsequently Company paid the VAT payable amount.
2. **Income tax:** The E-TIN (Tax Payers Identification Number) of GWL is 166675193077, Taxes Circle-287 (Companies), Tax Zone-14, Dhaka. Year wise income tax status of the Company is as under:

Income Year	Assessment Year	Status
2017-2018	2018-2019	Company has been submitted Income Tax return for the assessment year 2018-2019 showing total income Tk. 25,258,136 and Tax amount Tk. 3,918,072. Subsequently the deputy commissioner of taxes circle-287 (Companies), Taxes Zone-14 certified that assessment has been under process for the assessment year 2018-2019. DCT has not given any demand notice yet.
2016-2017	2017-2018	Company has been submitted Income Tax return for the assessment year 2017-2018 showing total income Tk. 10,798,724 and Tax amount Tk. 2,044,767. As per demand notice u/s 135 dated 15.07.2018 no tax is demanded. Subsequently the deputy commissioner of taxes circle-287 (Companies), Taxes Zone-14 certified on dated 28.03.2019 that assessment has been completed for the assessment year 2017-2018 and tax paid.
2015-2016	2016-2017	Company has been submitted Income Tax return for the assessment year 2016-2017 showing total income Tk. 92,097 and Tax amount Tk. 32,234. As per demand notice u/s 135 dated 28.03.2017 no tax is demanded. Subsequently the deputy commissioner of taxes circle-287 (Companies), Taxes Zone-14 certified on dated 28.03.2019 that assessment has been completed for the assessment year 2016-2017 and tax paid.
From 2014-2015	2015-2016	Company has been submitted Income Tax return for the assessment year 2015-2016 showing total income Tk. 82,867 and Tax amount Tk. 29,003. As per demand notice u/s 135 dated 28.03.2017 no tax is demanded. Subsequently the deputy commissioner of taxes circle-287 (Companies), Taxes Zone-14 certified on dated 28.03.2019 that assessment has been completed for the assessment year 2015-2016 and tax paid.

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

The Company has no operating lease obligation with anyone. However, the registered & corporate office of the Company is established in a rented space under the following condition:

Address	Area of Plot (sft)	Period (in Years)	Rent (p/m)
House: 1041 (1st Floor), Avenue: 09, Road: 45 (Old), Mirpur DOHS, Dhaka	4500 Sft.	3 Years	70,000

a) Financial commitment (Long Term):

Sl.	Name of Bank	Sanction Amount	Purpose of Loan	Interest Rate	Outstanding at 31.12.2018
1	Premier Bank Ltd.	2,346 Lac	Import Machineries	13%	200,246,437

b) Financial commitment (Short Term):

Sl.	Name of Bank	Sanction Amount	Purpose of Loan	Interest Rate	Outstanding at 31.12.2018
1	Premier Bank Ltd.	1,150 Lac	Working capital	(OD) 11.5% to 13% & (PC) 7%	71,683,818

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

In addition to company's monthly salary benefits, wages and allowances, the company also provides following benefits to the employees.

- (a) **Festival bonus:** The Company gives two festival bonuses in a year.
- (b) **Performance bonus:** All workers at factory get performance bonus who can meet the target.
- (c) **Transportation facilities:** Transportation facilities is available for the company's employee.
- (d) **Food Allowance:** The Company provide lunch to its employees.
- (e) **Accommodation facilities:** The Company provide accommodation facilities to its factory staff.

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

Detail of estimated public issue expenses are shown below:

Particulars	Nature of expenses	Amount in BDT
Manager to the issue fees:		
Manager to the issue fee	Maximum 2% (two percent) of the public offer amount	2,500,000
VAT against manager to the issue fee	@ 15% of the issue management fee	375,000
BSEC fees:		
Application fee	Fixed	50,000
Consent fee	@ 0.40% on the public offer amount	800,000
Fees related to listing with the stock exchanges:		
Prospectus submission fees to DSE & CSE	Fixed	100,000
Annual fee to DSE & CSE	0.05% Up to Tk. 100 crore and 0.02% up above Tk. 100 crore paid up capital	600,000
Listing fee to DSE & CSE	@ 0.25% on 10 crore and 0.15% on the rest amount of paid-up capital: (minimum Tk. 50 thousand, maximum Tk. 1 crore for each exchange)	2,000,000
CDBL fees and expenses:		
Security fee	At actual	500,000
Documentation fee	At actual	2,500
IPO fee	@ 0.015% of issue price + 0.015% of pre-IPO paid-up capital	90,000
Annual fee	At actual	100,000
Connection fee	At actual	6,000
Commissions & expenses:		
Underwriting commission	@ 0.50% on underwriting amount	350,000
Auditor certification fee	At actual	200,000
Expenses related to printing, publication and others:		
Abridged version of prospectus and notice in 4 daily newspapers	(Estimated: to be paid at actual)	1,000,000
Printing of prospectus	(Estimated: to be paid at actual)	1,000,000
Notice for prospectus, lottery, refund etc. in 4 daily newspapers	(Estimated: to be paid at actual)	250,000
Currier expenses	(Estimated: to be paid at actual)	300,000
Lottery related expenses including BUET fee	(Estimated: to be paid at actual)	1,000,000
Data processing & software	(Estimated: to be paid at actual)	3,500,000
Administrative & stationary expense	(Estimated: to be paid at actual)	276,500
Total		15,000,000

N.B.: Actual costs may vary if above mentioned estimates differ and will be adjusted accordingly.

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

The Company has not made any revaluation of its assets.

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

The Company has no holding/subsidiary/associate company. Therefore, no such transaction has been made.

p) **Financial information of Group Companies under common ownership by more than 50%:**

Gardenia Wears Ltd. is a single entity and it has neither any holding company nor any subsidiary.

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

The issuer Company is not a banking company, insurance company, non-banking financial institution or any other company which is regulated and licensed by another primary regulator for this reason this subsection is not applicable for the Issuer.

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

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

After due verification, we certify that there is no any allotment of shares to any person for any consideration otherwise than cash of Gardenia Wears Ltd. up to 31 December, 2018.

Dated: 12 February 2019
Place: Dhaka

Sd/-
Kanchi Lal Das, M.Com, FCA
Managing Partner

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

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

t) **Business strategies and future plans - projected financial statements shall be required only for companies not started commercial operation yet and authenticated by Chairman, two Directors, Managing Director, CFO, and Company Secretary:**

The company started commercial operation on August 1, 2016. As such the above requirements are not applicable for the company.

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

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

Summary of the past financial results and operations are presented below:

(As per audited financial statement)

Particulars	31.12.2018	30.06.2018	30.06.2017
Revenue	452,516,544	648,569,059	303,357,265
Cost of Goods Sold	370,067,272	530,752,944	249,301,411
Gross Profit/(Loss)	82,449,272	117,816,115	54,055,854
Other Income/(Loss)	1,781,189	(306,672)	(2,444,922)
Operating Expenses	22,998,431	36,332,556	26,601,835
Profit before Income Tax	40,640,392	45,613,024	21,747,196
Income Tax Expenses	5,416,123	6,397,459	2,964,291
Total Comprehensive Income	35,224,269	39,215,566	18,782,905

(2) A summary of major items of income and expenditure:

Summary of major items of income:

(Amount in BDT)

Particulars	31.12.2018	30.06.2018	30.06.2017
Revenue	452,516,544	648,569,059	303,357,265

Summary of major items of expenditure:

(Amount in BDT)

Particulars	31.12.2018	30.06.2018	30.06.2017
Cost of goods sold	370,067,272	530,752,944	249,301,411
Operating Expenses	22,998,431	36,332,556	26,601,835
Financial Expenses	20,591,639	35,563,863	3,261,901

(3) The income and sales on account of major products or services:

Sl.	Name of the product	Income of each product	Percentage of contribution
1	Mens L/S Shirt	144,805,294	32.00%
2	Mens S/S Shirt	63,352,316	14.00%
3	Ladies Tops	76,927,813	17.00%
4	Mens Long Pant	85,978,143	19.00%
5	Kids Long Pant	49,776,820	11.00%
6	Kids Tops	31,676,158	7.00%
	Total	452,516,544	100.00%

(4) In case, other income constitutes more than 10% of the total income, the breakup of the same along with the nature of the income, i.e., recurring or non-recurring:

The Company has other income but it is not more than 10%.

(5) If a material part of the income is dependent upon a single customer or a few major customers, disclosure of this fact along with relevant data. Similarly if any foreign customer constitutes a significant portion of the issuer's business, disclosure of the fact along with its impact on the business considering exchange rate fluctuations:

The Company's material part of the income is not dependent upon a single customer or a few major customers. The company is 100% export oriented industry. List of major customer of the company given below:

Sl.	Name of the Customer	Country
1	Vetir Comptabilite Peripherie (GEMO)	France
2	S.A.S Brice	France
3	S.A.S Oncle Tom	France
4	S.A.S Jules	France
5	B-Style S.R.L	Italy
6	Auchan Retail Ltd.	France
7	Bizzbee	France
8	ZXY International	Chile
9	Reliance	India

(6) In case the issuer has followed any unorthodox procedure for recording sales and revenues, its impact shall be analyzed and disclosed:

The issuer has not followed any unorthodox procedure for recording sales and revenues.

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

Particulars	31.12.2018	30.06.2018	30.06.2017
Revenue	452,516,544	648,569,059	303,357,265
Less: Cost of Goods Sold	370,067,272	530,752,944	249,301,411
Gross Profit/(Loss)	82,449,272	117,816,115	54,055,854
Less: Operating Expenses	22,998,431	36,332,556	26,601,835
Profit from Operation	59,450,842	81,483,559	27,454,019
Less: Financial Expenses	20,591,639	35,563,863	3,261,901
Net Operating Profit	38,859,203	45,919,696	24,192,118
Add: Other Income/(Loss)	1,781,189	(306,672)	(2,444,922)
Profit Before Tax	40,640,392	45,613,024	21,747,196
Less: Income Tax Expenses	5,416,123	6,397,459	2,964,291
Total Comprehensive Income	35,224,269	39,215,566	18,782,905
Earnings Per Share	1.26	2.04	1.64

Analysis of reasons for the changes in significant items of income and expenditure:

Year	Revenue	Cost of Goods Sold	Gross Profit	Operating Expenses	Profit from Operation	Profit Before Tax	Total Comprehensive Income
31.12.2018	Sales of the company increased by 50.84% in December 31, 2018 from December 31, 2017.	Costs of goods sold changed due to increase in sales revenue.	Gross Profit mainly increased due to increase in sales.	The company's Operating Expenses mainly increased due to increase in Salary & allowances and Selling Expense.	Operating Profit mainly increased due to increase in sales.	Profit before tax mainly increased due to increase in sales.	Total Comprehensive Income mainly increased due to increase in sales.
30.06.2018	Sales of the company increased by 113.80% in June 30, 2017 from June 30, 2018.	Costs of goods sold changed due to increase in	Gross Profit mainly increased due to increase in sales.	The company's Operating Expenses mainly increased due to increase in Salary &	Operating Profit mainly increased due to increase in sales.	Profit before tax mainly increased due to increase in sales.	Total Comprehensive Income mainly increased due to increase in sales.

		sales revenue.		allowances and Selling Expense.			
30.06.2017	Sales Tk. 303,357,265 in this year.	Cost of Goods sold is 82.2% of sales.	Gross profit is 17.80% of sales.	Operating expense is 8.77% of sales.	Operating profit is 9.05% of sales.	Profit before tax is 7.17% of sales.	Total Comprehensive Income is 6.19% of sales.

*The company started its commercial operation on August 1, 2016.

(1) Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.:

There are no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses of the company except the Management has changed depreciation rate for Plant & Machinery from 10% to 5% and for factory Equipment from 20% to 10% from the year ended June 30, 2018.

(2) Significant economic changes that materially affect or are likely to affect income from continuing operations:

There are no significant economic changes that materially affect or are likely to affect income from continuing operations.

(3) Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations:

There are no known trends, events or uncertainties that shall have a material effect on the company's future business other than the events which is beyond the company's control.

(4) Future changes in relationship between costs and revenues, in case of events such as future increase in labor or material costs or prices that will cause a material change are known:

Future is always uncertain and the company is aware of that. In future, labor price or material price may change and business may be affected. But revenue is always adjusted with production cost. So, any change in cost factor will be reflected in sales price.

(5) The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices:

After utilization of net proceeds of IPO, sales will be increased by around 205% in June 30, 2022 over June 30, 2018. This increased sale will result a positive increase in total revenue, gross profit and net profit accordingly.

(6) Total turnover of each major industry segment in which the issuer operated:

SL.	YEAR	EXPORT OF RMG (IN MILLION US\$)	TOTAL EXPORT (IN MILLION US\$)	% OF RMG'S TO TOTAL EXPORT
1	2010-11	17,914.46	22,924.38	78.15
2	2011-12	19,089.73	24,301.90	78.55
3	2012-13	21,515.73	27,027.36	79.61
4	2013-14	24,491.88	30,186.62	81.13
5	2014-15	25,491.40	31,208.94	81.68
6	2015-16	28,094.16	34,257.18	82.01
7	2016-17	28,149.84	34,655.90	81.23
8	2017-18	30,614.76	36,668.17	83.49

Source: www.bgmea.com.bd

(7) Status of any publicly announced new products or business segment:

The Company has no such information to announce publicly.

(8) The extent to which the business is seasonal:

There is no significant seasonal aspect on the company's business but sales usually accelerates during the 2nd quarter due to Christmas.

w) Defaults or rescheduling of borrowings with financial institutions/ banks, conversion of loans into equity along with reasons thereof, lock out, strikes and reasons for the same etc. during the history of operation of the company:

The Company neither has defaulted nor rescheduled of its borrowings with financial institute/ Banks nor has converted any of its loan into equity since incorporation.

x) Details regarding the changes in the activities of the issuer during the last five years which may had a material effect on the profits/ loss, including discontinuance of lines of business, loss of agencies or markets and similar factors:

There were no changes in the activities of the Company from the commercial operation started and had not any material effect on the profits/loss, including discontinuance of lines of business, loss of agencies or markets and similar factors.

y) Injunction or restraining order, if any, with possible implications:

The Company has no injunction or restraining order from any authority.

z) Technology, market, managerial competence and capacity built-up:

We have been using modern Technology. We have modern machinery which are used to produce good quality products. Management are capable enough to deal with enhancing the capacity of the overall phenomenon of the business capacity.

aa) Changes in accounting policies in the last three years:

The Management has changed depreciation rate for Plant & Machinery from 10% to 5% and for factory Equipment from 20% to 10% from the year ended June 30, 2018.

bb) Statement regarding significant developments subsequent to the last financial year:

In our opinion, there have no such circumstances arisen since the date of the last financial statements as disclosed in the prospectus which materially and adversely affect or is likely to affect the trading or profitability of the Gardenia Wears Ltd. or the value of its assets, or its ability to pay its liabilities within the next twelve months.

Sd/-
Shahnul Hasan Khan
Managing Director

Sd/-
Mohammed Taifur Hossain
Director

Sd/-
Mohammed Ruhul Amin
Chairman &
Nominee Director of Bestinet
(Bangladesh) Ltd.

Sd/-
Mrs. Sayeda Ahmed
Director

Sd/-
Naseem Ahmed
Director

Sd/-
Mrs. Rafsana Rafique
Director

Sd/-
Mohammad Obaidul Haque
Director

Sd/-
Mohammad Shariat Ullah
Director

Sd/-
Mohammed Tajul Islam
Nominee Director of Application
Mentors Ltd.

Sd/-
Md. Mamoon Al Bashir
Independent Director

Sd/-
Mohammed Aziz Uddin Bhuyan
Independent Director

Sd/-
Md. Walid Bin Kader
Independent Director

cc) If any quarter of the financial year of the issuer ends after the period ended in the audited financial statements as disclosed in the prospectus or information memorandum, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer or information memorandum, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer:

No quarter of financial year of the issuer ended after the period ended in the audited financial statements as disclosed in the prospectus.

dd) Factors that may affect the results of operations.

There are no such factors that may affect the results of operations.

SECTION (VII): MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(a) Overview of business and strategies:

Overview of 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, Boys & Girls' Pants & Shirts', Boys' Polo Shirts, Boys' Long Pant, Jacket, Ladies Shorts, Girls' Tops and Girls' Skirts etc. and marketing thereof.

The company was incorporated on May 07, 2014 under the Company Act-1994. The project is located at 310/668 Sitpara, Bormi, Sreepur, Gazipur, Bangladesh on its own project land measuring 648.46 decimal land. The project is at a distance of 85 km from Dhaka city. All the infrastructural facility like uninterrupted power supply, water, transportation, drainage system are available on the project site. Furthermore, it would be equipped with state of the art machineries and equipment of reputed brands mainly from Taiwan, China, Japan, Korea, Italy, Germany and USA.

To compliance of ACCORD and ALLIANCE guidelines, we would shape the factory as LEED Certified garments factory integrated with green design engineering and the company has already appointed IEN Consultants (Singapore) Pte Ltd for the consultancy service and LEED Certification. It is one of the prestigious certificates in world garments industry. In the meantime, we achieve some certificate from prestigious body i.e. SEDEX, WRAP, BSCI and ICS. Now, we are working on ACCORD (progress report 92%), ALLIANCE, ISO- 14001 Certification etc.

The overall management of the company will be vested with its board of the directors. The board will formulate the policies and provide guidelines for the smooth operation of the company. The board of the directors is closely monitoring the operational performance of the company. At present we are working with world famous brand i.e. GEMO, B-STYLE, JULES, CORONA, KIABI, AUCHAN and RELIANCE etc.

(b) SWOT Analysis:

SWOT analysis is a structured planning method that helps to evaluate the strengths, weakness, opportunities and threats involved in the business venture. It identifies the internal and external factors that affect a business venture. Strength and weakness are evaluated with internal factors where opportunity and threat are evaluated by external factors. The SWOT analysis of Gardenia Wears Ltd. is as follows:

Particulars	Sl.	SWOT Variables	Description
Strengths	1	Well Experienced Board of Directors	The Board of Directors of GWL are well experienced in this sector.
	2	Skilled human resource	We have skilled human resource and a large base of experienced professionals.
	3	Modern machineries	The Company is using modern machineries advance technology to produce quality products. State of art factory provides such environment which is favorable for increased productivity

	4	Quality Products	As we export our products, we have to maintain quality products that increase our sales volume over the year.
	5	Employee benefits	GWL is providing on time payment, bonus and food & accommodation support to its employees and labors. So, they are happy and committed to the company.
	6	Safety & security	GWL has adequate security and safety measure for any emergency.
	7	Raw material supply	Trouble free supply of raw material for processing with a wide range of dedicated manufacturers and suppliers.
Weakness	1	Nonexistence of local market	As we export, we do not have any local market developed yet.
	2	The non-existence of Brand	We have not been developed yet as a Brand Company.
	3	Slow to innovate	It is hard to innovate in diversifying new product
Opportunity	1	Reasonable Labor price	Our industry is labor-intensive and reasonable labor price has a huge advantage for cost minimizing that helps us a competitive edge over our competitors.
	2	Government Support:	There is government support to promote export. Several Government incentives like tax benefits, the Export Development Fund (EDF) facility, cash benefits are available.
	3	Huge untapped demand for garment production	We have a great opportunity to development of our business because of huge untapped demand for readymade garment production.
	4	Opportunity in Bangladesh RMG Sector	Shift of the Chinese Textile Industry towards industrial products, thereby creating opportunity in Bangladesh RMG Sector.
Threats	1	Exchange Rate Fluctuation	If Taka appreciate against the dollar, Dollar fluctuation loss are incurred. However, Exchange rate had remained stable over the last 2/3 years because of initiatives were taken by the Bangladesh Bank.
	2	Increased International Competition	There is rivalry among the competitors to get the market share as maximum as possible.
	3	Political Unrest	In our country we have to experience with political unrest. The Company and the whole industry will be adversely affected if the political situation deteriorates.

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

(Amount in BDT)

Particulars	31.12.2018	30.06.2018	30.06.2017
Revenue	452,516,544	648,569,059	303,357,265
Non-operating Income	1,781,189	(306,672)	(2,444,922)
Total income	454,297,733	648,262,387	300,912,343
Cost of goods sold	370,067,272	530,752,944	249,301,411
Financial Expenses	20,591,639	35,563,863	3,261,901
Depreciation	8,722,341	15,354,581	17,372,309
Amortization expense	-	-	-
Other expense	-	-	-
Changes of inventories	34,418,228	15,400,031	86,845,302
Profit Before Tax	40,640,392	45,613,024	21,747,196
Net Profit after Tax	35,224,269	39,215,566	18,782,905
Earnings Per Share (EPS)	1.26	2.04	1.64

*Change of inventories in 31.12.2018 compare to the period ended 31.12.2017

Revenue:

Period to period revenue have been changed due to the effect of customers' demand, sales price and sales volume.

Non-operating Income:

Other income has significantly increased in 31.12.2018 due to foreign currency fluctuation gain.

Total income:

In fact, the combined effect of revenue and other income is reflected in the total income. Since revenue is increased, total income is increased naturally.

Cost of goods sold:

The costs of materials to revenue are consistent over the years.

Financial expenses:

The company has taken short term and long-term loan from bank for importing raw materials, constructing factory building and procuring new machineries. So the finance cost and bank charge increased and the trend is relevant to the production and also consistent with the revenue.

Depreciation & Amortization:

The increase of depreciation is relevant with the procurement and installation of machineries. No significant changes have been occurred. The company did not amortize any of its capital expenditure.

Other Expenses:

The company did not incur any other expenses other than regular expenses.

Change in Inventory

There has been an increase of installed capacity and sales volume over the years. The demand for our products is also increasing. So, we have to maintain a sufficient amount of inventory in order to meet the sales order. This inventory has been increasing year to year.

Net profit after tax & EPS:

The growth of net profit before and after tax is consistent with the growth of the revenue. No unusual changes have been occurred during the last three years on the above matters.

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

At present there are no known trends, events or uncertainties that shall have a material impact on the Company's future business except for those which are natural and beyond control of human being.

The business operation of the Company may be affected by the following events:

- Decrease in demand for the readymade garments products in the local and international market, increased production cost.
- Scarcity of raw materials, Technological change, Increased competition
- Govt. Policy changes towards the industry, Political unrest & Hartal,
- Flood and natural calamities.

Among these above-mentioned events, there are no known trends, events and/or uncertainties that shall have a material impact on the Company's future business except for those which are natural and beyond the control of human being.

(e) Trends or expected fluctuations in liquidity:

There are no trends of expected fluctuations in liquidity

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

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

SECTION (VIII): DIRECTORS AND OFFICERS

(a) Name, Father's name, age, residential address, educational qualification, experience and position of each of the directors of the company and any person nominated or represented to be a director, showing the period for which the nomination has been made and the name of the organization which has nominated him:

Name	Father's name	Age (Years)	Residential address	Qualification	Experience (Years)	Position
Mohammed Ruhul Amin	Late Md. Abdul Karim	54	186, SPL Western Tower, Level-8, Dhaka	MA in Social Science, Post Graduate Diploma in Personal Management	30	Chairman
Shahnul Hasan Khan	Shawkat Hayat Khan	38	House: 37, Road: 08, Block: E, Niketon, Gulshan, Dhaka-1217	MBA in Finance, BBA in Marketing	15	Managing Director
Naseem Ahmed	Late Altaf Uddin Ahmed	61	PBL Tower, 11th floor, 17 Kemal Ataturk Avenue, Gulshan-2, Dhaka-1212	LLM, DU	35	Director
Mohammed Taifur Hossain	Fauzul Akbar	43	Apt No.: CW2, Haidari Villa, House No.: 17, Road No.: 05, Dhanmondi R/A, Dhaka	B.Sc. in Architectural Design & Construction Management	17	Director
Mrs. Rafsana Rafique	Sk. Md. Rafiqul Islam	31	La Casita, Apartment No.: F5, House No.: 35, Road No.: 12/A, Dhanmondi, Dhaka	MBA in Marketing	8	Director
Mrs. Sayeda Ahmed	Late Abdur Rashid	56	PBL Tower, 11th floor, 17 Kemal Ataturk Avenue, Gulshan-2, Dhaka-1212	MA, DU	25	Director
Mohammad Shariat Ullah	Md. Ashrafuzzaman Sarkar	42	477, Noyatola, Chairman Goli, Mogbazar, Dhaka-1217	B.Sc. in Computer Science & Engineering	19	Director
Mohammad Obaidul Haque	Mohammad Abdul Wahab	42	73/3, Shantinagor, Palton, Dhaka-1217	B. Com	16	Director
Mohammed Tajul Islam	Late Abdul Karim	42	House: 27 (7th Floor), Road: 03, Block: E, Banasree, Khilgoan, Dhaka	CSE, MBA	17	Director
Md. Mamoon Al Bashir	Shamsul Islam Chowdhury	30	House: 726/4, Road: 10, Flat: 305A, Baitul Amana Housing Society, Adabor, Dhaka	Phd., M.Sc	11	Independent Director
Walid Bin Kader	Late Safiul Kader	28	157, Nawabpur Road, Bangshal, Dhaka-1100	M.Sc in Chemistry	10	Independent Director
Mohammed Aziz Uddin Bhuyan	Md. Mahbubul Haque	45	House: 12, Road: 03, Block: K, Halishahar, Chittagong	MBA, CA (CC)	20	Independent Director

(b) The date on which he first became a director and the date on which his current term of office shall expire:

Name	Position	Date of becoming director for the first time	Expiry of current term
Mohammed Ruhul Amin	Chairman & Nominee Director of Bestinet (Bangladesh) Ltd.	22.11.2018	6 th AGM, 2020
Shahnul Hasan Khan	Managing Director	22.11.2018	6 th AGM, 2020
Naseem Ahmed	Director	07.05.2014	5 th AGM, 2019
Mrs. Sayeda Ahmed	Director	07.05.2014	5 th AGM, 2019
Mrs. Rafsana Rafique	Director	07.05.2014	5 th AGM, 2019
Mohammed Taifur Hossain	Director	15.12.2014	5 th AGM, 2019
Mohammed Tajul Islam	Nominee Director of Application Mentors Ltd.	22.11.2018	6 th AGM, 2020
Mohammad Shariat Ullah	Director	22.11.2018	6 th AGM, 2020
Mohammad Obaidul Haque	Director	22.11.2018	6 th AGM, 2020
Md. Mamoon Al Bashir	Independent Director	27.11.2018	7 th AGM, 2021
Walid Bin Kader	Independent Director	27.11.2018	7 th AGM, 2021
Mohammed Aziz Uddin Bhuyan	Independent Director	02.12.2018	7 th AGM, 2021

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

Directors interest in other Business:

Name	Designation in GWL	Directorship/Ownership with other companies and Position
Mohammed Ruhul Amin	Chairman	Catharsis International Ltd. as Chairman
Shahnul Hasan Khan	Managing Director	-
Naseem Ahmed	Director	-
Mrs. Sayeda Ahmed	Director	-
Mrs. Rafsana Rafique	Director	GBB Power Ltd. as Director
Mohammed Taifur Hossain	Director	GBB Power Ltd. as Managing Director
Mohammed Tajul Islam	Nominee Director	
Mohammad Shariat Ullah	Director	-
Mohammad Obaidul Haque	Director	-
Md. Mamoon Al Bashir	Independent Director	-
Walid Bin Kader	Independent Director	-
Mohammed Aziz Uddin Bhuyan	Independent Director	-

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

None of the Directors are involved in securities market and not involved with other listed securities during last three years except followings:

Name of the Director	Director of Listed Securities		
	Company	Dividend Payment	
		Year	Bonus/Cash
Mohammed Taifur Hossain & Rafsana Rafique	GBB Power Ltd.	30.06.2018	No Dividend
		30.06.2017	5% Cash & 5% stock
		30.06.2016	15% Cash

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

There is no relationship among the directors of Gardenia Wears Ltd. except Mr. Naseem Ahmed is spouse of Sayeda Ahmed and Mohammad Ruhul Amin is brother of Mohammed Taijul Islam.

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

There is no other business of the directors except following:

Name of the Company	Nature of Business	Legal status	Date of Incorporation & Reg. no.
Catharsis International Ltd.	Human Resource	Private Company	12-Jul-2010, C-85678
GBB Power Ltd.	Power Generation	Public Company	17-Oct-2006, C-64224

(g) Short bio-data of the directors:

Mohammed Ruhul Amin, Chairman

Mr. Amin has 30 years of experience in new business development, sales and marketing, business operations and market expansion in Bangladesh. He did his post-graduation in Social Science from a reputed institution of Bangladesh. He also completed Post Graduate Diploma in Personal Management. Mr. Amin has start-ups expertise and having entrepreneurial drive with business-management skills to transform aims into revenue. He is also expert in analyzing market demand, market development, worldwide strong network and strategic vision. He also provides strategic directions in order to strengthen the capacity of organization for continuous growth. He has travelled to several countries across the globe for exploring business opportunities.

Shahnul Hasan Khan, Managing Director

Shahnul Hasan Khan is currently holding the position of Managing Director at Gardenia Wears Ltd.. He has wide range of expertise in readymade garments, power, energy, IT automations & services sector including product, portfolio & relationship management. He is also experienced with both front-end and back-end banking exposure. Before joining Gardenia Wears Ltd. he worked for Standard Chartered Bank, Premier Bank Ltd., Jhonson & Jhonson Bangladesh, EZZY Automations Ltd., Vinarco Services (Thailand) ITL. and Delta BRAC Housing Finance Corporation. He is awarded as star performer for successful launch of value pack product bundling initiative and core contributor for Priority Banking success by Head of Consumer Banking. Mr. Hasan graduated from East West University in Marketing and completed post-graduation from North South University in Finance.

Naseem Ahmed, Director

Mr. Naseem Ahmed has completed his LLM (Master in Law) from Dhaka University. He has a long experience in managing export oriented readymade garments industry, textile dyeing industry and many other business. He has a keen interest in latest developments in textile sector and gathered advanced knowledge in management, marketing and technical knowhow. Mr. Ahmed is entrusted with the responsibility of overall management of textile division who is assisted by other directors, professional managers, local and foreign specialists and technologists in the respective functional areas of the company.

Sayeda Ahmed, Director

Mrs. Sayeda Ahmed has completed his M.A from University of Dhaka. She is experienced in garments sector for marketing product. Her wisdom in socioeconomic activities has been very helpful to the organization success. She is keen in looking after compliance and labor law issues in the factory and takes an interest in prompting women's rights in the workplace.

Rafsana Rafique, Director

Mrs. Rafsana Rafique did her MBA in Marketing from American International University, Bangladesh. She is a director of GBB Power Ltd.

Mohammed Taifur Hossain, Director

M. Taifur Hossain did his B.Sc. in Architectural Design & Construction Management from University of Greenwich, London, UK. He is a new generation entrepreneur who have nourished and successfully flourished

the export oriented RMG industry of the country. Mr. Taifur believes that the company has responsibilities towards the society and environment and is keen to ensuring such responsibilities are fulfilled.

Mohammed Tajul Islam, Nominee Director of Application Mentors Ltd.

Mr. Mohammed Tajul Islam is professional software engineer got Hands-on fluency on data modeling, data mining, migration, ingest and pipeline solution on the domain of Big Data and got expert level of skill-set on amazon Redshift and Greenplum Data warehouse. He is a pioneer of Groovy & Grails application development in Banglades. Mr. Islam is a solution architect of the largest e-learning platform in Bangladesh. Educational Institutions such as ICT ministry of Bangladesh Government, Press Institution of Bangladesh, Bangladesh Open University and other eight (8) institutions are running their education service on this platform with no break. Mr. Islam worked for various local and international project like CBIG Consulting in Australia, brac IT Services Ltd. in Bangladesh, iKnect Pty. Ltd. in Australia and BRM Software Ltd. in Singapore. He is completed B.Sc Engineering in CSE and MBA in MIS. He also completed International Diploma of Computer Studies (IDCS).

Mohammad Obaidul Haque, Director

Mohammad Obaidul Haque has several years of working experience in Garments Industry. He is a committed business man in Bangladesh with an established track record of leading and creating large sustainable organizations.

Mohammad Shariat Ullah, Director

Mohammad Shariat Ullah has more than 19 years of experience in software development, Training and circuit designing. He has developed over 150 software solutions till date. He completed several foreign training from different counties in telecom, hardware and software of computer. He also took 183 online training. He was awarded with B.Sc in Electronics & Telecommunication Engineering from Atish Diponkar University. He has contributed his knowledge & expertise in educational institute, Hospital, Telecom, Electronics and Garment Industries since 1996. He is very expert in strategic planning, design & execution.

Md. Mamoon Al Bashir, Independent Director

Mr. Bashir is a committed & qualified lecturer and business researcher. Currently he is working as the Assistant Professor and Director of MBA & EMBA Programs of Canadian University of Bangladesh. He has completed PhD on Operations & Supply Chain Management at Norwich Business School of University of East Anglia under departmental funding. At Aberystwyth University UK, he worked as a Lecturer (P/T) at School of Management & Business. He successfully contributed in two different projects as a Research Assistant. Among them one was BBSRC funded 'Sparking Impact Project' and another one is British Academy funded 'a cross country examination of supply chain barriers on market access for small and medium firms in India and UK'.

Walid Bin Kader, Independent Director

Mr. Walid Bin Kader is a chemical analyst especially synthetic organic chemistry, Nano chemistry, polymer science and computational chemistry. He was a participant in annual conference of Natural Science and Technology and Asian Chemical Congress. He is a member of Bangladesh Chemical Society, Chemical Club Chittagong University and BUET Chemistry Alumni Association. Mr. Walid completed M.Sc in Chemistry at Engineering Department BUET and Bachelor of Science Major in Chemistry from Chittagong University.

Mohammed Aziz Uddin Bhuyan, Independent Director

Mr. Azziz completed his MBA from reputed private university and also completed CA-CC from M.A. Mallik & Co. He has specialized knowledge in auditing, cost accounting and financial statement preparation. He has long working experience as a top level and mid-level position. He worked for R.K.D Group, T.K. Shipyard Ltd. and Modhuban Group etc. Mr. Aziz is always looking for finding innovative way to accomplish corporate goals and follow team approach to manage time effectively and maximize output of the organization.

(h) Loan status of the issuer, its directors and shareholders who hold 10% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank:

Neither Gardenia Wears Ltd. nor any of its sponsors/ directors or shareholders who hold 10% or more shares in paid-up capital of the issuer is loan defaulter in terms of the CIB report of Bangladesh Bank.

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

Name	Position	Qualification	Age (Years)	Date of joining	Experience		Salary (BDT)*
					Years	Past employment	
Shahnul Hasan Khan	Managing Director	MBA in Finance, BBA in Marketing	38	05.07.2018	15	Ezzy Group	750,000
Aparesh Paul	Chief Financial Officer	M.com, ACMA	45	01.07.2015	18	Head of Finance & Accounts - Dachser Bangladesh Ltd.	420,000
Ajoy Kumar Saha	Company Secretary	MBA	40	01.07.2018	13	Spectra Engineers Limited	300,000
Mir Shakil Ahsan	Director-Marketing	MA	52	01.01.2018	23	DGM, Merchandising - Envoy Group	600,000
A.K. Azad	General Manager-Production	B.A	52	12.02.2018	29	GM Production - SHRL Design Ltd.	600,000
S. M. Moniruzzaman	Head of Human Resources	MBA	29	15.01.2017	5	C.E.O Task Bangladesh Ltd.	420,000
Md. Faisal	Assistant Manager Finance & Accounts	MBA, CA-CC	28	01.12.2018	3.6	Ahmed & Akhtar	180,000
Md. Osman Goni	Manager-Commercial	MBA	50	16.01.2017	8	Zeeshan Box, Dhaka	300,000
Mr. Rimon Karmokar	Assistant Manager-Internal Audit	MBA, CA-CC	28	01.12.2018	3.6	Snehasish Mahmud & Co.	180,000
Md. Masum	Manager-Merchandising	B.Sc. in Textile	30	16.08.2017	5.2	United Trouser Ltd.	420,000
Md. Tobebul Alam Chowdhury	Head of Merchandiser	MBA in Marketing, DU	43	01.12.2016	2.5	Wonder Apparels Ltd.	300,000

*Half yearly

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

Changes in the key management persons during the last three years:

1. Aparesh Paul, ACMA has joined the company as Chief Financial Officer on 01.07.2015;
2. Mir Shakil Ahsan has joined the Company as Director-Marketing on 01.01.2018;
3. S. M. Moniruzzaman has joined the company as Head of Human Resources on 15.01.2017;
4. Ajoy Kumar Saha has joined the Company as Company Secretary on 01.07.2018;

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

Name	Father's name	Address	Age	Qualification	Experience	Position		Holding in other venture
						Past	Present	
N. Chowdhury	S. Hossain Chowdhury	House: 78/3, UN Road, Baridhara, Dhaka	40	MBA, UK	18	Chairman	-	-
Naseem Ahmed	Late Altaf Uddin Ahmed	PBL Tower, 11th floor, 17 Kemal Ataturk, Avenue, Gulshan-2, Dhaka-1212	61	LLM, DU	35	Managing Director	Director	-
Mrs. Sayeda Ahmed	Late Abdur Rashid	PBL Tower, 11th floor, 17 Kemal Ataturk, Avenue, Gulshan-2, Dhaka-1212	56	MA, DU	25	Director	Director	-
Mrs. Rintia Nazim	Sk. Md. Rafiqul Islam	La Casita, Apt. No.: F5, House: 35, Road: 12/A, Dhanmondi, Dhaka	37	MBA	12	Director	Shareholder	GBB Power Ltd.
Mrs. Rafsana Rafique	Sk. Md. Rafiqul Islam	La Casita, Apt. No.: F5, House: 35, Road: 12/A, Dhanmondi, Dhaka	31	MBA in Marketing	8	Director	Director	GBB Power Ltd.
Mrs. A. A. Shahid	Md. Shahidullah	House: 78/3, UN Road, Baridhara, Dhaka	39	B.S.S (Hon's), MSS, DU	15	Director	-	-
SEML	-	Sharif Mansion, Purana Paltan, Dhaka	-	-	-	Director	-	-
SHL	-	43/32, Sobuj Kanon, Sobujbagh, Dhaka	-	-	-	Director	-	-

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

Name	Acquisition of control	Date of acquisition	Terms of acquisition	Consideration
Mohammed Ruhul Amin	Chairman & Nominee Director of Bestinet (Bangladesh) Ltd.	22.11.2018	No terms at acquisition	Cash
Shahnul Hasan Khan	Managing Director	22.11.2018		
Mohammed Taifur Hossain	Director	16.01.2017		
		18.05.2017		
		22.11.2018		
		15.12.2014		
Mohammed Tajul Islam	Nominee Director of Application Mentors Ltd	22.11.2018		
Mohammad Shariat Ullah	Director	22.11.2018		
Mohammad Obaidul Haque	Director	22.11.2018		
Md. Mamoon Al Bashir	Independent Director	N/A	N/A	N/A
Walid Bin Kader	Independent Director	N/A	N/A	N/A
Mohammed Aziz Uddin Bhuyan	Independent Director	N/A	N/A	N/A

(m) If the sponsors or directors do not have experience in the proposed line of business, the fact explaining how the proposed activities would be carried out/ managed:

The Issuer intended to issue share for the expansion of existing business and has vast experience in this sector. The Board of Directors believes, their experience in this sector with the capability of the management shall facilitate the proposed expansion. All the Directors have adequate knowledge to carry out this line of business.

(n) Interest of the key management persons:

There is no other interest with the key management except board meeting attendance fees received by the directors and Shahnul Hasan Khan, Managing Director of GWL is getting remuneration for his service.

(o) All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary:

No other pecuniary or non-pecuniary facilities enjoyed by the directors other than board meeting attendance fees received by the directors and remuneration received by Managing Director, Shahnul Hasan Khan.

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

Sl.	Name of shareholder	Position	No. of shares	Percentage (%)
1	Mohammed Ruhul Amin	Chairman & Nominee Director of Bestinet (Bangladesh) Ltd.	1,250,000	3.05%
2	Shahnul Hasan Khan	Managing Director	2,180,000	5.32%
3	Naseem Ahmed	Director	2,291,956	5.59%
4	Mrs. Sayeda Ahmed	Director	1,394,413	3.40%
5	Mrs. Rafsana Rafique	Director	1,701,689	4.15%
6	Mohammed Taifur Hossain	Director	3,404,879	8.31%
7	Mohammed Tajul Islam	Nominee Director of Application Mentors Ltd.	1,250,000	3.05%
8	Mohammad Shariat Ullah	Director	1,920,000	4.69%
9	Mohammad Obaidul Haque	Director	3,000,000	7.32%
10	Md. Mamoon Al Bashir	Independent Director	-	-
11	Walid Bin Kader	Independent Director	-	-
12	Mohammed Aziz Uddin Bhuyan	Independent Director	-	-

(q) Change in board of directors during last three years:

The following changes in the board of directors were happened during last three years:

- Naseem Ahmed, Mrs. Sayeda Ahmed & Mrs. Rafsana Rafique are sponsor director.
- Md. Mamoon Al Bashir and Walid Bin Kader appointed as Independent Director on November 27, 2018;
- Mohammed Ruhul Amin, Shahnul Hasan Khan Mohammad Shariat Ullah, Mohammad Obaidul Haque and Mohammed Tajul Islam appointed as director on November 22, 2018.
- Mohammed Aziz Uddin Bhuyan appointed as Independent Director on December 2, 2018.

(r) Director's engagement with similar business:

None of the Directors are involved with similar business.

SECTION (IX): CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

a) TO WHOM IT MAY CONCERN

This is to certify that the Financial Statements of Gardenia Wears Ltd. Furnished for our audit does not have any transaction during the last Two years & Six months or any proposed transaction, between the issuer and any of the following persons.

- (i) Any director or sponsor or executive officer of the issuer;
- (ii) Any person holding 5% or more of the outstanding shares of the Issuer;
- (iii) Any related party or connected person of any of the above person;

Except the transaction described in the following table.

Name	Nature of Transaction	Amount in (BDT)					
		30.06.2017		30.06.2018		31.12.2018	
		Total Amount	Accrued	Total Amount	Accrued	Total Amount	Accrued
Mr. Mohammed Ruhul Amin	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	-	-	2,000	-
Mr. Ehsanul Kabir	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	5,000	-	-	-
Mr. Shahnul Hasan Khan	Remuneration	-	-	-	-	750,000	125,000
	Board meeting Fee	-	-	-	-	2,000	-
Mr. Mohammed Taifur Hossain	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	4,000	-	2,000	-
Mrs. Rafsana Rafique	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	4,000	-	2,000	-
Mrs. Sayeda Ahmed	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	4,000	-	1,000	-
Mr. Naseem Ahmed	Remuneration	125,000	125,000	1,500,000	125,000	-	-
	Board meeting Fee	-	-	5,000	-	2,000	-
Mr. Mohammad Shariat Ullah	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	-	-	1,000	-
Mr. Mohammad Obaidul Haque	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	-	-	1,000	-
Mr. Walid Bin Kader	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	-	-	1,000	-
Mr. Abdul Wadud	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	4,000	-	-	-
Mr. Golam Shawkat	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	3,000	-	-	-
Md. Shoriful Islam	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	2,000	-	-	-
Mr. Waki Tasnim	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	4,000	-	-	-

Dated: 12 February 2019
Place: Dhaka

Sd/-
Kanchi Lal Das, M.Com, FCA
Managing Partner

(b) Any transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus:

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

(c) Any loans either taken or given from or to any director or any person connected with the director, clearly specifying details of such loan in the prospectus, and if any loan has been taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan, rate of interest applicable, date of loan taken, date of maturity of loan, and present outstanding of such loan.

No loan was taken or given from or to any Directors or any person connected with the Directors of Gardenia Wears Ltd.

SECTION (X): EXECUTIVE COMPENSATION

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

(Amount in BDT)

Name	Designation	Paid as	31.12.2018
Mir Shakil Ahsan	Director-Marketing	Salary	600,000
Aparesh Paul, ACMA	Chief Financial Officer	Salary	420,000
A.K. Azad	General Manager- Production	Salary	600,000
S. M. Moniruzzaman	Head of Human Resources	Salary	420,000
Ajoy Kumar Saha	Company Secretary	Salary	300,000

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

(Amount in BDT)

Sl.	Particulars	Nature of Payments	31.12.2018
01	Directors	Directors remuneration & Board meeting fee	764,000
02	Officers	Office Staff Salary & Allowance	7,026,978

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

Managing Director is receiving Tk. 125,000.00 per month for his services rendered to the Company. The above-mentioned remuneration was approved by shareholder in its EGM dated 28.05.2017

(d) The board meeting attendance fees received by the director including the managing director along with date of approval in AGM or EGM:

The board meeting attendance fees received by all the directors including the managing director which was approved by shareholder in its EGM dated 26.07.2017

(e) Any contract with any director or officer providing for the payment of future compensation:

There is no such contract between the company and any of its directors or officers regarding any future compensation to be made to them.

(f) If the issuer intends to substantially increase the remuneration paid to its directors and officers in the current year, appropriate information regarding thereto:

Gardenia Wears Ltd. has no plan to substantially increase the remuneration paid to its directors and officers in the current year except annual increment.

(g) Any other benefit or facility provided to the above persons during the last accounting year:

No other benefit or facility provided to the above persons during the last accounting year.

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

The Company has not offered any option for issue of shares to any of the officers, directors and employees or to any outsiders.

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

(a) The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received or to be received by the issuer from the above persons, or by the said persons, directly or indirectly, from the issuer during the last five years along with the description of assets, services or other consideration received or to be received:

Name	Nature of Transaction	Amount in (BDT)					
		30.06.2017		30.06.2018		31.12.2018	
		Total Amount	Accrued	Total Amount	Accrued	Total Amount	Accrued
Mr. Mohammed Ruhul Amin	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	-	-	2,000	-
Mr. Ehsanul Kabir	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	5,000	-	-	-
Mr. Shahnul Hasan Khan	Remuneration	-	-	-	-	750,000	125,000
	Board meeting Fee	-	-	-	-	2,000	-
Mr. Mohammed Taifur Hossain	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	4,000	-	2,000	-
Mrs. Rafsana Rafique	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	4,000	-	2,000	-
Mrs. Sayeda Ahmed	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	4,000	-	1,000	-
Mr. Naseem Ahmed	Remuneration	125,000	125,000	1,500,000	125,000	-	-
	Board meeting Fee	-	-	5,000	-	2,000	-
Mr. Mohammad Shariat Ullah	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	-	-	1,000	-
Mr. Mohammad Obaidul Haque	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	-	-	1,000	-
Mr. Walid Bin Kader	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	-	-	1,000	-
Mr. Abdul Wadud	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	4,000	-	-	-
Mr. Golam Shawkat	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	3,000	-	-	-
Md. Shoriful Islam	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	2,000	-	-	-
Mr. Waki Tasnim	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	4,000	-	-	-

(b) If any assets were acquired or to be acquired within next two financial years from the aforesaid persons, the amount paid for such assets and the method used to determine the price shall be mentioned in the prospectus, and if the assets were acquired by the said persons within five years prior to transfer those to the issuer, the acquisition cost thereof paid by them:

No assets acquired or to be acquired from the director or sponsor.

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

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

Sl.	Name of subscriber	Address	BO ID	Holding	%
1	Bestinet (Bangladesh) Ltd. represented by Mohammed Ruhul Amin	186, SPL Western Tower, Level-8, Dhaka	1205870068067940	1,250,000	3.05%
2	Naseem Ahmed	PBL Tower, 11th floor, 17 Kemal Ataturk, Avenue, Gulshan-2, Dhaka-1212	1203040020410585	2,291,956	5.59%
3	Mrs. Sayeda Ahmed	PBL Tower, 11th floor, 17 Kemal Ataturk Avenue, Gulshan-2, Dhaka-1212	1203040028327732	1,394,413	3.40%
4	Mrs. Rafsana Rafique	La Casita, Apt. No.: F5, House: 35, Road: 12/A, Dhanmondi, Dhaka	1203180043523694	1,701,689	4.15%
5	Mohammed Taifur Hossain	Apt No. CW2, Haidari Villa, House No- 17, Road No. 05, Dhanmondi R/A, Dhaka	1203180045138246	3,404,879	8.31%
6	Application Mentors Ltd. represented by Mohammed Tajul Islam	House: 27 (7th Floor), Road: 03, Block: E, Banasree, Khilgoan, Dhaka	1205870068067975	1,250,000	3.05%
7	Shahnul Hasan Khan	House: 37, Road: 08, Block: E, Niketon, Gulshan, Dhaka-1217	1605070068070820	2,180,000	5.32%
8	Mohammad Shariat Ullah	477, Noyatola, Chairman Goli, Mogbazar, Dhaka-1217	1605070068070772	1,920,000	4.69%
9	Mohammad Obaidul Haque	73/3, Shantinagor, Palton, Dhaka-1217	1605070068070804	3,000,000	7.32%
10	Mrs. Rintia Nazim	La Casita, Apt. No.: F5, House: 35, Road: 12/A, Dhanmondi, Dhaka	1203180043523718	2,191,688	5.35%
11	Alternative Investment Fund BD	Flat: 12/B, House: 7, Road: 17 (Rupsha Tower), Banani C/A, Dhaka	1204590060884946	1,535,915	3.75%
12	Md. Masum Billah	55/B Purana Paltan, Noakhali Tower (4th floor), Dhaka	1605070058536205	100,000	0.24%
13	Md. Nuruzzaman	Doric Chandrima, Flat: B/2, 48, Siddeshwari Lane, Dhaka-1217	1205080047607937	120,000	0.29%
14	Mohammed Ul Mohasew	House: 24, Road: 07, Sector: 04, Uttara, Dhaka	1205870068069021	2,500,000	6.10%

15	Tashfeen Ahmed	Sonartori Tower, 12, Biponon C/A, Sonargaon Road, Dhaka	1605070050314293	320,000	0.78%
16	Uttara Finance and Investments Limited	JBC Tower (6th Floor) 10, Dilkhusha C/A Dhaka-1000	1205990000058750	3,990,000	9.74%
17	Zahid Hossain	Flat: B/2, House: 24/A, Road: 3, Dhanmondi, Dhaka	1605070064893491	250,000	0.61%
18	Asif Iqbal Chowdhury	31, Topkhana Road, Dhaka	1605550059758671	300,000	0.73%
19	M And U Cycle Industries Ltd., represented by Moshir Rahman Bhuiyan	House: 52, Park Road, Baridhara, Gulshan, Dhaka	1202140044954306	1,600,000	3.91%
20	Meghna Knit Composite Ltd., represented by Mohammad Rasad Kaosar Khan	Village: Baduaarchor, Post: Gabtoli, Narshingdi Sadar, Narshingdi	1201830062885721	1,600,000	3.91%
21	Nilufar Ahmed	Sonartori Tower, 12, Biponon C/A, Sonargaon Road, Dhaka.	1605070050314748	200,000	0.49%
22	Shah Mohd. Feruz	Eastern Monkunjo: 2, Block: A, 06, Banosree, Khilgaon, Dhaka.	1605070058682391	100,000	0.24%
23	Kazi Md. Shahadat Hossain	House: 24 B/C, Shahid Minar Road, Kallyanpur, Mohammadpur, Dhaka.	1605070050257605	270,000	0.66%
24	Ishtiaq Ahmed	Civil Acacia, Flat-A1, 34 New Eskaton, Dhaka	1202490000226422	100,000	0.24%
25	Mohammed Omrah Khan	Flat-B/2, House: 24/A, Road: 03, Dhanmondi, Dhaka-1205	1605070064867661	250,000	0.61%
26	MTB Capital Discretionary Portfolio Management	MTB Tower (Level-3),111 Kazi Nazrul Islam Avenue, Dhaka-1000	1605070043500637	220,000	0.54%
27	Sefatullah Shahid	Morium Tower, Flat: 5A, UN Road, Baridhara, Bashtola, Gulshan, Dhaka	1605070067291496	510,000	1.24%
28	Sayed Iqbal Hossain	House 8/1, Lalmatiya, Block D, PO- Mohammadpur, Dhaka North City Corporation, Dhaka	1605070067983102	100,000	0.24%
29	Uniglory Cycle Industries Limited, represented by Razia Rahman	187-188/B, Tejgaon Industrial Area, Tejgaon, Dhaka-1208	1202140043828936	800,000	1.95%
30	K.M. Afjanur Rahman	17/1B Chairman Goli, Mohammadpur, Dhanmondi-1207	1605070064817804	50,000	0.12%
31	Lutfur Rahman Diwani	WW Tower (4th Floor), 68, Motijheel C/A, Dhaka.	1605070067115235	110,000	0.27%
32	Tanveer Ahmed	Sonartori Tower, 12, Biponon C/A, Sonargaon Road, Dhaka.	1605070050438399	250,000	0.61%
33	Hanif Mahtab	204, Plot NW (H) 7, Road: 51, Gulshan, Dhaka	1205870067417045	10,000	0.02%
34	Hazi Md. Rasidul Haque	144, Mitford Road, Dhaka	1605070067983089	710,000	1.73%
35	Mujibur Rahman	Uttara Center (15th Floor), 102, Shahid Tajuddin Ahmed Sarani, Tejgaon, Dhaka	1203770000089457	3,510,000	8.57%
36	G.M. Rasel Rana	Vill: Aishagati, P/O: Belfulia, Rupsha,Khulna-9242	1605070064764720	30,000	0.07%
37	Mahin Cycle Industries Ltd. represented by Md. Mizanur Rahman Bhuiyan	House # 52, Park Road, Baridhara, Ghulshan,Dhaka-1212	1202140048419178	800,000	1.95%
38	Rafeza Akhter	House: 8/1, Lalmatiya, Block-D, Mohammadpur-1207	1605070064817764	50,000	0.12%
	Total			40,970,540	100%

(b) Shareholding position of all directors including percentage, position held in other companies of all the directors before the public issue:

Name	Address	Age	Experience	BO ID	TIN Number	No. of shares held (Pre-IPO)		Position held in other company
						Shares	%	
Mohammed Ruhul Amin, Chairman & Nominee Director of Bestinet (Bangladesh) Ltd.	186, SPL Western Tower, Level-8, Dhaka	54	30	1205870068067940	294078653249	1,250,000	3.05%	Catharsis International Ltd. as Chairman
Shahnul Hasan Khan, Managing Director	House: 37, Road: 08, Block: E, Niketon, Gulshan, Dhaka	38	15	1605070068070820	364480530760	2,180,000	5.32%	-
Naseem Ahmed, Director	PBL Tower, 11th floor, 17 Kemal Ataturk, Avenue, Gulshan-2, Dhaka-1212	61	35	1203040020410585	123453415251	2,291,956	5.59%	-
Mrs. Sayeda Ahmed, Director	PBL Tower, 11th floor, 17 Kemal Ataturk, Avenue, Gulshan-2, Dhaka-1212	56	25	1203040028327732	533950404861	1,394,413	3.40%	-
Mrs. Rafsana Rafique, Director	La Casita, Apt. No.: F5, House: 35, Road: 12/A, Dhanmondi, Dhaka	31	06	1203180043523694	164239782289	1,701,689	4.15%	GBB Power Ltd. as Director
Mohammed Taifur Hossain, Director	Apt No. CW2, Haidari Villa, House No- 17, Road No. 05, Dhanmondi R/A, Dhaka	43	17	1203180045138246	158455492093	3,404,879	8.31%	GBB Power Ltd. as Managing Director
Mohammed Tajul Islam, Nominee Director of Application Mentors Ltd.	House: 27 (7th Floor), Road: 03, Block: E, Banasree, Khilgoan, Dhaka	42	17	1205870068067975	193019232749	1,250,000	3.05%	-
Mohammad Shariat Ullah, Director	477, Noyatola, Chairman Goli, Mogbazar, Dhaka-1217	42	19	1605070068070772	686819826971	1,920,000	4.69%	-
Mohammad Obaidul Haque, Director	73/3, Shantinagor, Palton, Dhaka-1217	42	16	1605070068070804	686819826971	3,000,000	7.32%	-
Md. Mamoon Al Bashir, Independent Director	House: 726/4, Road: 10, Flat: 305A, Baitul Amana Housing Society, Adabor, Dhaka	30	11	-	388087893919	-	-	-
Walid Bin Kader, Independent Director	157, Nawabpur Road, Bangshal, Dhaka-1100	28	10	-	479881797278	-	-	-
Mohammed Aziz Uddin Bhuyan	House: 12, Road: 03, Block: K, Halihsahar, Chittagong	44	17	-	467962232501	-	-	-

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

Certificate on average cost of acquisition of equity share by the Directors of Gardenia Wears Ltd.

This is to certify that the average cost of acquisition of equity shares by the Directors of Gardenia Wears Ltd. have been allotted at face value in cash. The average cost of acquisition of equity by the directors is Tk. 10.00 each. Name-wise shareholding position, allotment date and consideration are given below:

Name	Position	Transfer/Allotment			Total Share holding	Total amount	Face Value of Shares (TAKA)	Consideration
		Date	Transfer/Allotment	No. of ordinary shares				
Shahnul Hasan Khan	Managing Director	22.11.2018	Allotment	2,180,000	2,180,000	21,800,000	10.00	Cash
Naseem Ahmed	Director	07.05.2014	Initial	900,000	2,291,956	22,919,560	10.00	Cash
		16.01.2017	Allotment	1,360,826				
		18.05.2017	Allotment	923,259				
		22.11.2018	Allotment	145,746				
		12.06.2018	Transfer	(937,875)				
		15.12.2014	Transfer	(100,000)				
Sayeda Ahmed	Director	07.05.2014	Initial	100,000	1,394,413	13,944,130	10.00	Cash
		18.05.2017	Allotment	212,125				
		22.11.2018	Allotment	144,413				
		12.06.2018	Transfer	937,875				
Mohammed Taifur Hossain	Director	15.12.2014	Transfer	450,000	3,404,879	34,048,790	10.00	Cash
		16.01.2017	Allotment	1,184,094				
		18.05.2017	Allotment	1,028,589				
		22.11.2018	Allotment	742,196				
Mohammad Obidul Haque	Director	22.11.2018	Allotment	3,000,000	3,000,000	30,000,000	10.00	Cash
Bestinet Bangladesh Ltd. (Mohammed Ruhul Amin)	Chairman	22.11.2018	Allotment	1,250,000	1,250,000	12,500,000	10.00	Cash
Mohammad Shariat Ullah	Director	22.11.2018	Allotment	1,920,000	1,920,000	19,200,000	10.00	Cash
Application Mentors Ltd. (Mohammed Tajul Islam)	Director	22.11.2018	Allotment	1,250,000	1,250,000	12,500,000	10.00	Cash
Rafsana Rafique	Director	07.05.2014	Initial	500,000	1,701,689	17,016,890	10.00	Cash
		15.12.2014	Transfer	275,000				
		18.05.2017	Allotment	1,105,591				
		22.11.2018	Allotment	371,098				
Mamoon Al Bashir	Independent Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Walid Bin Kader	Independent Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mohammed Aziz Uddin Bhuyan	Independent Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A

The above information is based on books and records provided by the management.

Dated: 12 February 2019

Place: Dhaka

Sd/-
Kanchi Lal Das, M.Com, FCA
Managing Partner

(d) A detail description of capital built up in respect of shareholding (name-wise) of the issuer's sponsors/ directors:

Name & Position	Nature of issue	Date of allotment/ transfer of fully paid-up shares	No. of equity shares	Cumulative no. of equity shares	Face value & Issue price	Consideration	Percentage (%)		Sources of fund
							Pre-IPO	Post-IPO	
Mohammed Ruhul Amin, Chairman & Nominee Director of Bestinet (Bangladesh) Ltd.	Ordinary Share	22.11.2018	1,250,000	1,250,000	Tk. 10.00	Cash	3.05%	2.05%	Own
Shahnul Hasan Khan, Managing Director	Ordinary Share	22.11.2018	2,180,000	2,180,000	Tk. 10.00	Cash	5.32%	3.58%	Own
Naseem Ahmed, Director	Ordinary Share	07.05.2014	900,000	2,291,956	Tk. 10.00	Cash	5.59%	3.76%	Own
		16.01.2017	1,360,826						
		18.05.2017	923,259						
		22.11.2018	145,746						
		15.12.2014	(100,000)						
12.06.2018	(937,875)								
Mrs. Sayeda Ahmed, Director	Ordinary Share	07.05.2014	100,000	1,394,413	Tk. 10.00	Cash	3.40%	2.29%	Own
		18.05.2017	212,125						
		22.11.2018	144,413						
		12.06.2018	937,875						
Mrs. Rafsana Rafique, Director	Ordinary Share	07.05.2014	500,000	1,701,689	Tk. 10.00	Cash	4.15%	2.79%	Own
		18.05.2017	1,105,591						
		22.11.2018	371,098						
		15.12.2014	(275,000)						
Mohammed Taifur Hossain, Director	Ordinary Share	16.01.2017	1,184,094	3,404,879	Tk. 10.00	Cash	8.31%	5.58%	Own
		18.05.2017	1,028,589						

		22.11.2018	742,196						
		15.12.2014	450,000						
Mohammed Tajul Islam, Nominee Director of Application Mentors Ltd.	Ordinary Share	22.11.2018	1,250,000	1,250,000	Tk. 10.00	Cash	3.05%	2.05%	Own
Mohammad Shariat Ullah, Director	Ordinary Share	22.11.2018	1,920,000	1,920,000	Tk. 10.00	Cash	4.69%	3.15%	Own
Mohammad Obaidul Haque, Director	Ordinary Share	22.11.2018	3,000,000	3,000,000	Tk. 10.00	Cash	7.32%	4.92%	Own
Md. Mamoon Al Bashir, Independent Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Walid Bin Kader, Independent Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mohammed Aziz Uddin Bhuyan, Independent Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(e) Detail of shares issued by the company at a price lower than the issue price:

No shares have been issued by the company at a price lower than the issue price.

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

Name	07.05.2014 (Incorporation)	16.01.2017	18.05.2017	22.11.2018	15.12.2014 (Transfer)	12.06.2018 (Transfer)	25.11.2018 (Transfer)
Naseem Ahmed	900,000	1,360,826	923,259			(937,875)	
Mrs. Sayeda Ahmed	100,000		212,125	144,413		937,875	
Mrs. Rafsana Rafique	500,000		1,105,591	371,098	(275,000)		
Mohammed Taifur Hossain		1,184,094	1,028,589	742,196	450,000		
Mrs. Rintia Nazim	500,000		1,295,591	371,097			
Mohammed UI Mohasew				10,000			2,490,000

SECTION (XIV): CORPORATE GOVERNANCE

(a) A disclosure to the effect that the issuer has complied with the requirements of Corporate Governance Guidelines of the Commission:

Management disclosure regarding compliance with the requirements of the Corporate Governance guidelines of Bangladesh Securities and Exchange Commission

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

Sd/-

Shahnul Hasan Khan
Managing Director
Gardenia Wears Ltd.

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

Report to the Shareholders of Gardenia Wears Ltd. on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code **Gardenia Wears Ltd.** for the period ended on 31 December 2018. This Code relates to the Notification No. BSEC/CMRRC/2006-158/207/Admin/80 dated 03 June, 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is highly satisfactory.

Sd/-

Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Date: 11 March 2019

STATUS OF COMPLIANCE REPORT ON CORPORATE GOVERNANCE GARDENIA WEARS LTD.

Status of Compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.00	Board of Directors			
1.1	Size of the Board of Directors: The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty)	✓		
1.2	Independent Director			
1.2(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors	✓		Including three independent directors total number of directors in the board are 11(eleven)
1.2(b)(i)	Does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company	✓		
1.2(b)(ii)	Do not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company	✓		
1.2(b)(iii)	Do not been an executive of the company in immediately preceding 2 (two) financial years	✓		
1.2(b)(iv)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies	✓		
1.2(b)(v)	Do not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	✓		
1.2(b)(vi)	Do not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	✓		
1.2(b)(vii)	Do not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of he concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code	✓		
1.2(b)(viii)	Do not independent director in more than 5 (five) listed companies	✓		
1.2(b)(ix)	Do not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFIL)	✓		
1.2(b)(x)	Do not been convicted for a criminal offence involving moral turpitude;	✓		
1.2(c)	Do the independent director(s) is appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM)	✓		All the Independent directors are appointed by board of director and also approved on AGM dated 05/12/2018

1.2(d)	Is the post of independent director(s) remain vacant for more than 90 (ninety) days	√		
1.2(e)	Does the tenure of an independent director within a period of 3 (three) years, which may be extended for 1 (one) tenure only.	√		
1.3	Qualification of Independent Director (ID)			
1.3(a)	Does the independent director a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business	√		
1.3(b)	Independent director shall have following qualifications:			
1.3(b)(i)	Does the independent director a business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association	-		N/A
1.3(b)(ii)	Does the independent director a corporate leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company	√		
1.3(b)(iii)	Does the independent director a former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law	-		N/A
1.3(b)(iv)	Does the independent director a university teacher who has educational background in Economics or Commerce or Business Studies or Law	√		
1.3(b)(v)	Does the independent director a professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification	-		N/A
1.3(c)	Does the independent director have at least 10 (ten) years of experiences in any field mentioned in clause (b)	√		
1.3(d)	In special cases, does the company relaxed above qualifications or experiences which may be relaxed subject to prior approval of the Commission	-		N/A
1.4	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1.4 (a)	Do the positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company filled by different individuals	√		
1.4 (b)	Do the Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company hold the same position in another listed company	√		
1.4 (c)	Does the Chairperson of the Board elected from among the non-executive directors of the company	√		
1.4 (d)	Do the Board clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer	√		
1.4 (e)	In the absence of the Chairperson, does the Board will elect from the remaining members and nonexecutive	√		

	directors as Chairperson for that particular Board's meeting;			
1.5	Directors report to shareholders			
1.5(i)	Industry outlook and possible future developments in the industry	√		
1.5(ii)	Segment-wise or product-wise performance	-		N/A
1.5(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any	√		
1.5(iv)	Discussion on cost of goods sold, gross profit margin and net profit margin	-		N/A
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss	√		
1.5(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1.5(vii)	Utilization of proceeds from public issues, right issues and/ or through any others instruments	-		N/A
1.5(viii)	An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing etc.	-		N/A
1.5(ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report	-		N/A
1.5(x)	Remuneration to directors including independent directors	√		
1.5(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the results of its operation, cash flows and changes in equity	√		
1.5(xii)	Proper books of account of the issuer company have been maintained	√		
1.5(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		
1.5(xiv)	International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed	√		
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored	√		
1.5(xvi)	Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress	√		
1.5(xvii)	There is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed	√		
1.5(xviii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained	-		N/A
1.5(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized	√		
1.5(xx)	If the issuer company has not declared dividend (cash or stock) for the year	√		

1.5(xxix)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend	√		
1.5(xxii)	The total number of Board meetings held during the year and attendance by each director	√		
1.5 (xxiii)	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):			
1.5(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details)	√		
1.5(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)	√		
1.5(xxiii)(c)	Executives (top five salaried employees)	√		
1.5(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)	√		
1.5(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders: a brief resume of the director			
1.5(xxiv)(a)	A brief resume of the director	√		
1.5(xxiv)(b)	Nature of his or her expertise in specific functional areas	√		
1.5(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board	√		
1.5(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on			
1.5(xxv)(a)	Accounting policies and estimation for preparation of financial statements	√		
1.5(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	√		
1.5(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	√		
1.5(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		
1.5(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1.5(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company	√		
1.5(xxv)(g)	Does future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position explained to the shareholders in the next AGM	√		
1.5(xxvi)	Does declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) disclosed as per Annexure-A	√		
1.5(xxvii)	Does the report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 disclosed as per Annexure-B and Annexure-C	√		
1.6	Meetings of the Board of Directors			
1.6	Does the company conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		

1.7	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1.7 (a)	Does the Board lay down a code of conduct, based on the recommendation of the Nomination and remuneration Committee (NRC) at condition No. 6, for the chairperson of the Board, other board members and Chief Executive Officer of the company;	√		
1.7 (b)	Does the code of conduct as determined by the NRC posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency	√		
2.00	Governance of Board of Directors of Subsidiary Company			
2 (a)	Do provisions relating to the composition of the Board of the holding company applicable to the composition of the Board of the subsidiary company	-		N/A
2 (b)	Does at least 1 (one) independent director on the Board of the holding company on the Board of the subsidiary company	-		N/A
2 (c)	Does the minutes of the Board meeting of the subsidiary company placed for review at the following Board meeting of the holding company	-		N/A
2 (d)	Does the minutes of the respective Board meeting of the holding company state that they have reviewed the affairs of the subsidiary company	-		N/A
2 (e)	Does the Audit Committee of the holding company review the financial statements, in particular the investments made by the subsidiary company	-		N/A
3.00	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3.1	Appointment			
3 (a)	Does the Board appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3 (b)	Does the positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) filled by different individuals	√		
3 (c)	Does the MD or CEO, CS, CFO and HIAC of a listed company hold any executive position in any other company at the same time	√		
3 (d)	Does the Board clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	√		
3 (e)	Does the MD or CEO, CS, CFO and HIAC removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s)	√		
3.2	Requirement to attend Board of Directors' Meetings			
3.2	Do the MD or CEO, CS, CFO and HIAC of the company attend the meetings of the Board:	√		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3.3(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
3.3(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3.3(b)	Do the MD or CEO and CFO certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are	√		

	fraudulent, illegal or in violation of the code of conduct for the company's Board or its members			
3.3(c)	Do the certification of the MD or CEO and CFO disclosed in the Annual Report.	√		
4	Board of Directors' Committee: For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4 (i)	Is the company have Audit Committee	√		
4 (ii)	Is the company have Nomination and Remuneration Committee.	√		
5	Audit Committee			
5.1	Responsibility to the Board of Directors			
5.1 (a)	The company have an Audit Committee as a subcommittee of the Board	√		
5.1 (b)	The Audit Committee assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	√		
5.1 (c)	Does the Audit Committee is responsible to the Board; the duties of the Audit Committee clearly set forth in writing	√		
5.2	Constitution of the Audit Committee			
5.2 (a)	Does the Audit Committee composed of at least 3 (three) members;	√		
5.2 (b)	Does the Board appoint members of the Audit committee who shall be non-executive directors of the company excepting Chairperson of the Board and include at least 1 (one) independent director;	√		
5.2 (c)	Do members of the audit committee "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5.2 (d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee	-		N/A
5.2 (e)	Does the company secretary act as the secretary of the Committee	√		
5.2 (f)	Does the quorum of the Audit Committee meeting constitute with at least 1 (one) independent director.	√		
5.3	Chairperson of the Audit Committee			
5.3 (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5.3 (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4) (b). Does the reason of absence of the regular Chairperson duly recorded in the minutes.	√		
5.3 (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the	√		

	Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.			
5.4	Meeting of the Audit Committee			
5.4 (a)	The Audit Committee shall conduct at least its four meetings in a financial year.	√		
5.4 (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5.5	Role of Audit Committee			
5.5 (a)	Oversee the financial reporting process;	√		
5.5 (b)	Monitor choice of accounting policies and principles	√		
5.5 (c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report	√		
5.5 (d)	Oversee hiring and performance of external auditors;	√		
5.5 (e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	√		
5.5 (f)	Review along with the management, the annual financial statements before submission to the Board for approval	√		
5.5 (g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	√		
5.5 (h)	Review the adequacy of internal audit function	√		
5.5 (i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report	√		
5.5 (j)	Review statement of all related party transactions submitted by the management	√		
5.5 (k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5.5 (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors	√		
5.5 (m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission	√		
5.6	Reporting of the Audit Committee			
5.6 (a)(i)	The Audit Committee shall report on its activities to the Board.	N/A		
5.6 (a)(i)(a)	The Audit Committee shall immediately report to the Board on the following findings report on conflicts of interests	N/A		
5.6 (a)(i)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	N/A		
5.6 (a)(i)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations	N/A		
5.6 (a)(i)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately	N/A		
5.6 (b)	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably	N/A		

	ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier			
5.7	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company	N/A		
6	Nomination and Remuneration Committee (NRC)			
6.1 (a)	Does the company have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board	√		
6.1 (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6.1 (c)	Does the Terms of Reference (ToR) of the NRC clearly set forth in writing covering the areas stated at the condition No.6(5)(b).	√		
6.2	Constitution of the NRC			
6.2 (a)	Does the Committee comprise of at least three members including an independent director;	√		
6.2 (b)	All members of the Committee shall be non-executive directors;	√		
6.2 (c)	Do members of the Committee nominated and appointed by the Board;	√		
6.2 (d)	Does the Board have authority to remove and appoint any member of the Committee;	√		
6.2 (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		
6.2 (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	√		
6.2 (g)	The company secretary shall act as the secretary of the Committee;	√		
6.2 (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6.2 (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company;	√		
6.3	Chairperson of the NRC			
6.3 (a)	Does the Board select 1 (one) member of the NRC to be Chairperson of the Committee	√		
6.3 (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		
6.3 (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	√		
6.4	Meeting of the NRC			

6.4 (a)	The NRC shall conduct at least one meeting in a financial year;	√		
6.4 (b)	Does the Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		
6.4 (c)	Does the quorum of the meeting of the NRC constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	√		
6.4 (d)	Do the proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes confirmed in the next meeting of the NRC.	√		
6.5	Role of the NRC			
6.5(a)	Does NRC independent and responsible or accountable to the Board and to the shareholders;	√		
6.5 (b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6.5(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6.5(b)(i)(a)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following	√		
6.5(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks	√		
6.5(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals	√		
6.5(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality	√		
6.5(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board	√		
6.5(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board	√		
6.5(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria	√		
6.5(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	√		
6.5(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
7.	External or Statutory Auditors			
7.1	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7.1 (i)	Appraisal or valuation services or fairness opinions;	√		
7.1 (ii)	Financial information systems design and implementation;	√		
7.1 (iii)	Book-keeping or other services related to the accounting records or financial statements;	√		
7.1 (iv)	Broker-dealer services;	√		
7.1 (v)	Actuarial services;	√		
7.1 (vi)	Internal audit services or special audit services;	√		
7.1 (vii)	Any service that the Audit Committee determines;	√		

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

Sd/-

Shahnul Hasan Khan
Managing Director
Gardenia Wears Ltd.

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

Names of the members of both audit committee and remuneration committee are as follows:

Audit committee members	Nomination and Remuneration Committee (NRC) members
Md. Mamoon Al Bashir (Independent Director), Chairman of the Committee; Mohammed Ruhul Amin (Chairman), Member; Mohammad Shariat Ullah (Director), Member; Walid Bin Kader (Independent Director), Member; Ajoy Kumar Saha (Company Secretary), Secretary of the Committee	Walid Bin Kader (Independent Director), Chairman of the Committee Mohammed Ruhul Amin (Chairman), Member Ajoy Kumar Saha (Company Secretary), Secretary of the Committee

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

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

The terms of reference of the Nomination and Remuneration Committee (NRC) has been agreed upon as follows:

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

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

(a) The valuation report of securities to be offered shall be prepared and justified by the issue manager on the basis of the financial and all other information pertinent to the issue:

The valuation report of securities offered is prepared and justified by the issue manager (MTB Capital Ltd.) on the basis of the financial and all other information pertinent to the Issue.

(b) To prepare the valuation report, the issue manager may consider all qualitative and quantitative factors which shall be explained in details with rationale to consider such factors, the valuation methods used, sources of information and authenticity of such information:

Qualitative and Quantitative factors for valuation:

Qualitative Justification:

- 1. Quality Products** : The Company has to maintain producing quality products that increase sales volume over the year.
- 2. Product line variety** : The Company has various product line varieties. The company sells different line of product.
- 3. Modern Machineries** : The Company has been using modern machineries that smooth our operation.
- 4. Technology** : The Company has latest tools and technologies to support production.
- 5. Dedicated Workforce** : The Company has dedicated human resources.
- 6. Board of Director** : Visionary Board of Directors.

Quantitative Justification:

Primary Valuation method for the Company is considered on the basis of Net Assets Value per share, Historical earning based value per share and Average market price per share of similar stocks.

(c) While preparing the valuation report, the issue manager shall avoid exaggeration and biasness and shall exercise independence and due diligence:

We, the Issue Manager while preparing the valuation report, we avoid exaggeration, biasness and independence and due diligence.

(d) The issue manager(s) shall, among others, consider the following methods for valuation of the securities:

The valuation report of securities shall be prepared on the basis of the financial and all other information pertinent to the issue. The fair value is determined under different valuation methods referred in Clause No. Annexure-E (B) (14) of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015. The following table illustrates the calculation of fair value of Gardenia Wears Ltd. under different methods:

Methods followed		Amount in BDT
Method-1	Net assets value per share	12.28
Method-2	Earning based value per share (Considering average Sector P/E)	14.47
	Earning based value per share (Considering average Market P/E)	12.16
Method-3	Projected earnings for the next three accounting year with rationales of the projection	N/A
Method-4	Average market price per share of similar stocks	37.23

The detailed valuation workings under the above-mentioned methods are furnished under the head of "Valuation under different methods as prescribed in clause no. Annexure-E(B)(14) of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015" described in this section.

“Valuation under different methods as prescribed in clause no. Annexure-E(B)(14) of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015”

Method-1: Calculation of net asset value (NAV) per share:

(As per audited financial statements)

Particulars	31.12.2018
Total assets	863,516,617
Less: Total liabilities	360,413,512
A. Net assets	503,103,105
B. Number of ordinary shares outstanding	40,970,540
Net asset value (NAV) per share (A/B)	12.28

Method-2: Earning-based-value calculated on the basis of weighted average of net profit after tax for immediate preceding five years or such shorter period during which the issuer was in commercial operation:

Historical earning based value calculated on the basis of weighted average net profit after tax for immediate preceding 2.5 years. Information extracted from audited financial statements.

Year/ period end	No. of shares outstanding	Net profit after tax (Amount in BDT)	Weight of total No. of shares	Weighted net profit after tax (BDT)
31-Dec-18	40,970,540	35,224,269	0.5162	18,184,369
30-Jun-18	19,195,990	39,215,566	0.2419	9,485,354
30-Jun-17	19,195,990	18,782,905	0.2419	4,543,158
Total	79,362,520	93,222,740	1.00	32,212,881
Latest number of ordinary shares outstanding				40,970,540
Weighted average earnings per share				0.79
03 Months Average DSE Textile Sector P/E				18.32
03 Months Average DSE Market P/E				15.39
Earning based value per share (Considering average Sector P/E)				14.47
Earning based value per share (Considering average Market P/E)				12.16

(A) Average Price Earnings of Market & Sectorial:

Month	Sectorial	Market
Jan-19	18.85	16.38
Dec-18	17.95	15.19
Nov-18	18.17	14.61
Average	18.32	15.39

Sources: Monthly review published by Dhaka Stock Exchange Ltd.

Method-3: Projected earnings for the next three accounting year with rationales of the projection, if not in commercial operation:

Gardenia Wears Ltd. incorporated on May 07, 2014 and started its commercial production from August 1, 2016. So for this company Projected earnings for the next three accounting year with rationales of the projection is not required.

Method 4: Average market price per share of similar stocks for the last one year:

Nature of Business of Gardenia Wears Ltd. is similar to the business of Companies Listed in stock Exchanges under the Textile Sector. So we have considered the Envoy Textile Limited, HR Textile Mills Ltd. & Simtex Industries Ltd. to calculate the average market price per share of Similar Stock for the last One year. Tables of the calculation are given below:

Sl.	DATE	ENVOYTEX	HRTEX	SIMTEX
1	27-Feb-19	36.9	46	33.9
2	31-Jan-19	38.5	45.2	31.8
3	27-Dec-18	36.3	43.6	33
4	29-Nov-18	34.6	40.9	31.4
5	31-Oct-18	37.1	37.1	38.3
6	30-Sep-18	34.6	38.4	40.5
7	30-Aug-18	36.4	52.3	45.8
8	31-Jul-18	37.5	62.8	37.9
9	28-Jun-18	34.7	43.5	26.2
10	31-May-18	30.7	41	28.3
11	30-Apr-18	29.9	37.2	27
12	29-Mar-18	30.2	32.6	28.1
Average Price		34.78	43.38	33.52
Average Price of these 03 (Three) Stocks				37.23

Source: DSE

Offer Price:

Based on the above-mentioned valuation methodologies as per Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the management of the company in consultation with the Issue Manager has set the issue price at Tk. 10.00 each at par value.

Sd/-

Khairul Bashar A. T. Mohammed

Chief Executive Officer & SEVP

MTB Capital Ltd.

SECTION (XVI): DEBT SECURITIES

(a) The terms and conditions of any debt securities that the issuer company may have issued or is planning to issue within next six months, including their date of redemption or conversion, conversion or redemption features and sinking fund requirements, rate of interest payable, Yield to Maturity, encumbrance of any assets of the issuer against such securities and any other rights the holders of such securities may have:

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

(b) All other material provisions giving or limiting the rights of holders of each class of debt securities outstanding or being offered, for example subordination provisions, limitations on the declaration of dividends, restrictions on the issuance of additional debt or maintenance of asset ratios:

The Company has not issue any debt security.

(c) Name of the trustee(s) designated by the indenture for each class of debt securities outstanding or being offered and describe the circumstances under which the trustee must act on behalf of the debt holders:

The Company has not issue any debt security. So there is no trustee for this issue.

(d) Repayment or redemption or conversion status of such securities.

The Company has not issue any debt security. So there is no repayment or redemption or conversion status of such securities.

SECTION (XVII) PARTIES INVOLVED AND THEIR RESPONSIBILITIES, AS APPLICABLE

Parties involved with GWL		Responsibilities
(a) Issue Manager	MTB Capital Ltd.	The Issue Manager will act as the manager to the issue for the public issue as described in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.
(b) Underwriter(s)	MTB Capital Ltd. & Riverstone Capital Limited	The Underwriter(s) is responsible to underwrite the public offering on a firm- commitment basis as per requirement of Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015. In case of under- subscription in any category by up to 35% in an initial public offer, the unsubscribed portion of securities shall be taken up by the underwriter(s)
(c) Statutory Auditor	AHMAD & AKHTAR Chartered Accountants	Auditor's responsibility is to express an opinion on the financial statements based on their audit. An Auditor will conduct the audit in accordance with International Standards on Auditing (ISA) is responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud and error. Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs.
(d) Cost Auditor	N/A	N/A
(e) Valuer	N/A	N/A
(f) Credit rating Company	N/A	N/A

SECTION (XVIII): MATERIAL CONTRACTS

The following are material contracts in the ordinary course of business, which have been entered into by the Company:

(a) Major agreements entered into by the issuer:

- i) Underwriting agreement between the company and the underwriters.
- ii) Issue management agreement between the company and the manager to the issue.

(b) Material parts of the agreements:

Issue Management

Agreements	Material parts of the agreement	
Issue Management Agreement with MTB Capital Ltd.	Signing Date	July 1, 2018
	Tenure	This Agreement shall be valid until completion of subscription of shares and unless this Agreement is extended or earlier terminated in accordance with the terms of this Agreement.
	Principal Terms and Condition	<p>1. Issue Manager's Role</p> <p>(i) Public offering:</p> <ol style="list-style-type: none"> a. Act as issue manager and corporate advisor to Gardenia Wears Ltd. for their upcoming IPO. b. Advise on valuation and pricing of the IPO. c. Prepare the prospectus for the IPO. d. Advise and assist Gardenia Wears Ltd. to arrange an underwriting syndicate for the IPO.

		<p>e. Advise and assist Gardenia Wears Ltd. in dealings with regulatory authorities and the stock exchanges.</p> <p>f. Advise on financial strategy for restructuring of offer and modification of projects, if required.</p> <p>2. The issue manager shall ensure compliance of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015, Listing Rules of the Stock Exchanges, Companies Act 1994, Securities and Exchange Ordinance, 1969 and other relevant rules, regulations, practices, directives, guidelines etc.</p> <p>3. Neither Gardenia Wears Ltd. nor any person acting on its behalf will initiate any discussion concerning the object of this Agreement, other than with its legal advisers, without first consulting with MTB Capital. GWL and its management undertake to promptly inform MTB Capital of any inquiries they may receive in this regard. Neither GWL nor any person acting on its behalf will, directly or indirectly, except through MTB Capital, sell, offer, attempt to offer to dispose of, or solicit any offer to buy, or otherwise approach or negotiate in respect of any matter covered by this Agreement and GWL confirms that neither GWL nor any person acting on its behalf has been engaged in any such matter prior to the date of this letter except as disclosed in writing to MTB Capital.</p> <p>4. Any written or oral advice provided by MTB Capital in connection with its engagement is exclusively for the information of Gardenia Wears Ltd.. Senior management of GWL may not disclose such information to any third party or referred to public without the prior written consent of MTB Capital. MTB Capital agrees not to disclose, circulate or to refer to such advice publicly without the prior written consent of Gardenia Wears Ltd.</p> <p>5. This Agreement shall be governed by, and construed in accordance with the Laws of Bangladesh. In connection with any legal proceedings arising with respect to this Agreement, GWL and MTB Capital hereby irrevocably submit to the jurisdiction of the Bangladesh Courts.</p> <p>6. All questions of differences whatsoever which may at any time hereinafter arise between the parties hereto or their respective representatives touching these presents or the subject matter hereof or arising out of or in connection thereto respectively and whether as to construction or otherwise shall be referred to a single arbitrator in case the parties agree upon one Arbitrator, otherwise two Arbitrators to be appointed by each party in accordance with the provisions of the Arbitration Act, 2001 (Act-I of 2001) or any statutory modification thereof for the time being.</p>
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Underwriting

Agreement	Material parts of the agreement	
<p>Underwriting Agreement with MTB Capital Ltd. & Riverstone Capital Limited</p>	Signing Date	January 24, 2019 & March 21, 2019
	Tenure	This Agreement shall be valid until completion of subscription of shares and unless this Agreement is extended or earlier terminated in accordance with the terms of this Agreement.
	Principal Terms and Condition	<p>1. The Company shall issue 20,000,000 Ordinary Shares of Tk.10/- each at par for public subscription through publishing a prospectus in accordance with the consent of the Bangladesh Securities and Exchange Commission (BSEC) and the provision of this Agreement.</p> <p>2. Prior to publication of the prospectus, the Company shall obtain a consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 1 and provide for payment of initial underwriting commission not exceeding 0.50% (zero point five zero percent) on the amount underwritten.</p> <p>3. The company shall make media campaign and publicity of the offer for subscription to the extent as may be reasonably requested by the Issue Manager prior to opening and during offer period of subscription list with publicly material as approved by BSEC.</p> <p>4. The Company shall comply with any other formalities required under the laws of the land for raising fund through Public Offering.</p> <p>If and to the extent that the shares offered to the public by a prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within 10 (ten) days of the closure of subscription call upon the Underwriter in writing with a copy of the said writing to the Bangladesh Securities and Exchange Commission, to subscribe or procure subscriber to subscribe the shares not so subscribed within the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within 15 (fifteen) days after being called upon to do so. The amount so received shall be credited in the share subscription account of the Company within the said period. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled its obligation towards its underwriting commitment under this Agreement, until such time as the Cheque/Bank Draft has been encashed and the Company's share subscription account credited. In any case within 7 (Seven) days after the expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the underwriters, to the Commission.</p> <p>In the case of failure by the Underwriter to pay for the shares under the terms mentioned above, the said underwriter will not be eligible to underwrite any issue, until such time as it fulfills its underwriting commitment under this Agreement and also other penalties as may be determined by the BSEC.</p> <p>In the case of failure by the Underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under this Agreement.</p>

		<p>In case of failure by the Company to call upon the underwriter for the aforementioned purpose within the stipulated time, the Company and its directors shall individually and collectively be held responsible for the consequences and/or penalties as determined by the Bangladesh Securities and Exchange Commission under the law.</p> <p>5. That the signatories to this Agreement have duly been authorized by the Board of Directors of both the Company and the underwriter to execute and give effect to this Agreement from the date written herein above.</p> <p>6. The liability of the underwriter under this clause shall be in proportion to but not exceeding the shares agreed to be underwritten by it; provided that the aforementioned request of the Company shall be supported by official certificates and other documents of subscription obtained from the Bankers to the Issue and a declaration of the Company as to the final result of the Public subscription.</p> <p>7. The Company shall pay to the Underwriter an underwriting commission at the rate of 0.50% of the amount underwritten hereby agreed to be underwritten by it.</p>
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(c) Fees payable to different parties:

Sl.	Particulars	Fees/ Commission (BDT)
a)	Underwriting agreement with the aforesaid underwriters	0.50% on Underwriting Amount
b)	Issue management agreement with MTB Capital Ltd.	1.25% on Issue Size

SECTION (XIX): LITIGATIONS, FINE OR PENALTY

(a) There are no litigations including outstanding litigations against the issuer or any of its directors and no fine or penalty has been imposed by any authority regarding the followings:

The Issuer or director or of Gardenia Wears Ltd. was not involved in any of the following types of legal proceedings are mentioned below:

(i) Litigation involving Civil Laws.	There is no litigation of the Issuer or director(s) in a civil proceeding.
(ii) Litigation involving Criminal Laws.	There is no litigation of the Issuer or director(s) in a criminal proceeding.
(iii) Litigation involving Securities, Finance and Economic Laws	There is no order, judgment or decree of any court of competent jurisdiction against the Issuer or director(s) permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director(s) or officer in any type of Securities, Finance and Economic Laws.
(iv) Litigation involving Labor Laws.	There is no litigation of the Issuer or director(s) in connection to applicable Labor Laws.
(v) Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes or duties).	There is no litigation of the Issuer or director(s) in connection to taxation (Income tax, VAT, Customs Duty and any other taxes or duties).
(vi) Litigation involving any other Laws.	There is no litigation involving any other Laws.

(b) There are no outstanding cases filed by the company or any of its directors relating to the followings:

(i) Litigation involving Civil Laws.	No cases filed by the company or any of its directors.
(ii) Litigation involving Criminal Laws.	No cases filed by the company or any of its directors.
(iii) Litigation involving Securities, Finance and Economic Laws.	No cases filed by the company or any of its directors.
(iv) Litigation involving Labor Laws.	No cases filed by the company or any of its directors.
(v) Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes or duties).	No cases filed by the company or any of its directors/ authority.
(vi) Litigation involving any other Laws.	No cases filed by the company or any of its directors.

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

An investment in shares involves a high degree of risk. The Company operates in a field involving some internal/ external risk factors and among those some are avoidable others are beyond control which may cause loss. Investors should carefully consider all the information disclosed in this prospectus including the risks and uncertainties described below before making an investment decision in company's shares. The management of Gardenia Wears Ltd. perceives the risk factors which are as follows:

(i) Internal risk factors

a) Credit risk:

Credit risk is the risk of a financial loss to the Company if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables. Credit risk arises due to non-ability of payment of installment of loan in case of shortage of production, timely shipment of export or any adverse situation might hinder the export process such as natural calamities, political unrest, adverse economic policy etc.

Management perception:

As The Company is involved in 100% export oriented business, all the sales are made against Letter of Credit sales contract-(L/C)/. L/Cs provide guarantee against credit sales and minimize the credit risk to an acceptable level. Bills receivable arises due to the time difference between submission of bills to the bank for collection of proceeds and actual realization of the proceeds.

b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they falls due. Liquidity risk arises due to insufficient fund to meet up short and long term liability.

Management perception:

The Company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, The Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

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

Return of investment of the holding company may be eroded due to conflict of interest among the group or any significant financial loss of the subsidiary and associates company.

Management perception:

The Company does not have any interest in subsidiaries, joint venture and associates companies. So there are no such possibilities of arisen risk in this respect.

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

There is risk involved in having limited number of customer and losing of that particular customer has negative impact on company's sales and cash flow as well.

Management perception:

The Company is not dependent on any single customer. A large number of global branded customers are regularly buying its product. So if one customer cancel its order it shall have insignificant impact on its total revenue.

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

There is also risk involved in having limited number of suppliers as well. Single or few suppliers may exploit the company by price hike, untimely delivery and low quality of product.

Management perception:

The company has large number of suppliers. It is not dependent on single supplier for sourcing its raw materials.

f) Risk of generating more than 20% revenue of the issuer's sister concern or associate or subsidiary:

Having 20% revenue generation from sister concern or associate or subsidiary makes issuer dependent on others companies. Hence, there is dependency risk.

Management perception:

The Company has no associate or subsidiary and no sales with any other sister concern. The Company export its product through L/C to the international buyer. The Company is not exposed to such concentrated revenue pattern.

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

Negative earnings, negative cash flows from operating activities, declining turnover or profitability is the going concern risk for the entity.

Management perception:

The Company has positive track record of earnings and cash flow from operation for last 2.5 years and expected to hold this position in upcoming years.

h) Loss making associate or subsidiary or group companies of the issuer:

Subsidiary/group companies of the issuer are loss making, it affect the issuer and there is negative impact on cash flow of issuer and Balance Sheet as well.

Management perception:

The Company has no associate, subsidiary, group companies, so no such risk arises.

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

Financial performance have material impact on the sustainability of the Company as going concern.

Management perception:

The Company has a proven track record of its strong financial fundamentals. The Company has planning to expansion of its business which will strengthen its revenue base further in future.

j) Decline in value of any investment:

The value of any type of investment may decline.

Management perception:

The Company has no such investment. Therefore, no such risk arises.

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

There is obsolescence risk relating to plant and machinery. If the machinery is purchased in second hand or reconditioned, there is high risk of repair and maintenance which has impact on profitability of the company.

Management perception:

The Company has been using brand new machineries since inception. It has no plan to purchase second hand/reconditioned machineries. Hence, no such risk arises.

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

There are possibilities of a holding company to expand through the use of debt or leverage, building an intricate corporate structure which can include unrealized values, thus creating a risk if interest rates on obligations or the evaluation of assets posted as guarantee for loans alter radically.

Management perception:

No director was given to or taken from loan from the Company. So no risk shall arise or possibilities to be arisen in future.

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

Conflict of interest between the issuer and its suppliers or major customer arise due to common management may create an impediment in the day to day business operational process.

Management perception:

No sponsor or director hold any position or own any stake in the business of its supplier or customer. So no conflict would be arisen in this respect.

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

Related party transaction of the issuer creates conflict of interest which reduces the competitive advantage of the issuer.

Management perception:

GWL did not engage with any such transaction, which may adversely affect competitive edge.

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

All information must be known to the potential investor so that investor's interest may not be hampered in future. So, any restrictive covenants, if it goes against potential investors, will make investors in threat.

Management perception:

There is no such agreement with any shareholders, sponsors or any agreement relating to debt or preference shares having restrictive covenants or any restrictive covenants of banks in respect of loan or credit limit and other banking facilities.

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

RMG industry is operating by workers and management mutual understanding. Owners are always concerned about workers demand. There were precedence in past regarding RMG workers violence in street, huge vandalism is a serious damage of the Company properties. Sometimes workers demanded more salary and stopped work which also create financial loss to the Company.

Management perception:

No situation arises in the Company in past in this respect. If any situation would arise, then owner and workers shall amicably settle down the situation with utmost considerable aspects.

q) Seasonality of the business of the issuer:

Revenue of the Company would be affected if the business is seasonal.

Management perception:

There is no significant seasonal aspect on the company's business but sales usually accelerates during the 2nd quarter due to Christmas.

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

The revenue would be squeezed if any contract for which revenue generated had expired.

Management perception:

There are no such contract for which the future revenue would be squeezed.

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

Excessive dependence on debt causes huge interest burden of the company and high risk of insolvency that may result in bankruptcy.

Management perception:

Debt to Equity ratio is less than one. It's within the satisfactory and manageable level.

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

Key management personnel have key role in the organization for smooth operation of the company. If key management personnel turnover is high that's have adverse impact on the organizational day to day activities.

Management perception:

Since inception of the Company, the employee rotation rate is low. The organizational structure is designed in such a way that any key management person if not in job that's shall have no impact on Company's overall performance.

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

Contingent liabilities are likely to have a negative impact on a company's stock share price because they threaten to reduce the company's assets and net profitability. The extent of the impact on share price depends on the estimated probability of the contingent liabilities becoming actual liabilities.

Management perception:

The Company does not have any contingent liabilities which may adversely affect financial condition.

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

The Company shall expose to significant loss if its assets are not properly covered by insurance.

Management perception:

The company has different insurance coverage for all the relating issues that are risky to operating business.

w) Absence of assurance that directors will continue its engagement with company after expiry of lock-in period:

Directors run the company with the accumulated finance from public and other financing source. If directors discontinue to run the business, there will be negative impact on business and share price as well.

Management perception:

Our directors are involved in the business and they will continue the business after expiry of lock in period as per the company act.

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

Any future dividend payment depends on the future revenue generation. Any negative earnings in the future shall hindered the financial stability of the company.

Management perception:

From existing business the Company shall earn significant revenue from which it is possible to pay dividend regularly. As per feasibility report, the Company shall earn significant revenue from its expansion business. It is presumed that the Company shall be able to pay dividend from the excess earning which shall be gathered from the expansion unit.

y) History of non-operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors:

History of non-operation indicates weak operational management of the company. Non-operation leads to negative cash flow, incurring of losses and bankruptcy in worst case scenario.

Management perception:

Since inception, the company has grown consistently. It has achieved successes in every instance. Expertise and discretion of our management have made it possible. The company has, thus, never been in non-operative state.

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

If it is new business, there is risk of viability of the new business.

Management perception:

There is no such risk as we are not engaged in any new type of business.

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

The company would be exposed off potential financial distress if the return on investment is low compared to alternative investment options they have.

Management perception:

Gardenia Wears Ltd. is a profitable entity and the management operates the business efficiently. There is the presence of a certain degree of risk associated with investing in the securities in the capital market. The potential investors are requested to carefully read the prospectus and understand the business potential of the company before making an investment decision.

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

The company shall have a risk to expose of eroded its brand name and goodwill in case of penalty or action taken by the regulatory authority.

Management perception:

No penalty or action taken by any regulatory authorities for non-compliance with provisions of any law.

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

Any litigation in terms of unsettled tax, VAT or any other Govt. claim may hamper business operation of The Company as well as may create future potential financial losses.

Management perception:

The company doesn't have any litigation relating to Tax, VAT or other government claims against the company.

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

Factory building should be owned by the company. Otherwise, there is risk of hike in factory rent in the years to come and threat of shifting the factory as well.

Management perception:

The factory building is owned by the Company but registered office is rented. So it is not a risk.

ee) Lack of renewal of existing regulatory permissions or licenses:

Non-renewal of license may hamper day to day business operation of the Company.

Management perception:

All licenses are valid and up dated. The management of the company always taken timely steps to renewal of all its regulatory licenses. So scope of arising any risk in this respect is low.

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

Failure in holding AGM or declaring dividend indicates the lack of compliance to the regulatory rules. Failure of payment of interest indicate the poor cash generation to the company to pay interest and debt service. The overall impression will be negative for the company.

Management perception:

There is no incident of failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any subsidiaries or associates because GWL does not have any Subsidiary & associates companies..

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

The management ultimate goal is to maximize the wealth of the company. If share price goes up, it maximizes wealth of the company. On the other hand, if share price goes down, it minimizes the wealth of the company.

Management perception:

GWL has no plan to issue any sort of securities within one year of IPO. As such, this issue is not applicable for the Company.

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

Any refusal of application for public issue of any securities of the issuer may hinder confidence of the Company or convey negative impression about the financial status to the shareholders.

Management perception:

The Company did not apply in past any such application to Bangladesh Securities and Exchange commission except capital raising through cash consideration only. So no such refusal of public issue of securities through IPO was occurred in past in this respect.

(ii) External risk factors may include among others:

a) Interest rate risk:

Interest rate risk is associated with the fluctuations in market interest rates which cause a company's cost of debt to increase. Changes in the Government's monetary policy also tend to increase the interest rates. High rate of interest may adversely affect the operating results and financial performance of the company with additional financial charges and squeezes the profit of the company.

Management perception:

The Management of the company always emphasizes on the management of its finance to an optimum capital structure of the company, so that the cost of capital remains minimum. The management prefers to procure long-term borrowing with minimum interest rate and the short term borrowing with reasonable competitive rate. Moreover, the company has been repaying borrowed funds on a continuous basis. Additionally, the management of the Company emphasizes on equity base financing to reduce the dependency on borrowing, suggesting the management perception for interest rate risk to have a minimal impact on the company's profitability and viability.

b) Exchange rate risk:

Exchange rate risk occurs due to changes in foreign currency exchange rates. As the company imports raw material and equipment from abroad and earns revenue in local currency, unfavorable volatility or currency fluctuation may affect the profitability of the company. If exchange rate is decreased against local currency opportunity will be created for generating more profit.

Management perception:

GWL settles its foreign transaction through US Dollars in case of both export and import. While the value of functional currency fluctuates, the loss or gain on currency fluctuation for export automatically offset against the loss or gain on currency fluctuation for import.

c) Industry risks:

Industry risk arises due to risk associated with business and macro-economic factors of the industry such as labor unrest, shortage of power, rising of raw material cost or shortage of raw material supply etc. If risk factor pertaining to industry is high, the growth of the industry shall be lower or may be eroded the entire potentiality of that industry.

Management Perception:

Management of the company is well aware of the above fact. Industry risk is inherent in any kind of business. At the moment the industry outlook is favoring for operating business.

d) Economic and political risks:

Economic risks:

Economic risk arises due to some various factors such as political or regulatory policy change, including adverse impact of globalization, social disturbances due to political unrest, terrorist attacks and other acts of violence or war, natural calamities, commodity and hike commodity & energy prices and various other factors. Any significant change may adversely effect on business and profitability of the Company.

Management perception:

Bangladesh economy is booming for last few years. Consistent industrial growth along with increased agricultural production has made the per capita income higher than that of recent years. In addition, favorable government policies and industry friendly policies by other regulatory bodies have proved to be congenial to the economy of the country. Bangladesh has been considered to be next emerging country in terms of economic development. This indicates the future potentiality of our country's economic strength. Despite of some economic shortfall, Bangladesh economy is going to be stands on a strong platform in terms of micro and macro economy indicators such as inflation, exchange rate, foreign reserve, GDP growth, per capital income, domestic demand, labor rate etc. Management of GWL is perceives that this is the right time to confine the economic benefit through expansion of business.

Political risks:

The risk that an investment returns could suffer as a result of political changes or instability in a country. Instability affecting investment returns could stem from a change in government, legislative bodies, other foreign policy makers, or military control.

Management perception:

Now-a-days calm and serene atmosphere is prevailing in our country. There is no political chaos as was at the beginning of 2014. Government is industry friendly and trying to make it favorable in its level best to boost up economic activities in the country.

e) Market and technology related risks:

Market risk

Market risk is the risk that any change in market such as demand of product, foreign exchange rates fluctuation, prices of product, increase of competition, squeeze of business through cancellation of work order, shifting of buyer to another market will affect the company's business. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Management perception:

Over the last few years, export of RMG products from Bangladesh has been growing at a very rapid pace. During fiscal year 2017-18 RMG export from our country stood at 83.49% of total export. Historically, Bangladesh's major export destination was North America and Europe. Recently, manufacturers of Bangladesh have been able to develop new markets i.e. China, India, Japan, Australia etc.

The Company believes that the garment sector will continue its growth due to several reasons. Firstly, this sector enjoys strong backward linkage capabilities. Secondly, the garment products contain high local value addition that provides preferential duty treatments under GSP (Generalized System of Preference) facility while exporting to EU countries. This makes the products manufactured in Bangladesh even cheaper compared to products of other countries that do not avail the GSP facility. Due to stronger backward linkage, the garment manufacturers can deliver products in lower lead time as well. For all these reasons, the knit garment manufacturers can deliver highest quality products at a very competitive price compared to other garment exporting nations.

Technology-related risks

Technology is a continuous process of development. Innovation of new and cost effective technology may obsolete existing technology, which may cause negative impact on the business. The operation of the Company is capital intensive and the quality of the products is directly related to the sophistication of the machinery in use. In case, the technology of the machineries becomes obsolete, cost advantage and quality of production of the Company may be affected adversely.

Management perceptions

The project is equipped with good machineries and technology to cope with the modern textile world. The Management both in head office and production premises seem to be competent and maintain the standard level of quality and to run the operations effectively. However, in order to reduce the operational risk, the Company is yet to ensure an external control mechanism. The Company has minimum exposure to operational risk.

Technology of textile machinery develops over time but the technology itself does not become obsolete frequently. The machineries of the companies are very sophisticated and state-of-the-art technology. The Company believes that there is very low probability that the technology of its existing machineries will become obsolete in near future.

f) Potential or existing Government regulations:

The Company operates under Companies Act, Taxation policy adopted by NBR, Bangladesh Securities and Exchange Commission (BSEC)'s Rules and Rules adopted by regulatory bodies. Any abrupt changes of the policies formed by those bodies will impact the business of the company adversely.

Management perception:

RMG export is a vital sector for the growth of the economy of Bangladesh. The Government of Bangladesh is highly concentrate on economic development of the Country through industrialization. Textile sector is one of the largest foreign currency earning sector which is always under focused by Government monitoring. Government of Bangladesh has given emphasize on development of textile sector through liberalization of policies, privatizations, entrepreneurship development, fiscal incentives, lessen tax burden for listed Companies, easing of listing procedure to capital markets, Bonded ware house facilities for raw material import, export subsidy, focusing on infrastructure development and many policy support. The Management of GWL perceives that these facilities shall be remain in near future which shall have positively impact on development of textile industry of our Country.

Government incentives and subsidies are crucial to maintain the sustainability and growth of this sector. The Government is aware of this fact. Hence, it is rationally expected that any undue tax or duty will not be imposed that may adversely affect the sector's sustainability. Rather, the Government is keen to support the industry. Finally, any changes in VAT, tax, or duty structure will affect all the operators in the industry. However, GWL has the greater resistance ability due to its cost-efficient operation process.

g) Potential or existing changes in global or national policies:

Changes in the existing global or national policies can have either positive or negative impact on the Company's profitability. The performance of the Company may be affected due to unavoidable circumstances in Bangladesh, as such any structural change in textile industry, war, terrorism, political unrest, natural and man-made disasters which may adversely affect the economy in general.

Management perception:

Nowadays global and national policies do not change without prior notice. For potential changes in policies, local and global leaders consider different issues including industries opinion. We are optimistic that if any policies change unpredictably, we can improvise with new policies without hampering our smooth operation.

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

Statutory clearance and approval is imperative for any business to start off. There are many statutory clearances and approvals need by the regulatory authority in order to be monitored, controlled and guided.

Management perception:

The company has collected all the statutory clearance and approval to operate the business. The necessary update and renewal is a continuous process. Hence, there is a limited degree of such risk associated with the company.

i) Competitive condition of the business:

The competitive advantages of the manufacturers depends on how their ability to manufacture optimum quality of goods as per buyer requirements. In addition, the companies who are capable of delivering within deadlines consistently outperform other companies.

Management perception:

Bangladesh is the prime source of cheapest labor in the world, earning comparative advantages for its industries over their local and global competitors. We are doing our level best to be competitive with our competitors. In addition, the management of GWL employs their efficiencies, expertise and discretions to minimize the cost of its products.

j) Complementary and supplementary products or services which may have an impact on business of the issuer:
Complementary and supplementary product may have impact on sale of the existing product of the Company.

Management perception:

GWL produces RMG product which has no supplementary or complementary product at all to its users. The Company yet to face any challenges from its competitive or supplementary product.

SECTION (XXI): DESCRIPTION OF THE ISSUE

(a) Issue size:

Public issue of 20,000,000 ordinary shares of Tk. 10.00 each (at par) totaling to Tk. 200,000,000.00

(b) Number of securities to be issued:

20,000,000 ordinary shares

(c) Authorized capital and paid-up capital:

Authorized capital is Tk. 950,000,000.00, pre-IPO paid-up capital is Tk. 409,705,400.00 and post IPO paid-up capital will be Tk. 609,705,400.00

(d) Face value, premium and offer price per unit of securities:

Face value is Tk. 10.00 each, no premium and offer price is Tk. 10.00 per share.

(e) Number of securities to be entitled for each category of applicants:

Category	Particulars	Number of Shares	Issue Price per Share	Amount in BDT
Eligible investors (EIs)	10% of IPO i.e. 2,000,000 Ordinary Shares shall be reserved for Mutual Funds	2,000,000	10.00	20,000,000
	40% of IPO i.e. 8,000,000 Ordinary Shares shall be reserved for Other Eligible Investors (EIs)	8,000,000		80,000,000
General public	10% of IPO i.e. 2,000,000 Ordinary Shares shall be reserved for Non- Resident Bangladeshis (NRBs)	2,000,000		20,000,000
	40% of IPO i.e. 8,000,000 Ordinary shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী and General Public	8,000,000		80,000,000
Total		20,000,000		200,000,000

(f) Holding structure of different classes of securities before and after the issue:

The Company has issued only ordinary shares. Holding structure of different classes of securities before and after the issue are as follows:

Sl.	Category of Shareholders	No of ordinary shares held		% of Holding		
		Pre-IPO	Post-IPO	Pre-IPO	Post-IPO	
1	Director or Sponsors	18,392,937	18,392,937	44.89%	30.17%	
2	Other than Director or Sponsor	22,577,603	22,577,603	55.10%	37.03%	
3	Eligible Investors	Mutual Funds and CIS	-	2,000,000	-	3.28%
		EI excluding mutual fund and CIS	-	8,000,000	-	13.12%
4	General Public	NRB	-	2,000,000	-	3.28%
		Others	-	8,000,000	-	13.12%
	Total	40,970,540	60,970,540	100.00%	100.00%	

(g) Objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital.

Net proceeds from IPO will be used for procurement of Building and other Civil Construction, Land development, Plant & Machinery, Furniture and Fixture and Electrical Equipment.

Sl.	Particulars	Amount in BDT
1	Building and other Civil Construction	107,493,782
2	Land development	8,269,990
3	Plant & Machinery	57,283,746
4	Furniture and Fixture	3,283,093
5	Electrical Equipment	8,669,389
	Sub Total	185,000,000
	IPO Expenses	15,000,000
	Grand Total	200,000,000

The feasibility report in this respect to enhance paid up capital as prepared by Khan Wahab Shafique Rahman & Co. Chartered Accountants is enclosed in paragraph (K) in Section (XXII) use of proceeds of the prospectus.

SECTION (XXII): USE OF PROCEEDS

- (a) Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up:

Details of Business Expansion

Gardenia Wears Limited's expansion project will be financed by IPO proceed, as the company will raised BDT 200,000,000/- from which BDT 15,000,000/- will be used as an IPO expenses. Remaining amount BDT 185,000,000/- will be used for project expansion in the event of huge demand from its existing and fresh customer base.

Sources of Fund: Issue Size (Number of share to be issued)	Amount in Taka
20,000,000 Shares (Issue price 10 each)	200,000,000
Less: IPO Expenses	15,000,000
Net IPO Proceeds	185,000,000

Use of Net proceeds from IPO

Net proceeds from IPO will be used for procurement of Building and other Civil Construction, Land development, Plant & Machinery, Furniture and Fixture and Electrical Equipment.

Details of the amount to be used for each purpose are as under:

Sl.	Particulars	Amount in BDT	Implementation Schedule of IPO Proceeds
01	Building and other Civil Construction	107,493,782	Within 12 months of receiving IPO fund
02	Land development	8,269,990	Within 03 months of receiving IPO fund
03	Plant & Machinery	57,283,746	Within 12 months of receiving IPO fund
04	Furniture and Fixture	3,283,093	Within 12 months of receiving IPO fund
05	Electrical Equipment	8,669,389	Within 12 months of receiving IPO fund
	Total	185,000,000	

Requirement & Estimations of Expansion Project				
Sl.	Particulars		Description	Estimated Amount in BDT
A	Building and Other Civil Construction	1	Factory Building:	
			Expansion of Production Building (Structure) 2nd Floor	63,874,637
			AIT	4,077,105
			VAT	4,337,345
			Sub Total	72,289,087
		2	Other Civil Construction:	
		2a	Boundary of Total Area	7,578,632
		2b	Finish Goods Warehouse	8,946,488
		2c	Wastage Godown	4,004,326
		2d	Septick tank	4,402,853
		2e	Storied Boiler relocation	1,495,224
		2f	Security House & Gate -2	625,519
		2g	Steel column cladding (GF, 1ST & 2ND)	3,091,200
			AIT	2,451,972
	VAT	2,608,481		
			Sub Total	107,493,782
B	Land and Land Development	1	Internal Road	6,421,990
		2	Land Filling	1,848,000
			Sub Total	8,269,990
C	Plant and Machineries	1	Production Machineries	51,918,878
		2	Fire protection and detection system	3,450,597
		3	Fire protection and detection system	972,097
		4	Fire Door	942,175
			Sub Total	57,283,746
D	Furniture & Fixtures	1	Sewing section furniture	2,259,000
		2	Finishing section furniture	1,024,093
			Sub Total	3,283,093
E	Electrical Equipment	1	Electrical Bus Bar Systems and DB, SDB Basic power	5,869,389
		2	Backup System, Lighting on Internal Roads, Boundary wall and Security Equipment.	1,000,500
		3	Light, Fan, Electrical equipment & Exchust Fan	1,799,500
			Sub Total	8,669,389
			Grand Total	185,000,000

Details Working:

A. 1 Building and Other Civil Construction

Factory Building: Expansion of Production Building (Structure) 2nd Floor

SL	Title of the items	Amount (BDT)
1	Construction of Pre- fabricated 3- storied factory building (2nd. floor) steel part	25,447,517
2	Construction of Pre- fabricated 3- storied factory building (2nd. floor) Civil part	38,427,120
Sub Total of WORKS =		63,874,637
AIT @ 6%=		4,077,105
VAT @ 6%=		4,337,345
Grand total=		72,289,087

BOQ OF STEEL WORKS

A. Super structure cost:

SL	Description	Unit	Quantity	Rate (BDT)	Amount (BDT)
1	I-Section for (Steel Column) MS Plate, Grade 50 Ksi with one coat red oxide	Kg	22,655.00	123.60	2,800,158.00
2	I-Section for (Main beam & Secondary beam) MS Plate, Grade 50 Ksi with one coat red oxide	Kg	98,842.00	123.60	12,216,871.20
3	Joint plate for (Steel Column, Main beam & Secondary beam etc.) MS Plate, Grade 50 Ksi, with one coat red oxide	Kg	23,325.00	123.60	2,882,970.00
4	8.8M Type Nut- bolts with washer (Hot-Dip)	Kg	4,023.00	198.00	796,554.00
5	I-Section for (Stair beam) MS Plate, Grade 50 Ksi with one coat red oxide	Kg	5,860.00	123.60	724,296.00
6	MS- Pipe for wall bracing-40 Ksi	Kg	1,445.00	114.00	164,730.00
7	0.7mm thick Decking sheet (GP- Type)	kg	24,543.00	132.00	3,239,676.00
8	20mm dia shear connector	kg	2,600.00	120.00	312,000.00
9	Decking Screw	Pcs	8,750.00	7.20	63,000.00
A. Sub-total of Super structure =					23,200,255.20

B. Transportation & Erection cost:

SL	Description	Unit	Quantity	Rate (BDT)	Amount (BDT)
1	Transportation Cost: Factory to project	kg	183,450.00	2.25	412,762.50
2	Erection Cost: Erection of Pre- fabricated steel structure, i.e , steel column, Main beam, Secondary beam, Decking sheet, Shear connector, Decking screw & steel stair etc.	Kg	183,450.00	10.00	1,834,500.00
B.Sub- total of (Transportation& Erection)=					2,247,262.50
Total of Steel works (A+B) =					25,447,517.70

BOQ OF CIVIL WORKS

SL	Description	Unit	Quantity	Rate (BDT)	Amount (BDT)
A. Factory building work:					
1	Dismantling work of flase R.C.C Column of roof or 2nd, floor with removing of dismantled materials such as concrete to be safe distance	cft.	456.00	156.00	71,136.00
2	Dismantling work of Paten stone at roof slab with removing of removing of dismantled materials such as concrete to be safe distance	sft	34665.00	30.00	1,039,950.00

3	Reinforced cement concrete works as per design strength 3000 psi using 1:1.5:3 mix ratio using 100% Sylhet sand or coarse sand of equivalent (FM 2.2) as fine aggregate and 20 mm downgraded stone chips as coarse aggregate using Aramit/Ruby Cement			-	-
	a. In Mezzanine slab	cft	19,394.00	384.00	7,447,296.00
	b. In Lintel	cft	405.00	384.00	155,520.00
	c. In Sune- shed	cft	1,280.00	384.00	491,520.00
	d. In false slab	cft	732.00	384.00	281,088.00
	e. In stair	cft.	832.00	384.00	319,488.00
4	MS Reinforcement works using 60 grade deformed bar using AKS/BSRM, including cost of fabrication, wires etc. all complete.			-	-
	a. In Mezzanine slab	kg	46,544.00	90.00	4,188,960.00
	b. In Lintel	kg	2,308.00	90.00	207,720.00
	c. In Sune- shed	kg	1,935.00	90.00	174,150.00
	d. In false slab	kg	1,385.00	90.00	124,650.00
	e. In stair	kg	2,510.00	90.00	225,900.00
5	Wooden shutter carrying, making, fixing for all complete			-	-
	a. In Mezzanine slab	sft	564.00	45.60	25,718.40
	b. In Lintel	sft	970.00	45.60	44,232.00
	c. In Sune- shed	sft	3,110.00	45.60	141,816.00
	d. In false slab	sft.	2,524.00	45.60	115,094.40
	e. In stair	sft	1,872.00	45.60	85,363.20
6	10" brick work using 1st, Class bricks, 1:4 mortar proportion with fine sand, including cost of sand seiving, washing curing, etc. all complete	cft	13,143.00	222.00	2,917,746.00
7	5" brick work using 1st, Class bricks, 1:4 mortar proportion with fine sand, including cost of sand seiving, washing curing, etc. all complete	sft	10,260.00	108.00	1,108,080.00
8	12mm thick Plaster works (1:4) in interior brick wall surface	Sft.	39,045.00	31.20	1,218,204.00
9	19mm thick Plaster works (1:4) in exterior brick wall surface	Sft.	13,150.00	38.40	504,960.00
10	Supply fitting fixing of facing brick of (Exterior brick wall surface)	sft	3,848.00	300.00	1,154,400.00
11	Two coat (Berger)Paint works in brick wall surface (interior surface)	Sft.	33,670.00	20.40	686,868.00
12	Two coat (Berger)Wheather coat Paint works in brick wall surface (Exterior surface)	Sft.	9,302.00	24.00	223,248.00
A. Sub-total of Factory building Work =					22,953,108.00
SL	Description	Unit	Quantity	Rate (BDT)	Amount (BDT)
B. Finishing work:					
1	Supply fitting fixing of homogeneous floor tiles, mortar ratio (1:3) etc. all complete. RAK BRAND, (400x400)mm	sft.	35,792.00	138.00	4,939,296.00
2	Supply fitting fixing of Wall tiles, mortar ratio (1:3) etc. all complete. RAK BRAND, (200x300)mm	sft.	4,226.00	126.00	532,476.00
3	Supply fitting fixing of Toilet all complete (Including pipe, fitting & fixture, long pan-lowdown), RAK	Nos	37.00	36,000.00	1,332,000.00
4	Supply of Plastic door(2'-0"x7'-0"), RFL/PARTEX	Nos	37.00	6,600.00	244,200.00

5	Supply of wooden door, Mehogoni /Shill korri(3'-0"x7'-0") with chowkhet	Nos	4.00	22,200.00	88,800.00
6	Supply of wooden door, MehogoniShill korri(5'-0"x7'-0") with chowkhet	Nos	4.00	34,200.00	136,800.00
7	Hand wash basin (WH), RAK	Nos	28.00	6,600.00	184,800.00
8	100 mm dia PVC rain water	rft.	800.00	132.00	105,600.00
9	Supply fitting fixing of MS stair raling	sft.	784.00	336.00	263,424.00
10	75 mm thai section with 5mm thick clear glass without mosquito net.	Sft.	3,175.00	360.00	1,143,000.00
11	Window grill with 10x10 square bar	Sft.	3,175.00	144.00	457,200.00
12	100 mm thai section with 6mm thick clear glass (Exterior glass partitation wall)	Sft.	1,652.00	540.00	892,080.00
13	75mm thick PCC (1:2:4) including NCF & wire mesh over roof slab using 1/2" crushed stone chips, 50% Sylhet sand FM 2.2 & 50% local sand FM 1.5, Foam lub (Meta) per bag of cement & (Desalt+ water+ Catelist)	Sft.	35,794.00	144.00	5,154,336.00
B. Sub-total of Factory building Work =					15,474,012.00
Total of Civil works (A+B) =					38,427,120.00

A. 2. Other Civil Construction:

2a	BOUNDARY WALL				
COMPONENT AREA: 1280.00 RFT. (Approx)					
SL	Description	Unit	Quantity	Rate (BDT)	Amount (BDT)
1	Earthwork in foundation bed as per trench plan	cft.	21,888.00	12.32	269,660.16
2	Sand filling using sand of FM 0.5 to 0.8, in two layer well compacted by ramming with water sprinkle all complete	cft.	19,456.00	18.48	359,546.88
3	One layer polythene (of 0.7 micron) thick laying, over the brick flat solling	sft.	2,432.00	3.92	9,533.44
4	75mm thick single layer 1st, class brick flat soling	sft.	2,432.00	44.80	108,953.60
5	Reinforced cement concrete works as per design strength 3000 psi using 1:1.5:3 mix ratio using 100% Sylhet sand or coarse sand of equivalent (FM 2.2) as fine aggregate and 20 mm downgraded stone chips as coarse aggregate			-	-
	a) In footing	cft.	2,432.00	375.20	912,486.40
	b) In R.C.C Column	cft.	1,864.00	375.20	699,372.80
	c) In grade beam	cft.	1,067.00	375.20	400,338.40
	d) In Lintel	cft.	267.00	375.20	100,178.40
6	MS Reinforcement works in using 60 grade deformed bar, including cost of fabrication, wires etc. all complete. (AKS/RSRM)			-	-
	a) In footing	Kg	2,955.00	81.76	241,600.80
	b) In R.C.C Column	Kg	10,418.00	81.76	851,775.68
	c) In grade beam	Kg	5,007.00	81.76	409,372.32
	d) In Lintel	Kg	2,344.00	81.76	191,645.44
7	Made of Mango wood Sutter carrying, making, fixing for all complete			-	-
	a) In footing	sft.	2,432.00	44.80	108,953.60
	b) In R.C.C Column	sft.	7,566.00	44.80	338,956.80
	c) In grade beam	sft.	3,840.00	44.80	172,032.00
	d) In Lintel	sft.	1,280.00	44.80	57,344.00

8	125 mm brick wall using 1st class local coal burnt bricks, 1:4 mortar proportion with fine sand, including cost of scaffolding, sand seiving, washing curing, etc. all complete	sft.	10,240.00	106.40	1,089,536.00
9	19 mm thick wall plaster works using cement and sand at 1:4 ratio including scaffolding and levelings	sft.	21,015.00	29.12	611,956.80
10	2 coat Weather coat (Berger Paint) over plain surface of exerior interior wall.	sft.	21,015.00	17.92	376,588.80
11	Supply fitting & Fixing 12 BWG barbed wire (2 ply, 4 point) in fencing work @ 150mm c/c both horizontaly & vaetically, supported by 38x38x4 mm MS Angle, Connected with R.C.C support etc. all completed	Sft.	3,200.00	84.00	268,800.00
C. Sub- total of Boundary wall work=					7,578,632.32

2b. Finish Goods Warehouse

Construction of Single storied pre- fabricated Finished goods ware house building (Steel part)	3,309,698.56
Construction of Single storied pre- fabricated Finished goods ware house building (Civil part)	5,636,789.20
Total Cost of Finish Goods Warehouse	8,946,487.76

B. SHEETING & ACCESSORIES					
SL NO	Description	Unit	Quantity	Rate Tk.	Amount Tk.
1	0.50 mm thick color roof sheet (TATA BLUESCOPE/INDIA), yield strength of 550 N/mm2 coated with an alloy of 55% aluminum, 45% Zinc, coating mass shall be 140~150 gm/m2.	Kg	3,130.00	224.00	701,120.00
2	0.50 mm thick color Wall sheet (TATA BLUESCOPE/INDIA), yield strength of 550 N/mm2 coated with an alloy of 55% aluminum, 45% Zinc, coating mass shall be 140~150 gm/m2.	Kg	1,214.00	224.00	271,936.00
3	0.50 mm thick color Ridge capping (600 mm girth), (TATA BLUESCOPE/INDIA), yield strength of 550 N/mm2 coated with an alloy of 55% aluminum, 45% Zinc, coating mass shall be 140~150 gm/m2.	Kg	81.00	224.00	18,144.00
4	0.50 mm thick color Eave gutter (600 mm girth), (TATA BLUESCOPE/INDIA), yield strength of 550 N/mm2 coated with an alloy of 55% aluminum, 45% Zinc, coating mass shall be 140~150 gm/m2.	Kg	162.00	224.00	36,288.00
5	Eave gutter strip, GP- Type (2mm thick)	Kg	32.00	117.60	3,763.20
6	Eave gutter end stop	pcs	4.00	179.20	716.80
7	0.50 mm thick color Gable trim (425 mm girth), (TATA BLUESCOPE/INDIA), yield strength of 550 N/mm2 coated with an alloy of 55% aluminum, 45% Zinc, coating mass shall be 140~150 gm/m2.	Kg	72.00	224.00	16,128.00
8	0.50 mm thick color Bottom trim (425 mm girth), (TATA BLUESCOPE/INDIA), yield strength of 550 N/mm2 coated with an alloy of 55% aluminum, 45% Zinc, coating mass shall be 140~150 gm/m2.	Kg	192.00	224.00	43,008.00
9	0.50 mm thick color External corner trim (425 mm girth), (TATA BLUESCOPE/INDIA),	Kg	24.00	224.00	5,376.00

	yield strength of 550 N/mm ² coated with an alloy of 55% aluminum, 45% Zinc, coating mass shall be 140~150 gm/m ² .				
10	100mm dia Pvc down pipe	Rft.	240.00	134.40	32,256.00
11	Down pipe strap	pcs	48.00	24.64	1,182.72
12	Silicon	pcs	20.00	313.60	6,272.00
13	Silicon dispenser	pcs	3.00	212.80	638.40
14	50 mm roof screw	pcs	3,905.00	6.72	26,241.60
15	25mm wall screw	pcs	1,995.00	4.48	8,937.60
16	20/25mm joint screw	pcs	1,625.00	4.48	7,280.00
17	5mm thick double air babbler Insulation at roof	sft.	6,939.00	20.16	139,890.24
18	Supply fitting fixing of sliding door (4572X3050)mm=01 Nos	sft.	150.00	448.00	67,200.00
19	Canopy (6705X2440)mm=01 Nos	sft.	176.00	448.00	78,848.00
B.Sub- total of (Sheeting & accessories)=					1,465,226.56
C. Transportation & Erection cost:					
1	Transportation Cost: Factory to project	kg	20,502.00	1.68	34,443.36
2	Erection Cost: Erection of Pre- fabricated steel structure, i.e , steel column, rafter, Roof & wall purlin, roof sheet, Wall sheet, & all capping flashing etc.	kg	20,502.00	8.96	183,697.92
C. Subtotal of (Transportation& Erection)=					218,141.28
Grand total price of finished goods ware house building(A+B+C)=					3,309,698.56

Project Name: SINGLE STORIED FINISHED GOODS WARE HOUSE BUILDING					
BOQ OF CIVIL WORK					
A. Foundation Work					
1	Earthwork in foundation bed as per trench plan	cft.	4,704.00	12.32	57,953.28
2	Sand filling using sand of FM 0.5 to 0.8, in well compacted by raming with water sprinkle all complete	cft.	3,984.00	18.48	73,624.32
3	Site grading/ Leveling/ Dressing	sft.	6,939.00	6.72	46,630.08
4	One layer polythene (of 0.7 micron) thick laying, over the brick flat soling	sft.	576.00	3.92	2,257.92
5	75mm thick single layer 1st, class brick flat soling	sft.	576.00	44.80	25,804.80
6	Reinforced cement concrete works as per design strength 3500 psi using 1:1.5:3 mix ratio using 100% Sylhet sand or coarse sand of equivalent (FM 2.2) as fine aggregate and 20 mm downgraded stone chips as coarse aggregate			-	-
	a. In Footing	cft.	720.00	375.20	270,144.00
	b. In Short column up to GB	cft.	625.00	375.20	234,500.00
	c. In grade beam	cft.	1,147.00	375.20	430,354.40
7	Made of Mango wood Sutter carrying, making, fixing for all complete			-	-
	a. In Footing	sft.	480.00	44.80	21,504.00
	b. In Short column up to GB	sft.	1,432.00	44.80	64,153.60
	c. In grade beam	sft.	2,981.00	44.80	133,548.80
8	MS Reinforcement works in Pile cap, Short column, Grade beam using 60 grade deformed bar, including cost of fabrication, wires etc. all complete. (AKS/ RSRM)			-	-
	a. In Footing	kg	1,872.00	81.76	153,054.72
	b. In Short column up to GB	kg	2,949.00	81.76	241,110.24
	c. In grade beam	kg	3,475.00	81.76	284,116.00

9	250mm brick wall using 1st class local coal burnt bricks, 1:4 mortar proportion with fine sand, including cost of scaffolding, sand sieving, washing curing, etc. all complete	cft.	860.00	207.20	178,192.00
A. Sub- total of foundation work=					2,216,948.16
B	Ground Slab Work				
SL	Description	Unit	Quantity	Rate (BDT)	Amount (BDT)
1	Sand filling using sand of FM 0.5 to 0.8, in two layer well compacted by ramming with water sprinkle all complete	cft.	13,878.00	18.48	256,465.44
2	One layer polythene (of 0.7 micron) thick laying, over the brick flat soling	sft.	6,939.00	3.92	27,200.88
3	75mm thick single layer 1st, class brick flat soling	sft.	6,939.00	44.80	310,867.20
4	Reinforced cement concrete works as per design strength 3500 psi using 1:1.5:3 mix ratio using 100% Sylhet sand or coarse sand of equivalent (FM 2.2) as fine aggregate and 20 mm downgraded stone chips as coarse aggregate	cft.	3,470.00	375.20	1,301,944.00
5	MS Reinforcement works in using 60 grade deformed bar, including cost of fabrication, wires etc. all complete. (AKS/RSRM)	Kg	5,760.00	81.76	470,937.60
6	Wooden Sutter (made of mango wood) carrying, making, fixing for all complete	sft.	172.00	44.80	7,705.60
7	Mechanical Trowel finish at floor	sft.	6,939.00	8.96	62,173.44
8	Cock sheet	Rft.	175.00	12.32	2,156.00
9	Sand bitumen mix	Rft	175.00	11.20	1,960.00
B. Sub- total of Ground slab work=					2,441,410.16
C	SUPER STRUCTURE Work				
SL	Description	Unit	Quantity	Rate (BDT)	Amount (BDT)
1	Reinforced cement concrete works as per design strength 3000 psi using 1:2:4 mix ratio using 100% Sylhet sand or coarse sand of equivalent (FM 2.2) as fine aggregate and 20 mm downgraded stone chips as coarse aggregate				-
	a) In Lintel	cft.	143.00	352.80	50,450.40
	b) In Sunshade	cft.	60.00	352.80	21,168.00
2	MS Reinforcement works in using 60 grade deformed bar, including cost of fabrication, wires etc. all complete. (AKS/RSRM)			-	-
	a) In Lintel	Kg	733.00	81.76	59,930.08
	b) In Sunshade	Kg	150.00	81.76	12,264.00
3	Made of Mango wood Sutter carrying, making, fixing for all complete	sft.		-	-
	a) In Lintel	sft.	344.00	44.80	15,411.20
	b) In Sunshade	sft.	180.00	44.80	8,064.00
4	250 mm brick wall rest of ground slab perimeter of the building using 1st class local coal burnt bricks, 1:4 mortar proportion with fine sand, including cost of scaffolding, sand seiving, washing curing, etc. all complete	cft.	1,588.00	207.20	329,033.60
5	19mm thick wall plaster works using cement and sand at 1:4 ratio including scaffolding and leveling	sft.	3,810.00	31.36	119,481.60
6	2 coat plastic emulsion (Berger Paint) over plain surface of interior wall surface.	sft.	1,905.00	16.80	32,004.00
7	2- coat Weather coat (Berger Paint) over plain surface of exterior wall surface .	sft.	1,905.00	16.80	32,004.00
8	Supply fitting & Fixing of Fixed Thai window frame with 5mm thick Clear Glass	sft.	675.00	324.80	219,240.00

9	Supply fitting & Fixing of Window Grill 5mm thick flat bar & 3"/4 size	sft.	675.00	117.60	79,380.00
C. Sub- total of Super structure work=					978,430.88
Grand total price of Finished goods ware house building (A+B+C)=					5,636,789.20

2c. Wastage ware house

Construction of Single storied pre- fabricated Wastage ware house building (Steel part)	1,646,925.84
Construction of Single storied pre- fabricated Wastage ware house building (Civil part)	2,357,400.64

Component Name: Construction of single storied Wastage ware house building					
Building Area: = 3036.00 Sft. (Approx)					
BOQ OF STEEL PART					
A. Super structure:					
SL NO	Description	Unit	Quantity	Rate Tk.	Amount Tk.
1	I-Section for (Steel Column , Rafter), Base plate, all joint plate, MS Plate, Grade 40 Ksi	Kg	3,889.00	100.80	392,011.20
2	Hi- strength Nut- bolts with washer (8.8 M type-1)	Kg	62.00	184.80	11,457.60
3	25 mm dia Anchor bolt(Hot- Dip Galvanized with double nut double washer)	Kg	120.00	162.40	19,488.00
4	Roof purlin (GP type), Grade-40 Ksi	Kg	1,170.00	117.60	137,592.00
5	Wall girt (GP type), Grade-40 Ksi	Kg	846.00	117.60	99,489.60
6	12 mm dia sag rod	Kg	47.00	128.80	6,053.60
7	16 mm dia cable bracing with accessories etc. all complete	Rft.	465.00	72.80	33,852.00
8	Two coat Enemel paint over steel Surface (I-section)	sft.	1,596.00	14.56	23,237.76
A.Sub-total price for Super Structure=					723,181.76
B. SHEETING & ACCESSORIES					
SL NO	Description	Unit	Quantity	Rate Tk.	Amount Tk.
1	0.50 mm thick color roof sheet (TATA BLUESCOPE/INDIA), yield strength of 550 N/mm2 coated with an alloy of 55% aluminum, 45% Zinc, coating mass shall be 140~150 gm/m2.	Kg	1,317.00	224.00	295,008.00
2	0.50 mm thick color Wall sheet (TATA BLUESCOPE/INDIA), yield strength of 550 N/mm2 coated with an alloy of 55% aluminum, 45% Zinc, coating mass shall be 140~150 gm/m2.	Kg	771.00	224.00	172,704.00
3	0.50 mm thick color Ridge capping (600 mm girth), (TATA BLUESCOPE/INDIA), yield strength of 550 N/mm2 coated with an alloy of 55% aluminum, 45% Zinc, coating mass shall be 140~150 gm/m2.	Kg	49.00	224.00	10,976.00
4	0.50 mm thick color Eave gutter (600 mm girth), (TATA BLUESCOPE/INDIA), yield strength of 550 N/mm2 coated with an alloy of 55% aluminum, 45% Zinc, coating mass shall be 140~150 gm/m2.	Kg	97.00	224.00	21,728.00
5	Eave gutter strip, GP- Type (2mm thick)	Kg	20.00	117.60	2,352.00
6	Eave gutter end stop	pcs	4.00	179.20	716.80
7	0.50 mm thick color Gable trim (425 mm girth), (TATA BLUESCOPE/INDIA), yield	Kg	48.00	224.00	10,752.00

	strength of 550 N/mm ² coated with an alloy of 55% aluminum, 45% Zinc, coating mass shall be 140~150 gm/m ² .				
8	0.50 mm thick color Bottom trim (425 mm girth), (TATA BLUESCOPE/INDIA), yield strength of 550 N/mm ² coated with an alloy of 55% aluminum, 45% Zinc, coating mass shall be 140~150 gm/m ² .	Kg	120.00	224.00	26,880.00
9	0.50 mm thick color External corner trim (425 mm girth), (TATA BLUESCOPE/INDIA), yield strength of 550 N/mm ² coated with an alloy of 55% aluminum, 45% Zinc, coating mass shall be 140~150 gm/m ² .	Kg	24.00	224.00	5,376.00
10	100mm dia Pvc down pipe	Rft.	150.00	134.40	20,160.00
11	Down pipe strap	pcs	30.00	24.64	739.20
12	Silicon	pcs	10.00	313.60	3,136.00
13	Silicon dispenser	pcs	2.00	212.80	425.60
14	50 mm roof screw	pcs	1,675.00	6.72	11,256.00
15	25mm wall screw	pcs	1,255.00	4.48	5,622.40
16	20/25mm joint screw	pcs	1,035.00	4.48	4,636.80
17	5mm thick double air bubble Insulation at roof	sft.	3,036.00	20.16	61,205.76
18	Supply fitting fixing of sliding door (4572X3050)mm=01 Nos	sft.	150.00	448.00	67,200.00
19	Canopy (6705X2440)mm=01 Nos	sft.	176.00	448.00	78,848.00
B. Sub- total of (Sheeting & accessories)=					799,722.56
C. Transportation & Erection cost:					
1	Transportation Cost: Factory to project	kg	9,629.00	1.68	16,176.72
2	Erection Cost: Erection of Pre- fabricated steel structure, i.e , steel column, rafter, Roof & wall purlin, roof sheet, Wall sheet, & all capping flashing etc.	kg	9,629.00	11.20	107,844.80
C. Sub-total of (Transportation& Erection)=					124,021.52
Grand total price of Wastage ware house building(A+B+C)=					1,646,925.84

Project Name: SINGLE STORIED WASTAGE WARE HOUSE BUILDING					
BOQ OF CIVIL WORK					
A. Foundation Work					
1	Earthwork in foundation bed as per trench plan	cft.	2,160.00	12.32	26,611.20
2	Sand filling using sand of FM 0.5 to 0.8, in well compacted by raming with water sprinkle all complete	cft.	1,910.00	18.48	35,296.80
3	Site grading/ Leveling/ Dressing	sft.	3,036.00	6.72	20,401.92
4	One layer polythene (of 0.7 micron) thick laying, over the brick flat solling	sft.	250.00	3.92	980.00
5	75mm thick single layer 1st, class brick flat soling	sft.	250.00	44.80	11,200.00
6	Reinforced cement concrete works as per design strength 3500 psi using 1:1.5:3 mix ratio using 100% Sylhet sand or coarse sand of equivalent (FM 2.2) as fine aggregate and 20 mm downgraded stone chips as coarse aggregate			-	-
	a. In Footing	cft.	250.00	375.20	93,800.00
	b. In Short column up to GB	cft.	196.00	375.20	73,539.20
	c. In grade beam	cft.	373.00	375.20	139,949.60
7	Made of Mango wood Sutter carrying, making, fixing for all complete			-	-
	a. In Footing	sft.	200.00	44.80	8,960.00

	b. In Short column up to GB	sft.	504.00	44.80	22,579.20
	c. In grade beam	sft.	970.00	44.80	43,456.00
8	MS Reinforcement works in Pile cap, Short column, Grade beam using 60 grade deformed bar, including cost of fabrication, wires etc. all complete. (AKS/RSRM)			-	-
	a. In Footing	kg	825.00	81.76	67,452.00
	b. In Short column up to GB	kg	882.00	81.76	72,112.32
	c. In grade beam	kg	1,136.00	81.76	92,879.36
9	250mm brick wall using 1st class local coal burnt bricks, 1:4 mortar proportion with fine sand, including cost of scaffolding, sand seiving, washing curing, etc. all complete	cft.	373.00	207.20	77,285.60
A. Sub- total of foundation work=					786,503.20
B	Ground Slab Work				
SL	Description	Unit	Quantity	Rate (BDT)	Amount (BDT)
1	Sand filling using sand of FM 0.5 to 0.8, in two layer well compacted by ramming with water sprinkle all complete	cft.	6,072.00	18.48	112,210.56
2	One layer polythene (of 0.7 micron) thick laying, over the brick flat solling	sft.	3,036.00	3.92	11,901.12
3	75mm thick single layer 1st, class brick flat soling	sft.	3,036.00	44.80	136,012.80
4	Reinforced cement concrete works as per design strength 3500 psi using 1:1.5:3 mix ratio using 100% Sylhet sand or coarse sand of equivalent (FM 2.2) as fine aggregate and 20 mm downgraded stone chips as coarse aggregate	cft.	1,518.00	375.20	569,553.60
5	MS Reinforcement works in using 60 grade deformed bar, including cost of fabrication, wires etc. all complete. (AKS/RSRM)	Kg	2,520.00	81.76	206,035.20
6	Wooden Sutter (made of mango wood) carrying, making, fixing for all complete	sft.	112.00	44.80	5,017.60
7	Mechanical Trowel finish at floor	sft.	3,036.00	8.96	27,202.56
8	Cock sheet	Rft.	110.00	12.32	1,355.20
9	Sand bitumen mix	Rft	110.00	11.20	1,232.00
B. Sub- total of Ground slab work=					1,070,520.64
C	SUPER STRUCTURE Work				
SL	Description	Unit	Quantity	Rate (BDT)	Amount (BDT)
1	Reinforced cement concrete works as per design strength 3000 psi using 1:2:4 mix ratio using 100% Sylhet sand or coarse sand of equivalent (FM 2.2) as fine aggregate and 20 mm downgraded stone chips as coarse aggregate				-
	a) In Lintel	cft.	47.00	352.80	16,581.60
	b) In Sunshade	cft.	36.00	352.80	12,700.80
2	MS Reinforcement works in using 60 grade deformed bar, including cost of fabrication, wires etc. all complete. (AKS/RSRM)			-	-
	a) In Lintel	Kg	410.00	81.76	33,521.60
	b) In Sunshade	Kg	90.00	81.76	7,358.40
3	Made of Mango wood Sutter carrying, making, fixing for all complete	sft.		-	-
	a) In Lintel	sft.	224.00	44.80	10,035.20
	b) In Sunshade	sft.	108.00	44.80	4,838.40
4	125 mm brick wall rest of ground slab perimeter of the building using 1st class local coal burnt bricks, 1:4 mortar proportion with fine sand, including cost of	sft.	1,165.00	106.40	123,956.00

	scaffolding, sand seiving, washing curing, etc. all complete				
5	19mm thick wall plaster works using cement and sand at 1:4 ratio including scaffolding and leveling	sft.	2,330.00	31.36	73,068.80
6	2 coat plastic emulsion (Berger Paint) over plain surface of interior wall surface.	sft.	1,165.00	16.80	19,572.00
7	2- coat Weather coat (Berger Paint) over plain surface of exerior wall surface .	sft.	1,165.00	16.80	19,572.00
8	Supply fitting & Fixing of Thai window frame with 5mm thick Clear Glass	sft.	405.00	324.80	131,544.00
9	Supply fitting & Fixing of Window Grill 5mm thick flat bar & 3"/4 size	sft.	405.00	117.60	47,628.00
C. Sub- total of Super structure work=					500,376.80
Grand total price of Wastage ware house building (A+B+C)=					2,357,400.64

2d. Septic tank

COMPONENT Name: 3000 PERSON USER SEPTIC TANK					
BOQ OF CIVIL WORK					
A. Foundation Work					
1	Earthwork in foundation bed as per trench plan	cft.	18,928.00	12.32	233,192.96
2	Sand filling using sand of FM 0.5 to 0.8, in well compacted by raming with water sprinkle all complete	cft.	-	18.48	-
3	Site grading/ Leveling/ Dressing	sft.	1,980.00	6.72	13,305.60
4	One layer polythene (of 0.7 micron) thick laying, over the brick flat solling	sft.	1,914.00	3.92	7,502.88
5	75mm thick single layer 1st, class brick flat soling	sft.	1,914.00	44.80	85,747.20
6	Reinforced cement concrete works as per design strength 3500 psi using 1:1.5:3 mix ratio using 100% Sylhet sand or coarse sand of equivalent (FM 2.2) as fine aggregate and 20 mm downgraded stone chips as coarse aggregate			-	-
	a. In Bottom slab	cft.	1,987.00	375.20	745,522.40
	b. In column up to top slab	cft.	164.00	375.20	61,532.80
	c. In Wall	cft.	1,270.00	375.20	476,504.00
	d. In floor beam	cft.	720.00	375.20	270,144.00
	e. In top slab	cft.	994.00	-	-
7	Made of Mango wood Sutter carrying, making, fixing for all complete			-	-
	a. In Bottom slab	sft.	221.00	44.80	9,900.80
	b. In column up to top slab	sft.	420.00	44.80	18,816.00
	c. In Wall	sft.	1,764.00	44.80	79,027.20
	d. In floor beam	sft.	1,570.00	44.80	70,336.00
	e. In top slab	sft.	1,987.00	44.80	89,017.60
8	MS Reinforcement works in Pile cap, Short column, Grade beam using 60 grade deformed bar, including cost of fabrication, wires etc. all complete. (AKS/ RSRM)			-	-
	a. In Bottom slab	kg	3,975.00	81.76	324,996.00
	b. In column up to top slab	kg	818.00	81.76	66,879.68
	c. In Wall	Kg	3,356.00	81.76	274,386.56
	d. In floor beam	kg	2,540.00	81.76	207,670.40
	e. In top slab	Kg	3,260.00	81.76	266,537.60
9	125mm brick wall using 1st class local coal burnt bricks, 1:4 mortar proportion with fine sand,	sft.	1,284.00	106.40	136,617.60

	including cost of scaffolding, sand seiving, washing curing, etc. all complete				
10	Soak well Inner dia 1220mm & Outer dia 2440mm & Depth 6000mm	Nos	8.00	112,000.00	896,000.00
11	Man hole cover	Nos	6.00	3,136.00	18,816.00
12	Supply fitting fixing of connecting pipe	L.s	1.00	50,400.00	50,400.00
A. Sub- total of foundation work=					4,402,853.28
Grand total price of Septic tank building (A)=					4,402,853.28

2e. Storied Boiler relocation

SL	Description	Unit	Quantity	Rate (BDT)	Amount (BDT)
A. Foundation Work					
1	Earthwork in foundation bed as per trench plan	cft.	3,200.00	12.32	39,424.00
2	Sand filling using sand of FM 0.5 to 0.8, in well compacted by raming with water sprinkle all complete	cft.	-	18.48	-
3	Site grading/ Leveling/ Dressing	sft.	205.00	6.72	1,377.60
4	One layer polythene (of 0.7 micron) thick laying, over the brick flat solling	sft.	256.00	3.92	1,003.52
5	75mm thick single layer 1st, class brick flat soling	sft.	256.00	44.80	11,468.80
6	Reinforced cement concrete works as per design strength 3500 psi using 1:1.5:3 mix ratio using 100% Sylhet sand or coarse sand of equivalent (FM 2.2) as fine aggregate and 20 mm downgraded stone chips as coarse aggregate			-	-
	a. In Footing	cft.	448.00	375.20	168,089.60
	b. In column up to GB	cft.	50.00	375.20	18,760.00
	c. In grade beam	cft.	84.00	375.20	31,516.80
7	Made of Mango wood Sutter carrying, making, fixing for all complete			-	-
	a. In Footing	sft.	224.00	44.80	10,035.20
	b. In column up to GB	sft.	160.00	44.80	7,168.00
	c. In grade beam	sft.	217.00	44.80	9,721.60
8	MS Reinforcement works in Pile cap, Short column, Grade beam using 60 grade deformed bar, including cost of fabrication, wires etc. all complete. (AKS/RSRM)			-	-
	a. In Footing	kg	816.00	81.76	66,716.16
	b. In column up to GB	kg	532.00	81.76	43,496.32
	c. In grade beam	kg	438.00	81.76	35,810.88
A. Sub- total of foundation work=					444,588.48
B	Ground Slab Work				
SL	Description	Unit	Quantity	Rate (BDT)	Amount (BDT)
1	Sand filling using sand of FM 0.5 to 0.8, in two layer well compacted by ramming with water sprinkle all complete	cft.	300.00	18.48	5,544.00
2	One layer polythene (of 0.7 micron) thick laying, over the brick flat solling	sft.	150.00	3.92	588.00
3	75mm thick single layer 1st, class brick flat soling	sft.	150.00	44.80	6,720.00
4	Reinforced cement concrete works as per design strength 3500 psi using 1:1.5:3 mix ratio using 100% Sylhet sand or coarse sand of equivalent (FM 2.2) as fine aggregate and 20 mm downgraded stone chips as coarse aggregate	cft.	100.00	375.20	37,520.00
5	MS Reinforcement works in using 60 grade deformed bar, including cost of fabrication, wires etc. all complete. (AKS/ RSRM)	Kg	205.00	81.76	16,760.80

6	Wooden Sutter (made of mango wood) carrying, making, fixing for all complete	sft.	534.00	44.80	23,923.20
7	250mm brick wall rest of ground slab perimeter of the building using 1st class local coal burnt bricks, 1:4 mortar proportion with fine sand, including cost of scaffolding, sand seiving, washing curing, etc. all complete	cft.	42.00	207.20	8,702.40
8	Net- Cement finishing work of plinth level (NCF)	sft.	150.00	10.08	1,512.00
D. Sub- total of Ground slab work=					101,270.40
C	GROUND FLOOR Work				
SL	Description	Unit	Quantity	Rate (BDT)	Amount (BDT)
1	Reinforced cement concrete works as per design strength 3500 psi using 1:1.5:3 mix ratio using 100% Sylhet sand or coarse sand of equivalent (FM 2.2) as fine aggregate and 20 mm downgraded stone chips as coarse aggregate				-
	a) In Column	cft.	100.00	375.20	37,520.00
	b) In Floor beam	cft.	84.00	375.20	31,516.80
	c) In Lintel	cft.	42.00	375.20	15,758.40
	d) In Floor slab	cft.	203.00	375.20	76,165.60
2	MS Reinforcement works in using 60 grade deformed bar, including cost of fabrication, wires etc. all complete. (AKS/ RSRM)			-	-
	a) In Column	kg.	770.00	81.76	62,955.20
	b) In Floor beam	kg.	438.00	81.76	35,810.88
	c) In Lintel	kg.	215.00	81.76	17,578.40
	d) In Floor slab	kg.	336.00	81.76	27,471.36
3	Made of Mango wood Sutter carrying, making, fixing for all complete			-	-
	a) In Column	sft.	320.00	44.80	14,336.00
	b) In Floor beam	sft.	217.00	44.80	9,721.60
	c) In Lintel	sft.	100.00	44.80	4,480.00
	d) In Floor slab	sft.	205.00	44.80	9,184.00
4	Supply fitting Fixing of MS- Louver 1mm thick louver blade & 1.2mm thick U- chanel	sft.	130.00	313.60	40,768.00
5	250mm brick wall rest of slab perimeter of the building using 1st class local coal burnt bricks, 1:4 mortar proportion with fine sand, including cost of scaffolding, sand seiving, washing curing, etc. all complete	cft.	792.00	207.20	164,102.40
6	19 mm thick wall plaster works using cement and sand at 1:4 ratio including scaffolding and leveling	sft.	5,700.00	29.12	165,984.00
7	8 mm thick Celing plaster works using cement and sand at 1:4 ratio including scaffolding and leveling	sft.	308.00	28.00	8,624.00
8	2 coat plastic emulsion (Berger Paint) over plain surface of exerior interior wall.	sft.	2,850.00	16.80	47,880.00
9	3 coat paint Weather coat (Berger Paint) over plain surface of exerior wall.	sft.	2,850.00	17.92	51,072.00
10	Supply fitting & Fixing of Fixed window frame with 5mm thick Clear Glass	sft.	65.00	324.80	21,112.00
11	Supply fitting & Fixing of Window Grill 5mm thick flat bar & 3"/4 size	sft.	65.00	117.60	7,644.00
12	Fire door (1200X2100)	nos	1.00	72,800.00	72,800.00
13	Lime tressing	sft.	200.00	134.40	26,880.00
C. Sub- total of Super structure work=					949,364.64
Grand total price of Dormitory building (A+B+C)=					1,495,223.52

2f. Security House & Gate -2

Project Name: SINGLE STORIED GUARD ROOM BUILDING					
BOQ OF CIVIL WORK					
A. Foundation Work					
1	Earthwork in foundation bed as per trench plan	cft.	864.00	12.32	10,644.48
2	Sand filling using sand of FM 0.5 to 0.8, in well compacted by raming with water sprinkle all complete	cft.	764.00	18.48	14,118.72
3	Site grading/ Leveling/ Dressing	sft.	120.00	6.72	806.40
4	One layer polythene (of 0.7 micron) thick laying, over the brick flat solling	sft.	100.00	3.92	392.00
5	75mm thick single layer 1st, class brick flat soling	sft.	100.00	44.80	4,480.00
6	Reinforced cement concrete works as per design strength 3500 psi using 1:1.5:3 mix ratio using 100% Sylhet sand or coarse sand of equivalent (FM 2.2) as fine aggregate and 20 mm downgraded stone chips as coarse aggregate			-	-
	a. In Footing	cft.	100.00	375.20	37,520.00
	b. In Short column up to GB	cft.	32.00	375.20	12,006.40
	c. In grade beam	cft.	55.00	375.20	20,636.00
7	Made of Mango wood Sutter carrying, making, fixing for all complete			-	-
	a. In Footing	sft.	80.00	44.80	3,584.00
	b. In Short column up to GB	sft.	112.00	44.80	5,017.60
	c. In grade beam	sft.	154.00	44.80	6,899.20
8	MS Reinforcement works in Pile cap, Short column, Grade beam using 60 grade deformed bar, including cost of fabrication, wires etc. all complete. (AKS/ RSRM)			-	-
	a. In Footing	kg	212.00	81.76	17,333.12
	b. In Short column up to GB	kg	167.00	81.76	13,653.92
	c. In grade beam	kg	186.00	81.76	15,207.36
9	250mm brick wall using 1st class local coal burnt bricks, 1:4 mortar proportion with fine sand, including cost of scaffolding, sand seiving, washing curing, etc. all complete	cft.	55.00	207.20	11,396.00
A. Sub- total of foundation work=					173,695.20
B	Ground Slab Work				
SL	Description	Unit	Quantity	Rate (BDT)	Amount (BDT)
1	Sand filling using sand of FM 0.5 to 0.8, in two layer well compacted by ramming with water sprinkle all complete	cft.	240.00	18.48	4,435.20
2	One layer polythene (of 0.7 micron) thick laying, over the brick flat solling	sft.	120.00	3.92	470.40
3	75mm thick single layer 1st, class brick flat soling	sft.	120.00	44.80	5,376.00
4	Reinforced cement concrete works as per design strength 3500 psi using 1:1.5:3 mix ratio using 100% Sylhet sand or coarse sand of equivalent (FM 2.2) as fine aggregate and 20 mm downgraded stone chips as coarse aggregate	cft.	50.00	375.20	18,760.00
5	MS Reinforcement works in using 60 grade deformed bar, including cost of fabrication, wires etc. all complete. (AKS/RSRM)	Kg	100.00	81.76	8,176.00
6	Wooden Sutter (made of mango wood) carrying, making, fixing for all complete	sft.	22.00	44.80	985.60
7	Mechanical Trowel finish at floor	sft.	100.00	8.96	896.00
B. Sub- total of Ground slab work=					39,099.20

C SUPER STRUCTURE Work					
SL	Description	Unit	Quantity	Rate (BDT)	Amount (BDT)
1	Reinforced cement concrete works as per design strength 3000 psi using 1:2:4 mix ratio using 100% Sylhet sand or coarse sand of equivalent (FM 2.2) as fine aggregate and 20 mm downgraded stone chips as coarse aggregate				-
	a) In Column	cft.	40.00	352.80	14,112.00
	b) In Floor Beam	cft.	55.00	352.80	19,404.00
	c) In Floor slab	cft.	60.00	352.80	21,168.00
	d) In Lintel	cft.	9.00	352.80	3,175.20
	e) In Sunshade	cft.	6.00	352.80	2,116.80
2	MS Reinforcement works in using 60 grade deformed bar, including cost of fabrication, wires etc. all complete. (AKS/RSRM)			-	-
	a) In Column	Kg	180.00	81.76	14,716.80
	b) In Floor Beam	Kg	186.00	81.76	15,207.36
	c) In Floor slab	Kg	179.00	81.76	14,635.04
	d) In Lintel	Kg	90.00	81.76	7,358.40
	e) In Sunshade	Kg	15.00	81.76	1,226.40
3	Made of Mango wood Sutter carrying, making, fixing for all complete			-	-
	a) In Column	sft.	160.00	44.80	7,168.00
	b) In Floor Beam	sft.	154.00	44.80	6,899.20
	c) In Floor slab	sft.	143.00	44.80	6,406.40
	d) In Lintel	sft.	44.00	44.80	1,971.20
	e) In Sunshade	sft.	18.00	44.80	806.40
4	125 mm brick wall rest of ground slab perimeter of the building using 1st class local coal burnt bricks, 1:4 mortar proportion with fine sand, including cost of scaffolding, sand seiving, washing curing, etc. all complete	sft.	494.00	106.40	52,561.60
5	19mm thick wall plaster works using cement and sand at 1:4 ratio including scaffolding and leveling	sft.	988.00	31.36	30,983.68
6	2 coat plastic emulsion (Berger Paint) over plain surface of interior wall surface.	sft.	494.00	16.80	8,299.20
7	2-coat Weather coat (Berger Paint) over plain surface of exterior wall surface.	sft.	494.00	16.80	8,299.20
8	Supply fitting & Fixing of Thai window frame with 5mm thick Clear Glass	sft.	54.00	324.80	17,539.20
9	Supply fitting & Fixing of Window Grill 5mm thick flat bar & 3"/4 size	sft.	54.00	117.60	6,350.40
10	Suply fitting fixing of Main entry gate SS Type (6096X2440)mm	sft.	160.00	952.00	152,320.00
C. Sub- total of Super structure work=					412,724.48
Grand total price of Guard room building (A+B+C)=					625,518.88

2g. Steel column cladding (GF, 1ST & 2ND)

Project Name: 3- STORIED FACTORY BUILDING STEEL COLUMN CLADDING					
BOQ OF CIVIL WORK					
A	SUPER STRUCTURE Work				
SL	Description	Unit	Quantity	Rate (BDT)	Amount (BDT)
1	125 mm brick wall rest of ground slab perimeter of the building using 1st class local coal burnt bricks, 1:4 mortar proportion with fine sand, including cost of				-

	scaffolding, sand sieving, washing curing, etc. all complete				
	a). In ground floor	sft.	7,000.00	106.40	744,800.00
	b). In 1st. Floor	sft.	6,500.00	106.40	691,600.00
	c). In 2nd. Floor	sft.	6,500.00	106.40	691,600.00
2	19mm thick wall plaster works using cement and sand at 1:4 ratio including scaffolding and levelings			-	-
	a). In ground floor	sft.	7,000.00	31.36	219,520.00
	b). In 1st. Floor	sft.	6,500.00	31.36	203,840.00
	c). In 2nd. Floor	sft.	6,500.00	31.36	203,840.00
3	2 coat plastic emulsion (Berger Paint) over plain surface of interior wall surface.			-	-
	a). In ground floor	sft.	7,000.00	16.80	117,600.00
	b). In 1st. Floor	sft.	6,500.00	16.80	109,200.00
	c). In 2nd. Floor	sft.	6,500.00	16.80	109,200.00
A. Sub- total of Super structure work=					3,091,200.00
Grand total price of Guard room building (A)=					3,091,200.00

B. Land and Land Development

B.1 INTERNAL RIGID PAVEMENT ROAD:

COMPONENT AREA: 18000.00 SFT. (Approx)					
SL	Description	Unit	Quantity	Rate (BDT)	Amount (BDT)
1	Reinforced cement concrete works as per design strength 3500 psi using 1:1.5:3 mix ratio using 100% Sylhet sand or coarse sand of equivalent (FM 2.2) as fine aggregate and 20 mm downgraded stone chips as coarse aggregate	cft.	12,000.00	375.20	4,502,400.00
2	MS Reinforcement works in using 60 grade deformed bar, including cost of fabrication, wires etc. all complete. (AKS/ RSRM)	Kg	23,040.00	81.76	1,883,750.40
3	Wooden Sutter (made of mango wood) carrying, making, fixing for all complete	sft.	800.00	44.80	35,840.00
A. Sub- total of PCC Road work=					6,421,990.40

B.2 Land Filling

Component Name: SITE DEVELOPMENT					
BOQ OF LAND DEVELOPMENT WORK					
A. Foundation Work					
1	Site development/ Improvement by carted earth or dredged sand, sandy silt carried by head or truck or any others means. Sand filling using sand of FM 0.5 to 0.8, in well compacted by raming with water sprinkle all complete (Considered site development area=20000.00 sft)	cft.	100,000.00	18.48	1,848,000.00
A. Grand total of site development=					1,848,000.00

C. Plant and Machineries

C.1. Production Machineries:

Sl No	Name Of Machinery	Model No	COUNTRY	Quantity	Units Price	Total Amount (USD)
1	BROTHER BRAND MODEL SINGLE NEEDLE DIRECT DRIVE LOCKSTITCHER (PREMIUM SPEC) FOR LIGHT	Brother Brand Model S-7250A-403P	China	55	680	37400

	AND MEDIUM MATERIAL WITH ELECTRONIC FEEDING SYSTEM (DIGIFLEX FEED) AND THREAD TRIMMER (SHORT TRIMMING) COMPLETE SET. VIETNAM MADE HEAD AND CONTROL BOX, CHINA MADE TABLE AND STAND AND CASTOR WHEEL					
2	BROTHER BRAND MODEL SINGLE NEEDLE STRAIGHT LOCKSTITCHER WITH FABRIC SIDE CUTTER. CHINA MADE HEAD AND SERVO MOTOR, CHINA MADE TABLE AND STAND, CASTOR WHEEL AND LED LIGHT	Brother Brand Model S-777B-31-64	China	10	1100	11000
3	BROTHER BRAND MODEL TWIN NEEDLE DIRECT DRIVE LOCK STITCHER WITH THREAD TRIMMER FOR LIGHT AND MEDIUM MATERIAL. CHINA MADE HEAD AND CONTROL BOX, CHINA MADE TABLE AND STAND, CASTOR WHEEL AND LED LIGHT	T-8422c-403-N64D/G50WD	China	5	2550	12750
4	BROTHER BRAND MODEL TWO NEEDLE FEED OFF THE ARM CHAINSTITCHER FOR MEDIUM MATERIALS WITH BELT PULLER. CHINA MADE HEAD, CHINA MADE SERVO MOTOR, CHINA MADE TABLE AND STAND, CASTOR WHEEL AND LED LIGHT	DA-927A-3-264L/PF-B	China	10	2800	28,000
5	BROTHER BRAND MODEL ELECTRONIC LOCKSTITCH BUTTON HOLER FOR WOVEN MATERIAL. VIETNAM MADE HEAD, CONTROL BOX, CHINA MADE TABLE AND STAND, CASTOR WHEEL AND LED LIGHT	HE-800C-2	China	10	3600	36,000
6	BROTHER BRAND MODEL DIRECT DRIVE ELECTORNIC LOCKSTITCH BUTTON SEWER. CHINA MADE HEAD AND CONTROL BOX, SEMI-DRY, DIGITAL TENSION, CHINA MADE TABLE AND STAND AND CASTOR WHEEL	BE-438HX		10	3650	36,500
Total Amount (USD)						161,650
Amount in BDT (161,650*83.95)						1,35,70,517

SI No	Name Of Machinery BROTHER BRAND MODEL	Model No	COUNTRY	Quantity	Units Price	Total Amount (USD)
1	BROTHER BRAND MODEL SINGLE NEEDLE DIRECT DRIVE LOCKSTITCHER (PREMIUM SPEC) FOR LIGHT AND MEDIUM MATERIAL WITH ELECTRONIC FEEDING SYSTEM (DIGIFLEX FEED) AND THREAD TRIMMER (SHORT TRIMMING) COMPLETE SET. VIETNAM MADE HEAD AND CONTROL BOX, CHINA MADE TABLE AND STAND AND CASTOR WHEEL	S-7300A-405P	China	30	800	24,000
2	SINGLE NEEDLE DIRECT DRIVE LOCKSTITCHER (PREMIUM SPEC) FOR HEAVY MATERIAL WITH ELECTRONIC FEEDING SYSTEM (DIGIFLEX FEED) AND THREAD TRIMMER (SHORT REMAINING THREAD) COMPLETE SET. VIETNAM MADE HEAD AND CONTROL BOX, CHINA MADE TABLE AND STAND AND CASTOR WHEEL	S-7250A-405P	China	160	680	108,800
3	TWIN NEEDLE DIRECT DRIVE LOCK STITCHER WITH THRED TRIMMER AND SPILT NEEDLE BAR FOR HEAVY MATERIAL. CHINA MADE HEAD AND CONTROL BOX, CHINA MADE TABLE AND STAND,CASTOR WHEEL AND LED LIGHT	T-8422C-405-N64D/G50WD	China	35	2550	89,250
4	TWIN NEEDLE DIRECT DRIVE LOCK STITCHER WITH THRED TRIMMER AND SPILT NEEDLE BAR FOR HEAVY MATERIAL. CHINA MADE HEAD AND CONTROL BOX, CHINA MADE TABLE AND STAND,CASTOR WHEEL AND LED LIGHT	T-8452C-405-N64D/G50WD		20	3000	60,000
5	DIREC DRIVE ELECTRONIC LOCKSTITCH BAR TACKER FOR HEAVY MATERIAL. CHINA MADE HEAD AND CONTROL BOX, CHINA	KE-430HS-05	China	15	2500	37,500

	MADE TABLE AND STAND,CASTOR WHEEL					
6	ELECTRONIC EYELET BUTTON HOLE MACHINE WITH UPPER AND LOWER THRED TRIMMER. CHINA MADE HEAD, CHINA MADE CONTROL BOX, CHINA MADE SEMI SUBMERGE TABLE AND STAND, CASTOR WHEEL AND LED LIGHT.	RH-9820-02-12 FS	China	03	9600	28,800
7	DIRECT DRIVE PROGRAMMER ELECTRONIC PATTERN SEWER WITH CYLINDER BED (220MM X 100MM) FOR HEAVY MATERIAL. CHINA MADE HEAD, CHINA MADE CONTROL BOX CHINA MADE TABLE AND STAND, CASTOR WHEEL AND LED LIGHT.	BAS-326H-05A	China	03	12000	36,000
8	ELECTRONIC LOCKSTITCH BUTTON HOLER FOR WOVEN MATERIAL VIETNAM MADE HEAD, CONTROL BOX, CHINA MADE CHINA MADE TABLE AND STAND,CASTOR WHEEL AND LED LIGHT	HE-800C-2	China	03	3600	10,800
9	DIRECT DRIVE ELECTRONIC LOCKSTITCH BUTTON SEWR.CHINA MADE. CHINA MADE HEAD,CHINA MADE CONTROL BOX CHINA MADE TABLE AND STAND,CASTOR WHEEL	BE-438HS	China	03	3550	10,650
10	GERMANY MADE AUTOMATIC POCKET WELTING MACHINE WITH BROTHER HEAD, COMPLETE SET WITH STANDARD ACCESSORIES AND 12 MM GUAGE PARTS, CORNER KINF, DART STRETCHER, STUCKER, LASER LIGHT AND CASTER WHEEL AND LIGHT.	BASS-3050/12-3022-B	China	03	17000	51,000
Total Taka						456,800
Amount in BDT (456,800*83.95)						3,83,48,360

C.2. Fire protection and detection system

Import Fire protection and detection system

S. N	DESCRIPTION OF ITEM	QTY	UNIT	RATE USD	TOTAL USD
	ADDRESSABLE FIRE ALARM CONTROL PANEL				
1	Supply of 4 Loop Addressable Fire Alarm Control Panel with heavy Gauged sheet steel painted. the panel shall be wall-mounted type, Model: SA-P4LR, Brand: Shield, Made In UK, UL LISTED	1	Set	1800	1800.00
	ADDRESSABLE FIRE DETECTION SYSTEM				
2	Supply of Addressable Photo Electric Smoke Detector, Model: S-A4011, Brand: Shield, Made In UK, UL LISTED	210	Nos	24	5040.00
3	Supply of Addressable Heat Detector, Model: S-A4013, Brand: Shield, Made In UK, UL LISTED	70	Nos	24	1680.0
4	Supply of Addressable Multi Sensor Detector, Model: S-A4014, Brand: Shield, Made In UK, UL LISTED	450	Nos	34	15300.0
	ADDRESSABLE MANUAL CALL POINT				
5	Addressable Dual Action Manual Pull Station, Model: S-A4061, Brand: Shield, Made In UK, UL LISTED	40	Nos	42	1680.0
	ADDRESSABLE MODULE				
6	Addressable Switch Monitor Input/ Output Module, Model: S-A4045, Brand: Shield, Made In UK, UL LISTED	46	Nos	42	1932.0
7	POWER SUPPLY UNIT, 24VDC, 3AMP, Model: PS24-3, Brand: Shield, Made In UK	2	Nos	245	490.00
	SOUNDER				
8	Conventional Open Area Sounder Red, Model: SC480, Brand: Shield, Made In UK, LPCB Approved	40	Nos	30	1200.0
9	Horn Strobe , Model: SC481, Brand: Shield, Made In UK, LPCB Approved	18	Nos	36	648.00
	CABLING & INSTALLATION				
10	Fire Proof Cable 1.5 MM SQ*2 Core, 100 MTR Solid Core, LPCB Approved, Red Colour; Brand: Shield.	4500	Meter	1.05	4725.00
11	Fire Proof Cable 2.5MM SQ*2 CORE, 100 MTR Solid Core, LPCB APPROVED, RED COLOUR-SHIELD	1500	Meter	1.50	2250.00
	PRESSURE GAUGE: UL LISTED				
12	Supply of 4" dial type Pressure Gauges including supply of all accessories and consumable. The range shall be 0-250 psi Model: SD-P, Brand: Shield, Origin: UK	1.00	Nos	22.00	22.00
13	OS & Y GATE VALVE: UL LISTED 100 mm (4 inch) dia, Brand: Shield, Origin: UK.	1.00	Nos	212.00	212.00

14	Fire Hose with Rack with Box : 1½" dia, UL Listed Supply of Fire Hose of 40mm dia 30 meter long suitable to install. Inside the Hydrant cabinet. The hose shall confirming to BS 6391. The Hose shall be Burst Pressure shall be not less than 600 psi and working pressure 200 psi, shall be made with special quality EPDM rubber as internal lining, suitable to withstand heat and EPDM rubber as internal lining, suitable to withstand heat and made up of 100% polyester for extra strength. Hose shall be 30meter long in a single length and shall be with male coupling in one end other end with female coupling. Couplings shall be binded with hose with copper wire properly. Instantaneous couplings shall be made with bronze / aluminum alloy, polished / hard anodized to confirm BS 336				
	Model: NHR-38V, Brand: NAFFCO, Origin: UAE.	4.00	Set	355.00	1,420.00
15	BALL VALVES. Class: PN16				

	40 mm (1/5 inch) dia, Brand: SHIELD, Origin: UK.	4.00	Nos	22.00	88.00
16	Air Vent Valve: UL Listed 25 mm dia, Brand: Valmatic, Origin: USA	1.00	Nos	98.00	98.00
	Supply of black steel pipe (ERW) of SCH 40S	suitable to			
17	withstand a test pressure 300 Psi of water, Brand: Shield, Origin: India, UL LISTED				
a	100mm dia	18	Mtr	17.00	306.00
b	65mm dia	24	Mtr	9.00	216.00
c	40mm dia	24	Mtr	4.00	96.00
18	Shipment Charge (By Sea Freight)	1	Job	1900	1900.00
		TOTAL AMOUNT IN USD (C&F CTG) :			41,103.00
		Amount in BDT (41103*83.95)			34,50,597

Import Fire protection and detection system

S. N.	DESCRIPTION OF ITEMS	QTY	UNIT	RATE BDT	TOTAL BDT
	Conduit Work: Providing of following PVC pipe from reputed manufacturers embedded in wall / column / ceiling / floor etc. with all accessories, circular box, tee, bend, socket with fixing materials, etc.				
1	Electrical grade 25 mm dia PVC Pipe with fitting accessories	5500	Meter	45	247,500.00
2	Cabling Laying & Termination Charge	5500	Meter	21	115,500.00
3	Installation of Fire Alarm Device System	468	Nos	320	149,760.00
4	Testing & Commissioning of Addressable Fire Alarm System	1	Job	70,000	70,000.00
5	Supply of M.S Tee, Elbow, Reducer, Socket, Welding Rod, Royal Bolt with all other accessories	1	Lot	120,000.00	120,000.00
6	Supply of Painting for MS Pipe	1	Lot	15,000.00	15,000.00
7	Supply of C-Channel, Angle Bar, Rubber Gasket, Threaded tape, Nut & Bolt, Excluding fire pump cable & accessories	1	Lot	40,000.00	40,000.00
8	Installation Testing & Commissioning for the Fire Hydrant System	1	Job	130,000.00	130,000.00
		TOTAL AMOUNT IN BDT :			887,760.00
		VAT & AIT (9.5%) :			84,337.20
					972,097.20

C.3. Fire Door

Fire Door C&F Price

Sl.	Work Description	Width mm	Height mm	Hour Rate	Leaf	Unit Unit	Qty	Rate per	Total (USD)	
	Brand: NAFFCO									
	Made in UAE, Dubai									
A	2.0 hours fire rated Door:									
1	SD-07 (48 x 84)	1200	x	2100	2.0	Single	Nos.	1	405	405
2	SD-19 (72 x 84)	1800	x	2100	2.0	Double	Nos.	7	815	5,705
	Sub-Total							8		6,110

B INCLUDED DOOR ACCESSORIES

- 1 Panic bar for Single & Double Leaf (UL Listed 2-hr rated)
- 2 Trim for Panic Bar (UL Listed)
- 3 Door Closer (UL Listed)
- 4 Door Coordinator for Double Door (UL Listed)
- 5 Smoke Seal (UL Listed)

C ADDITIONAL ACCESSORIES

1	Vision Panel 200mm x 300mm (2-hr rated), UL Listed	5	125	625
2	Electromagnetic door holder/releaser, UL Listed	9	75	675
Total Price (Ex-Works Factory) (A+B+C)				7,410
Add: Ocean freight to Chattogram Port				3,500
Total Price USD (C&F CTG):				10,910
In Word: Ten Thousand Nine Hundred & Ten US\$ Only.				
D	FIRE DOOR INSTALLATION		Unit	Price in BDT
				Total (BDT)
1	Door Assembling & Installation Charges (Exclude Civil Work)	8	3,000	24,000
Total Price In BDT :				24,000
VAT & AIT (9.5%) :				2,280
Net Payable Amount In BDT (Including VAT & AIT)				26,280
In Word: Twenty Six Thousand Two Hundred Eighty BDT. Only.				

D. Furniture & Fixtures**Taka. 3,283,093****E. Electrical Equipment****Taka. 8,669,389****Terms of contract:**

As per Annexure-E (B)(21)(f) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 there is no contract covering any of the activities of the issuer company for which the proceeds of sale of securities from IPO is to be used.

Sd/-
Shahnul Hasan Khan
 Managing Director

Sd/-
Aparesh Paul, ACMA
 Chief Financial Officer

Sd/-
Mohammed Ruhul Amin
 Chairman

Date: 30th March, 2019

(b) Utilization of the total amount of paid-up capital and share premium, if any, including the sponsors' contribution and capital raised of the issuer at the time of submission of prospectus, in details with indication of use of such funds in the financial statements:

Sponsors' contribution since inception and privately placed funds brought & deployed by the issuer company prior to the public offer and indication of such funds utilization in the cash flow statement is as under:

Utilization of the total amount of paid-up capital:

Sponsors' contribution since inception and privately placed funds brought & deployed by the issuer company prior to the public offer and indication of such funds utilization in the cash flow statement is as under:

Utilization of the total amount of paid-up capital:

Accounting year	Fund utilized for	Amount in BDT	Reflected in cash flows
2014-2015	Land and Land Development	29,686,827	Acquisition of fixed assets under the head investing activities.
	Building and civil construction	4,235,697	The figure is included in a total amount of fixed assets acquired under the head of Investing Activities.

	Factory Equipment & Others	751,251	The figure is included in a total amount of fixed assets acquired under the head of Investing Activities.
	Suppliers Payments	3,265,013	Payment to suppliers and Others under the head operating activities.
	Working capital	1,440,507	Payment to suppliers and Others under the head operating activities.
	Preliminary Expenses	824,338	Preliminary Expenses under the head investing activities.
2015-2016	Land and Land Development	61,305,525	Acquisition of fixed assets under the head investing activities.
	Working capital	13,307	Payment to suppliers and Others under the head operating activities.
	Utility Line Installation	2,037,618	Acquisition of fixed assets under the head investing activities.
2016-2017	Land and Land Development	2,184,889	Acquisition of fixed assets under the head investing activities.
	Acquisition of plant and machinery	67,161,925	Acquisition of fixed assets under the head investing activities.
	Working capital	10,844,925	Payment to suppliers under the head operating activities.
2017-2018	Factory Equipment & Others	21,025,781	The figure is included in a total amount of fixed assets acquired under the head of Investing Activities.
	Working capital	4,927,797	Payment to suppliers under the head operating activities.
01.07.2018 to 31.12.2018	Suppliers Payments	14,794,291	Payment to suppliers under the head Construction activities.
	Share money refund	47,783,370	Payment to shareholder under the head financial activity.
	Loan adjustment	57,100,000	The figure is included in Adjustment of Short term Loan, under Financing Activities.
	Cash at Bank	80,322,339	Available balance at Southeast Bank.
		409,705,400	

(c) If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture:

The Company has no objects to investment in such type of ventures by using IPO proceeds.

(d) If IPO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds:

IPO proceeds are sufficient to complete the project.

(e) A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer:

Sl.	Particulars	Progress made so far	Approximate date of Completion	Projected date of full commercial operation
01	Building and other Civil Construction	Construction and other civil works will be started after receiving of IPO fund	Within 12 months of receiving IPO fund	Within 3 month of the completion of the project
02	Land development	Internal road and land filling will be started after receiving of IPO fund.	Within 03 months of receiving IPO fund	-
03	Plant & Machinery	Acquisition and installation of machineries and equipment's will be started after receiving of IPO fund.	Within 12 months of receiving IPO fund	Within 3 month of the completion of the project
04	Furniture and Fixture	Sewing section furniture and finishing section furniture will purchase after receiving of IPO fund	Within 12 months of receiving IPO fund	Within 3 month of the completion of the project
05	Electrical Equipment	Bas bar system, backup system, light, fan etc. will purchase and installation after receiving of IPO fund	Within 12 months of receiving IPO fund	Within 3 month of the completion of the project

Sd/-
Shahnul Hasan Khan
Managing Director

Sd/-
Aparesh Paul, ACMA
Chief Financial Officer

Sd/-
Mohammed Ruhul Amin
Chairman

Date: 30th March, 2019

(f) If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be closed as annexure to the prospectus:

There is no such contract yet to be engaged by the Company.

(g) If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item wise break-up of last three years working capital and next two years projection:

The company does not utilize the issue proceed for working capital.

(h) Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project wise, as the case may be:

The Company has a plan to implement the expansion by using IPO proceeds, which have been mentioned in use of proceeds section in this prospectus.

(i) Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented:

The Company has a plan to implement the expansion by using IPO proceeds, which have been mentioned in use of IPO Proceeds and project implementation schedule.

(j) The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies:

There is no such material transaction with sponsors, directors, key management personnel, associates and group companies in relation to utilization of the issue proceeds.

(k) Summary of the project appraisal or feasibility report by the relevant professional not connected with the issuer, issue manager and registrar to the issue with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal or feasibility report:

Feasibility Report of Gardenia Wears Ltd.

Executive Summary

Gardenia Wears Limited (GWL) is a 100% export-oriented garments factory planned to expand their production capacity to achieve economies of scale from their existing production facility/infrastructure as well as to meet the growing demand from its dedicated customer base. Currently the company utilized their maximum production capacity and decided to build infrastructure and acquire necessary machinery and equipment for their expanded production facility. In this context, we have been assigned to analyze the logical justification of project expansion.

Introduction of Business

Gardenia Wears Ltd. is a 100% export oriented woven garments company to produce exportable woven garments items. The company was incorporated on May 07, 2014 under the Company Act-1994. The project is located at 310/668 Sitpara, Bormi, Sreepur, Gazipur, Bangladesh on its own project land measuring 648.46 decimal. All the infrastructural facilities like uninterrupted power supply, water, transportation, drainage system are available on the project site. Furthermore, the factory is equipped with state of the art machineries and equipment of reputed brands mainly from Taiwan, China, Japan, Korea, Italy, Germany and USA. GWL existing production capacity is 3,000,000 pcs exportable shirts and long pants/shorts/trousers per annum.

To be compliant with LEED guidelines, GWL has taken significant initiatives to shape the factory as LEED Certified green garments factory integrated with compliant design engineering. The company has already appointed IEN Consultants (Singapore) Pte Ltd. for the consultancy service and thus to achieve LEED Certification. To be compliant with Bangladesh ACCORD, GWL is on progress to ensure the requirements of ACCORD in the manner of structural, fire and electrical safety. In the meantime, GWL has achieved some international compliance certificates from prestigious body like BSCI, WRAP, SEDEX and ICS. The company has planned for ISO-14001, ISO-9001 Certification.

The board of the directors closely monitors the performance of the company. The highly experienced board members of GWL also formulate the policies and provides necessary guidelines to the management for the seamless performance of the company within the compliance framework.

Gardenia's Products, Suppliers & Buyers

Gardenia Wears Limited produces woven garments for men's, ladies and kids. They produce casual, performance, reversible & fashionable shirts, blouses, dresses, chino pants & shorts, swim shorts, reversible shorts, cargo shorts, denim, fashionable shorts, skirts etc. Gardenia's major customers are from European countries such as France (GEMO, B-STYLE) Italy (Manifattura Corona S.R.L). Besides this clients, GWL is also working with world famous brands like JULES, CORONA, KIABI, AUCHAN, RELIANCE etc.

GWL sources woven fabrics from China, Hong Kong and Bangladesh for producing their products, specification are Poplin in pure cotton, CVC, TC, Oxford, Linen, Dobby, Denim, Twill, Canvas, Satin, Voille, Chambray etc.

Corporate Information

Name of the Company	:	Gardenia Wears Ltd.
Registered & Corporate Office	:	House# 1041 (1st & 2nd Floor), Avenue# 09, Road # 45 (Old), Mirpur DOHS, Dhaka-1216
Factory Address	:	310/668, Sitpara, Bormi, Sreepur, Gazipur
Legal Entity	:	Public Limited Company
Nature of Business	:	100% export oriented woven garments,
Date of Incorporation & Registration No	:	May 07, 2014; C-115802/14
Board of Directors	:	<ol style="list-style-type: none">1. Mr. Mohammed Ruhul Amin, Chairman & Nominee Director of Bestinet (Bangladesh) Ltd.2. Mr. Shahnul Hasan Khan, Managing Director3. Mr. Naseem Ahmed, Director4. Mr. Mohammed Taifur Hossain, Director5. Mrs. Rafsana Rafique, Director6. Mrs. Sayeda Ahmed, Director7. Mr. Mohammad Shariat Ullah, Director8. Mr. Mohammad Obaidul Haque, Director9. Mr. Mohammed Tajul Islam, Nominee Director of Application Mentors Ltd.10. Mr. Md. Mamoon Al Bashir, Independent Director11. Mr. Walid Bin Kader, Independent Director12. Mohammed Aziz Uddin Bhuyan, Independent Director
Principal Products	:	Woven Garments- Men`s, Ladies, Kids wear etc
Authorized Capital	:	Tk. 950,000,000.00 (Ninety five crore) only divided into 95,000,000 (Nine crore fifty lac) Ordinary Shares of Tk.10 (Ten) each.
Paid up Capital	:	Tk. 409,705,400.00 (Forty crore ninety seven lac five thousand four hundred) only divided into 40,970,540 (four crore ninety seven lac five hundred forty) Ordinary Shares of Tk.10 (Ten) each.
Website	:	www.gardeniawears.com
Email	:	info@gardeniawears.com

Vision

“Our vision is to gain confidence and trust of our customers through manufacturing and supply of conformity.”

Mission

“Mission is to be become a leading garments manufacturer in Bangladesh in every aspect of its business and in delivering its obligations as a good corporate organization to its customers, employees, owners, public and to the environment.”

Belief

“We believe that our customer must stand at the center of all our activities.”

Focus

“We focus on production of top quality garments in a fully compliant environment and meeting timely delivery.”

Objectives

“To confirm and surpass the customer expectation, improve productivity, minimize rejection, development of employees to meet future challenges and continual improvement.”

Methodology

We have considered the business trends of GWL last couple of year’s revenue and expenses and companies efficiency in sourcing raw materials, production and marketing of the company. We have also talked with industry expert, GWL internal management board and valuable executive to provide us a clear picture of the

company's transformations. The responses to these open-ended questions have allowed us to have a greater in-depth of knowledge into their understanding and so we were able to address them to the best of our ability.

We have compiled and analyzed all data and research as a group, look at all the different options of implementing the living wall and then decide on the best option of the sales, current and future market and export demand in near future.

Details of Business Expansion

Total Cost of Expansion Project: BDT 185,000,000/-

Particulars	Amount in BDT
Land and land development	8,269,990
Building and Civil Construction	107,493,782
Plant & Machinery	57,283,746
Furniture and Fixture	3,283,093
Electrical Equipment	8,669,389
Total Cost	185,000,000

Gardenia Wears Limited's expansion project will be financed by IPO proceed, as the company informed that the company will raised BDT 200,000,000/- from which BDT 15,000,000/- will be used as an IPO expenses. Remaining amount BDT 185,000,000/- will be used for project expansion in the event of huge demand from its existing and fresh customer base.

Sources of Fund: Issue Size (Number of share to be issued)	Amount in Taka
20,000,000 Shares (Issue price 10 each)	200,000,000
Less: IPO Expenses	15,000,000
Net IPO Proceeds	185,000,000

Particulars	Amount in Taka
Land and land development	8,269,990
Building and Civil Construction	107,493,782
Plant & Machinery	57,283,746
Furniture and Fixture	3,283,093
Electrical Equipment	8,669,389
Total	185,000,000

Market Study

Readymade garments industry is the highest foreign revenue earning industry in Bangladesh for the last few decades and contributing significantly in our national GDP. RMG industry is the country's largest export earner with the value of over \$30.61 billion of exports in fiscal year 2017-18 as per BGMEA which is 83.49% of total export. Bangladesh is clearly ahead from other South Asian suppliers in terms of capacity of the readymade garments industry. According to BGMEA, this sector is operating with the number of garment factories in Bangladesh estimating around 4,560. This sector has already created more than 4.0 million employments in our country where 85% of the labour force is women. Besides creating employment, RMG is contributing to develop some other sectors like bank, FI through mobilizing huge amount of money since beginning.

Bangladesh is the second largest apparel exporter in the world, after China. As China's relative share of global Readymade Garment (RMG) exports start to drop thanks to rising standards of living there, a number of nations are queuing up to grab the opportunity. US and China trade war helps our garments industry to expand to hold the top position. As the second largest RMG exporter in the world, Bangladesh is naturally a front runner in this race. On the other hand, owing to the political calm and the gradual economic rebound in the Western world, prospects for the garments business are better than ever with the opportunities of growth. Garments' owners predict following such a shift in production conditions as big business in the near future Bangladesh's prospects look bright in this sector.

Requirement & Estimations of Expansion Project			
Sl.	Particulars	Description	Estimated Amount in BDT
1	Building and Civil construction	Expansion of Production Building (Structure) 2nd Floor	63,874,637
		Boundary of Total Area	7,578,632
		Finish Goods Warehouse	8,946,488
		Wastage Godown	4,004,326
		Septick tank	4,402,853
		Storied Boiler relocation	1,495,224
		Security House & Gate -2	625,519
		Steel column cladding (GF, 1ST & 2ND)	3,091,200
		AIT	6,529,077
		VAT	6,945,826
Total			107,493,782
2	Land and Land Development	Internal Road	6,421,990
		Land Filling	1,848,000
Total			8,269,990
3	Plant and Machineries	Production Machineries	51,918,878
		Fire protection and detection system	3,450,597
		Fire protection and detection system	972,097
		Fire Door	942,175
Total			57,283,746
4	Furniture & Fixtures	Sweing section furniture	2,259,000
		Finishing section furniture	1,024,093
Total			3,283,093
5	Electrical Equipment	Electrical Bus Bar Systems and DB, SDB Basic power	5,869,389
		Backup System, Lighting on Internal Roads, Boundary wall and Security Equipment.	1,000,500
		Light, Fan, Electrical equipment & Exchust Fan	1,799,500
Total			8,669,389
Grand Total			185,000,000

Gardenia has already built dedicated customer base which necessitated expanding their production capacity. Large scales of production capacity will lead GWL to achieve economy of scale or cost reduction. Dedicated customer base helps Gardenia to ensure sustainable growth. Moreover, expanding the factory into state of art building with 100% safety compliant, GWL will be able to attract the top leading brands with premium pricing. Increasing sales and profit provide much more comfort to investor regarding sustainability of the business.

Gardenia is producing Shirts and Pants/trouser Products and those are considered to be very basic products among the clothing of human race. Regardless of any circumstances, geography, religious restriction, market restriction, gender difference, festival people need to use those cloths on regular basis without any seasonal affect. The comparative inelastic demand of clothing may protect Gardenia products even in economic downturns of world economy. This is evidenced by less effect of Bangladesh Garments Industry during the last economic recession of the world started from 2012.

Using modern techno based machineries will bring production efficiency by reducing consumption of labor and machine hours which will have direct impact on production cost. Reduction in production cost will help management to determine flexible selling price to increase their sales as well as profit margin.

Now a days global customers are well aware for the organizations effect on ecological, environmental, child labour protection and labour right. Gardenia is already highly appraised by buyer for creating employment in very rural areas which is contributing not only achieving learning curve but also to reduce cost to reach optimum production level. However, in long run when this loyal un- skilled / semi-skilled labour force will be converted to skilled one that may have a very good impact on production capacity.

So, it seems obvious that Gardenia Wares Limited (GWL) will grab more work orders which may surely create a positive impact into the company.

SWOT Analysis

Strength: Experienced management and committed customer base are the main strength of Gardenia. Apart from this their management network to confirm backward linkage supports will also work positively for the organization. Industrial location and modern technology helps the company to move fast.

Weakness: Shortage of skilled labour and employee turnover have identified as weakness for the business.

Opportunity: Increasing demand of different readymade garments wear, huge land for further expansion with very less cost and low labour cost are the opportunities for the business to grow. Goodwill of Bangladesh readymade garments industry, relatively less labor cost, favourable government policy and infrastructure will defiantly help Gardenia to make difference.

Threats: Threats of new entrant, cost overrun and workers' unrest.

Financial Assumptions

The financial projections for the expansion of Gardenia Wears Ltd. are highlighted in the table below. These figures account for projections, sales and additional staffing requirements.

The assumptions for these projections are as follows:

Assumption Indicator	Assumption's Basis	Forecasted Years				
		30-Jun-19	30-Jun-20	30-Jun-21	30-Jun-22	30-Jun-23
Capacity increase	Capacity will be increased as new machineries will be introduced.	-	-	100%	-	-
Capacity utilization (<i>Expansion project</i>)	New capacity utilization will be added	-	-	40%-45%	80%-85%	80%-85%
Capacity utilization (<i>Existing Project</i>)	Existing Capacity utilization will be almost same.	85%-90%	85%-90%	60%-65%	80%-85%	80%-85%
Sales revenue increase	Sales will be increased for qualitative products by the increase of sales volume and unit price.	56%	1%	47%	31%	2%
Operating expenses increase/ (decrease)	Operating expenses will remain same as revenue from core operation is increasing.	56%	2%	44%	32%	2%
Property, plant and equipment addition	Property, plant and equipment will be increased in every year for the purpose of production capacity increase.	169,068,638	15,000,000	185,000,000	-	-

Paid up capital increase	Paid up Capital will be increased by Tk. 200,000,000 through IPO in FY 2019-2020	217,745,500	200,000,000	-	-	-
Long term & Short term loan repayment	Loan repayment will be covered by existing operating cash flow of the company.	41,048,541	41,048,541	41,048,541	41,048,541	41,048,541
Dividend	Dividend is not considered here as the decision is not predetermined	-	-	-	-	-

Project Summary

Expansion Project IRR	:	35.94%
Expansion Project NPV (BDT Crore)	:	9.25
Expansion Project Payback Period	:	1.82 Years
Expansion Project Break Even Quantity	:	804,931 Units
Expansion Project Break Even Amount (BDT Crore)	:	32.47

Financial Projections

Gardenia Wears Ltd.						
Statement of Financial Position						
Particulars	Historical	Forecasted				
	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023
Assets						
Non-Current Assets	388,763,136	485,078,550	656,746,234	634,732,670	596,966,229	559,199,788
Property Plant & Equipment	339,592,229	485,078,550	471,746,233	634,732,670	596,966,229	559,199,788
Capital Work in Progress	49,170,907	-	185,000,000	-	-	-
Current Assets	315,649,167	439,196,117	495,766,770	721,374,262	1,011,121,782	1,171,951,468
Inventories	102,245,333	179,338,030	181,131,411	228,677,558	300,071,772	350,566,967
Trade Receivable	125,113,189	210,942,919	213,052,348	314,117,525	412,186,500	421,354,527
Advance, Deposit & Prepayments	19,508,544	30,456,137	30,760,698	45,352,584	59,511,874	60,835,563
Other Receivables	309,588	506,263	511,326	753,882	989,248	1,011,251
Cash & Cash Equivalents	68,472,513	17,952,768	70,310,987	132,472,713	238,362,388	338,183,160
Total Asset	704,412,303	924,274,667	1,152,513,004	1,356,106,932	1,608,088,011	1,731,151,256
Shareholders Equity and Liabilities						
Shareholders Equity	315,323,211	537,724,672	811,853,192	972,020,340	1,196,817,041	1,431,020,461
Share Capital	191,959,900	409,705,400	609,705,400	609,705,400	609,705,400	609,705,400
Share Money Deposit	65,189,875	-	-	-	-	-
Retained Earnings	58,173,436	128,019,272	202,147,792	362,314,940	587,111,641	821,315,061
Non-Current Liabilities	188,770,438	129,889,992	88,631,451	52,439,251	9,500,365	2,615,695
Long Term Borrowings	184,683,844	123,145,622	82,097,081	41,048,541	-	-
Deferred Tax Liabilities	4,086,595	6,744,370	6,534,370	11,390,710	9,500,365	2,615,695
Current Liabilities	200,318,653	256,660,003	252,028,361	331,647,341	401,770,605	297,515,099
Accounts Payable	86,448,436	123,294,896	124,527,845	196,009,336	257,204,376	197,193,919
Creditors & Accruals	19,606,897	30,609,683	30,915,780	44,606,889	58,533,370	59,835,295
Interest Payable	8,749,845	-	-	-	-	-
Current Portion of Long Term Borrowings	20,558,860	41,048,541	41,048,541	41,048,541	41,048,541	-
Short Term Borrowings	64,954,614	61,706,883	55,536,195	49,982,575	44,984,318	40,485,886
Total Shareholders Equity & Liabilities	704,412,303	924,274,667	1,152,513,004	1,356,106,932	1,608,088,011	1,731,151,256
NAV	13.03	13.12	13.32	15.94	19.63	23.47

Gardenia Wears Ltd.						
Statement of Profit or Loss and other Comprehensive Income						
Particulars	Historical	Forecasted				
	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023
Revenue	648,569,059	1,012,526,010	1,022,651,270	1,507,764,120	1,978,495,201	2,022,501,731
Less: Cost of Goods Sold	530,752,944	828,245,222	840,590,433	1,195,868,221	1,577,216,054	1,611,541,147
Gross Profit	117,816,115	184,280,788	182,060,837	311,895,899	401,279,147	410,960,584
Less: Operating Expenses	36,332,556	56,682,389	57,700,630	83,096,083	109,927,086	112,288,130
Administrative Expenses	17,937,470	27,964,548	28,695,611	40,332,016	53,811,876	54,924,780
Selling & Distributing Expenses	18,395,086	28,717,841	29,005,019	42,764,067	56,115,211	57,363,349
Profit from Operation	81,483,559	127,598,400	124,360,207	228,799,816	291,352,061	298,672,454
Less: Financial Expenses	35,563,863	43,381,559	37,544,403	36,426,553	35,470,535	29,990,553
Add: Non-operating Income	(306,672)	-	-	-	-	-
Profit/(Loss) before Tax	45,613,024	84,216,840	86,815,804	192,373,263	255,881,526	268,681,901
Less: Income Tax Expenses	6,397,459	14,371,003	12,687,284	32,206,114	31,084,825	34,478,481
Current Tax Expenses	3,918,072	10,106,021	10,417,896	23,084,792	30,705,783	32,241,828
Deferred Tax Expenses	2,479,388	4,264,982	2,269,388	9,121,323	379,042	2,236,653
Profit after tax	39,215,566	69,845,840	74,128,522	160,167,150	224,796,703	234,203,422
EPS	2.04	1.70	1.22	2.63	3.69	3.84

Conclusion

The feasibility of the project has been conducted and analyzed from the viewpoint of international readymade garments demand, financial, management and economic aspects and found to be worthwhile. The projected financial results and the profitability estimated based on future expansion plan and historical data shows that the project is viable and lucrative. This projection will help the interested parties to have an idea over the Gardenia Wears Ltd.

Sd/-

Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Date: April 1, 2019

SECTION (XXIII): LOCK-IN

- (a) Ordinary shares of the issuer shall be subject to lock-in, from the date of issuance of prospectus or commercial operation, whichever comes later, in the following manner:
- (1) All shares held, at the time of according consent to the public offer, by sponsors, directors and shareholders holding ten percent (10%) or more shares, other than alternative investment funds, for 03 (three) years.
 - (2) In case any existing sponsor or director of the issuer transfers any share to any person, other than existing shareholders, all shares held by those transferee shareholders, at the time of according consent to the public offer, for 03 (three) years.
 - (3) Twenty five percent (25%) of the shares allotted to eligible investors, for 06 (six) months and other twenty five percent (25%) of the shares allotted to them, for 09 (nine) months.
 - (4) All shares held by alternative investment funds, at the time of according consent to the public offer, for 01 (one) year.
 - (5) All shares held, at the time of according consent to the public offer, by any person other than the persons mentioned in sub rules (1), (2) and (3) above, for 01 (one) year.
- (b) The following table indicates the **lock-in** status of shares of the shareholders of Gardenia Wears Ltd.:

Sl.	Name of subscriber	Position	BO ID	Holdings	%	Date of 1 st acquisition	Lock-in period
1	Mohammed Ruhul Amin, represented by Bestinet (Bangladesh) Ltd.	Chairman	1205870068067940	1,250,000	3.05%	22.11.2018	3 Year
2	Naseem Ahmed	Director	1203040020410585	2,291,956	5.59%	07.05.2014	3 Year
3	Mrs. Sayeda Ahmed	Director	1203040028327732	1,394,413	3.40%	07.05.2014	3 Year
4	Mrs. Rafsana Rafique	Director	1203180043523694	1,701,689	4.15%	07.05.2014	3 Year
5	Mohammed Taifur Hossain	Director	1203180045138246	3,404,879	8.31%	16.01.2017	3 Year
6	Application Mentors Ltd. represented by Mohammed Tajul Islam	Director	1205870068067975	1,250,000	3.05%	22.11.2018	3 Year
7	Shahnul Hasan Khan	Managing Director	1605070068070820	2,180,000	5.32%	22.11.2018	3 Year
8	Mohammad Shariat Ullah	Director	1605070068070772	1,920,000	4.69%	22.11.2018	3 Year
9	Mohammad Obaidul Haque	Director	1605070068070804	3,000,000	7.32%	22.11.2018	3 Year
10	Mrs. Rintia Nazim	Shareholder	1203180043523718	2,191,688	5.35%	07.05.2014	3 Year
11	Alternative Investment Fund BD	Shareholder	1204590060884946	1,535,915	3.75%	30.10.2015	1 Year
12	Md. Masum Billah	Shareholder	1605070058536205	100,000	0.24%	22.11.2018	1 Year
13	Md. Nuruzzaman	Shareholder	1205080047607937	120,000	0.29%	22.11.2018	1 Year
14	Mohammed Ul Mohasew	Shareholder	1205870068069021	2,500,000	6.10%	22.11.2018	1 Year
15	Tashfeen Ahmed	Shareholder	1605070050314293	320,000	0.78%	22.11.2018	1 Year
16	Uttara Finance and Investments Limited	Shareholder	1205990000058750	3,990,000	9.74%	22.11.2018	1 Year
17	Zahid Hossain	Shareholder	1605070064893491	250,000	0.61%	22.11.2018	1 Year
18	Asif Iqbal Chowdhury	Shareholder	1605550059758671	300,000	0.73%	22.11.2018	1 Year
19	M And U Cycle Industries Ltd., represented by Moshiur Rahman Bhuiyan	Shareholder	1202140044954306	1,600,000	3.91%	22.11.2018	1 Year
20	Meghna Knit Composite Ltd., represented by Mohammad Rasad Kaosar Khan	Shareholder	1201830062885721	1,600,000	3.91%	22.11.2018	1 Year
21	Nilufar Ahmed	Shareholder	1605070050314748	200,000	0.49%	22.11.2018	1 Year
22	Shah Mohd. Feruz	Shareholder	1605070058682391	100,000	0.24%	22.11.2018	1 Year
23	Kazi Md. Shahadat Hossain	Shareholder	1605070050257605	270,000	0.66%	22.11.2018	1 Year
24	Ishtiaq Ahmed	Shareholder	1202490000226422	100,000	0.24%	22.11.2018	1 Year
25	Mohammed Omrah Khan	Shareholder	1605070064867661	250,000	0.61%	22.11.2018	1 Year
26	MTB Capital Discretionary Portfolio Management	Shareholder	1605070043500637	220,000	0.54%	22.11.2018	1 Year
27	Sefatullah Shahid	Shareholder	1605070067291496	510,000	1.24%	22.11.2018	1 Year
28	Sayed Iqbal Hossain	Shareholder	1605070067983102	100,000	0.24%	22.11.2018	1 Year
29	Uniglory Cycle Industries Limited, represented by Razia Rahman	Shareholder	1202140043828936	800,000	1.95%	22.11.2018	1 Year
30	K.M. Afjanur Rahman	Shareholder	1605070064817804	50,000	0.12%	22.11.2018	1 Year

31	Lutfur Rahman Diwani	Shareholder	1605070067115235	110,000	0.27%	22.11.2018	1 Year
32	Tanveer Ahmed	Shareholder	1605070050438399	250,000	0.61%	22.11.2018	1 Year
33	Hanif Mahtab	Shareholder	1205870067417045	10,000	0.02%	22.11.2018	1 Year
34	Hazi Md. Rasidul Haque	Shareholder	1605070067983089	710,000	1.73%	22.11.2018	1 Year
35	Mujibur Rahman	Shareholder	1203770000089457	3,510,000	8.57%	22.11.2018	1 Year
36	G.M. Rasel Rana	Shareholder	1605070064764720	30,000	0.07%	22.11.2018	1 Year
37	Mahin Cycle Industries Ltd. represented by Md. Mizanur Rahman Bhuiyan	Shareholder	1202140048419178	800,000	1.95%	22.11.2018	1 Year
38	Rafeza Akhter	Shareholder	1605070064817764	50,000	0.12%	22.11.2018	1 Year
				40,970,540	100%		

SECTION (XXIV): MARKETS FOR THE SECURITIES BEING OFFERED

The issuer shall apply to both the stock exchanges in Bangladesh within 7 (seven) working days from the date of consent accorded by the Commission to issue prospectus.



Dhaka Stock Exchange Limited (DSE)
9/F, Motijheel C/A, Dhaka-1000

And



Chittagong Stock Exchange Limited (CSE)
CSE Building, 1080 Sk. Mojib Road, Agrabad, Chittagong

“DECLARATION ABOUT LISTING OF SHARES WITH THE STOCK EXCHANGE(S):

None of the Stock Exchanges, if for any reason, grant listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the Company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchange, or from the date of expiry of the said 75 (seventy-five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the Company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer Company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days' time period allowed for refund of the subscription money.

TRADING AND SETTLEMENT

Trading and settlement regulation of the stock exchanges will be applied for trading and settlement of the shares of the company.

The issue shall be placed in “N” category with DSE and CSE.

SECTION (XXV): DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

(a) Dividend voting and preemption rights:

The Share Capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting rights in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extraordinary. On a show of hand, every shareholder presents in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the BSEC from time to time.

(b) Conversion and liquidation rights:

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

(c) Dividend policy:

- i. The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
- ii. No large dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net profit of the Company shall be conclusive.
- iii. No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- iv. The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- v. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- vi. No limitation in payment of dividend is stipulated in any debt instrument or otherwise.

(d) Other rights of the securities holders:

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as un audited, published by the company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition extra ordinary General Meeting of the company as provided for the section 84 of the Companies Act 1994.

SECTION (XXVI): FINANCIAL STATEMENTS

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.

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.

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	: Sd/-
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
ASSETS			
Non-Current Assets		438,212,812	388,763,136
Property, Plant & Equipment	4.00	405,767,620	339,592,229
Capital Work in Progress	5.00	32,445,192	49,170,907
Current Assets		425,303,804	315,649,167
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
Total Assets		863,516,617	704,412,303
EQUITY AND LIABILITIES			
Shareholders' Equity		503,103,104	250,133,336
Share Capital	11.02	409,705,400	191,959,900
Retained Earnings	12.00	93,397,704	58,173,436
Non-Current Liabilities		182,332,630	253,960,315
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
Current Liabilities		178,080,883	200,318,652
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
Total Liabilities		360,413,512	454,278,967
Total Equity and Liabilities		863,516,617	704,412,303
Net Asset Value (NAV) per Share	19.01	12.28	13.03

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

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

Signed as per our annexed report on even date

Date: 12 February 2019
Place: Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

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
Gross Profit/(Loss)		82,449,272	52,209,787	53,935,344	23,477,757
Less: Operating Expenses	23.00	22,998,431	16,116,113	12,198,549	8,209,814
Profit from Operation		59,450,842	36,093,674	41,736,795	15,267,943
Less: Financial Expenses	25.00	20,591,639	13,790,449	9,877,794	5,187,833
Net Operating Profit		38,859,203	22,303,226	31,859,002	10,080,110
Add: Other Income/(Loss)	24.00	1,781,189	(358,481)	870,594	(149,617)
Profit Before Tax		40,640,392	21,944,745	32,729,595	9,930,494
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
Total Comprehensive Income		35,224,269	19,268,357	30,477,548	8,741,390
Earnings Per Share (Basic)	27.00	1.26	1.00	0.96	0.46
Earnings Per Share (Adjusted)	27.00	1.26	0.69	0.96	0.28

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

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

Date: 12 February 2019
Place: Dhaka

Sd/-
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

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Sd/-
Director

Sd/-
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
A. Cash Flows From Operating Activities		
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)
Cash Generate from Operating Activities	20,283,995	52,992,194
Income Taxes Paid	(2,620,677)	(1,470,163)
Net Cash Flows from Operating Activities	17,663,319	51,522,031
B. Cash Flows From Investing Activities		
Acquisition of Property, Plant and Equipment	(28,890,581)	(90,996,466)
Capital Work in Progress	(62,953,362)	(1,598,489)
Net cash used in Investing Activities	(91,843,943)	(92,594,955)
C. Cash Flows From Financing Activities		
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
Net Cash Flows from Financing Activities	141,300,239	65,939,409
D. Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	67,119,615	24,866,485
E. Opening Cash & Cash Equivalents	68,472,513	15,561,968
F. Closing Cash & Cash Equivalents (E + D)	135,592,129	40,428,454
Net Operating Cash Flows Per Share (Note-20.00)	0.63	1.84

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Sd/-
Director

Sd/-
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.

2.05 Estimates and Judgments

The preparation of these financial statements in conformity with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) 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 thereby.

In particular, information about significant areas of estimation on uncertainty and critical judgments in applying accounting policies that have the most significant effect 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.

Category of stocks		Basis of valuation
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 liquid 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 atomically 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) 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 already 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 2018.

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.

		Amount in Taka	
		31-Dec-18	30-Jun-18
4.00	Property, Plant and Equipment		
	Cost		
	Opening Balance	372,319,119	351,293,338
	Addition during the year/period	74,897,732	21,025,781
	Closing balance	<u>447,216,851</u>	<u>372,319,119</u>
	Depreciation		
	Opening Balance	32,726,890	17,372,309
	Charge during the year/period	8,722,341	15,354,581
	Closing balance	<u>41,449,231</u>	<u>32,726,890</u>
	Written Down Value	<u>405,767,620</u>	<u>339,592,229</u>
	<i>Annexure-A</i>		
5.00	Capital Work-in Progress		
	Building & Civil Construction		
	Opening Balance	49,170,907	15,682,824
	Add: Addition during the year	30,834,597	33,488,083
		<u>80,005,504</u>	<u>49,170,907</u>
	Less: Transfer to Fixed Asset	47,560,312	-
	Total	<u>32,445,192</u>	<u>49,170,907</u>
	The balance is representing the cost of factory building & 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.		
6.00	Advances, Deposits & Prepayments		
	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
		<u>51,925,421</u>	<u>19,508,544</u>
6.01	Advance against Construction		
	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)
		<u>40,662,550</u>	<u>9,324,215</u>
6.02	Sundry Advance		
	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
		<u>3,008,069</u>	<u>2,619,000</u>
6.03	Prepayments		
	Pre-Paid Fire Insurance	219,303	105,891
		<u>219,303</u>	<u>105,891</u>
6.04	Security Deposits:		
	Mymensingh palli bidyut samity	1,484,000	1,484,000
	Alpine Fresh Water Ltd	4,900	4,900
	Closing Balance	<u>1,488,900</u>	<u>1,488,900</u>

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	-
	<u>5,970,538</u>	<u>2,052,466</u>

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
	<u>2,620,677</u>	<u>3,918,072</u>

Less: Adjustment for the year 2017

	<u>(2,044,616)</u>	<u>-</u>
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Closing Balance

	<u>6,546,599</u>	<u>5,970,538</u>
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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)
	<u>158,554,519</u>	<u>125,113,189</u>

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
	<u>158,554,519</u>	<u>125,113,189</u>

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.	-	-
Total	158,554,519	125,113,189

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
Muk clothing	-	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	-
Total	158,554,519	125,113,189

8.00 Others Receivable (FDR):

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

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
		78,728,254	102,245,333

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.

9.01 Stores and Spares

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)
Closing Balance	212,536	435,072

10.00 Cash and Cash Equivalent

	537,382	1,151,558
Cash in Hand - Head office	367,675	427,583
Cash in Hand - Factory office	169,707	723,975
Cash at Bank	135,054,747	67,320,956
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
Closing Balance	135,592,129	68,472,514

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.

950,000,000	950,000,000
-------------	-------------

11.02 Issued, subscribed and paid-up Capital

40,970,540 ordinary shares of Tk. 10/= each fully paid-up.

409,705,400	191,959,900
409,705,400	191,959,900

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
Total paid-up capital	40,970,540	100%	409,705,400	191,959,900

12.00 Retained Earnings

Opening Balance

58,173,436	18,957,870
------------	------------

Add: Addition during the year/period

35,224,269	39,215,566
------------	------------

Closing Balance

93,397,704	58,173,436
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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
------------	------------

In Total

197,592,707	205,242,704
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Less : Current portion 13.01

20,558,860	20,558,860
------------	------------

Long Term Loan (Non-current portion)

177,033,847	184,683,844
--------------------	--------------------

13.01 B. Current Maturity of Long Term Loan

20,558,860	20,558,860
------------	------------

Premier Bank Ltd- Factory Building Loan A/C: 281

14,685,716	14,685,716
------------	------------

Premier Bank Ltd- Local Machinery Loan A/C: 4336

5,873,144	5,873,144
-----------	-----------

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	<u>(5,499,863)</u>	<u>(16,976,050)</u>
Closing Payable	<u>-</u>	<u>188,616</u>
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	<u>(2,024,120)</u>	<u>(7,177,212)</u>
Closing Payable	<u>-</u>	<u>-</u>
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	<u>(7,650,000)</u>	<u>(5,740,340)</u>
Closing Payable	<u>2,653,730</u>	<u>4,018,276</u>
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	<u>(7,157,800)</u>	<u>(3,794,827)</u>
Closing Payable	<u>12,148</u>	<u>4,542,953</u>
e) Demand Loan A/C: 10473700001452		
Opening Balance	-	-
Add: Charge during the year/period	943,547	-
Less: Payment during the year/period	-	-
Closing Payable	<u>943,547</u>	<u>-</u>
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	-	-
Closing Payable	<u>242,167</u>	<u>-</u>
Total Interest Payable (a+b+c+d+e+f)	<u>3,851,592</u>	<u>8,749,845</u>
14.00 Share Money Deposit		
Opening Balance	65,189,875	5,748,214
Add: Addition during the year/period	<u>215,139,010</u>	<u>59,441,661</u>
	280,328,885	65,189,875
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	<u>15</u>	<u>-</u>
Closing Share Money	<u>-</u>	<u>65,189,875</u>
15.00 Deferred Tax Liability		
Opening Balance	4,086,595	1,607,207
Add: During the year/ period	<u>1,212,188</u>	<u>2,479,387</u>
Deferred Tax Liability as on 31st December, 2018	<u>5,298,783</u>	<u>4,086,595</u>
15.01 Deferred Tax Calculation		

	Written down value (accounting base)		405,767,619	339,622,228
	Written down value (Tax base)		361,611,100	305,567,273
	Temporary Difference		44,156,519	34,054,955
	Income tax rate		12%	12%
	Deferred Tax Liability/(Assets) for the Period/Year		5,298,782	4,086,595
	Deferred Tax Opening Balance		(4,086,595)	(1,607,207)
	Deferred Tax Expense/(Income)		1,212,188	2,479,387
16.00	Trade & Others Payable			
	Trade Payables	16.01	41,221,294	81,873,378
	Construction Payable	16.02	3,794,629	4,575,059
	Share Money Refundable		14,800,000	-
			59,815,923	86,448,437
16.01	Trade Payables			
	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)
	Closing Balance	<i>Annexure-B</i>	41,221,294	81,873,378
	Ageing of Trade Payables			
	More than Six Months		-	-
	Less than Six Months		41,221,294	81,873,378
			41,221,294	81,873,378
16.02	Construction Payable			
	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)
	Closing Balance		3,794,629	4,575,059
17.00	Accruals & Provision			
	Liabilities for Expenses	17.01	15,995,314	14,392,978
	Provision for Taxation	17.02	7,373,238	5,213,918
			23,368,552	19,606,896
17.01	Liabilities for Expenses			
	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
			15,995,314	14,392,978
17.02	Provision for Taxation			
	Opening Balance		5,213,918	1,295,847
	Add: Charge for the period	26.01	4,203,936	3,918,072
	Less: Tax adjusted 2017		(2,044,616)	-
			7,373,238	5,213,918

18.00 Short Term Borrowings**Premier Bank Ltd:**

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	-
	70,485,956	64,954,614

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	
Total	40,970,540		28,042,134	19,195,990

19.01 Net Asset Value (NAV) Per Share

Total Assets	863,516,617	704,412,303
Less: Total Liabilities	360,413,512	454,278,967
Net Assets Value	503,103,105	250,133,336
Number of Shares outstanding	40,970,540	19,195,990
Net Asset Value (NAV) Per Share	12.28	13.03

20.00 Net Operating Cash Flows Per Shares

Net Flows from Operating Activates	17,663,319	51,522,031
Weighted Average Number Of Shares (Note-19.00)	28,042,134	28,042,134
	0.63	1.84

21.00 Revenue

Export Sales	452,516,544	299,999,171
	452,516,544	299,999,171

22.00 Cost of Goods Sold

Raw materials consumed	22.01	283,148,228	178,149,896
Factory overhead	22.02	73,900,373	64,250,514
Cost of Manufacturing		357,048,601	242,400,410

Work in process- Opening		36,821,771	17,325,440
Work in process- Closing		(25,483,341)	(16,033,491)
Cost of Production		368,387,032	243,692,359

	Finished goods - Opening		15,837,651	11,223,021
	Finished goods - Closing		(14,157,411)	(7,125,996)
	Cost of Goods Sold		<u>370,067,272</u>	<u>247,789,384</u>
22.01	Raw Materials Consumed			
	Fabrics & Accessories			
	Opening Inventory		49,150,839	58,296,841
	Add: Purchase during the year/period		272,872,355	141,003,594
	Raw materials available for Production		322,023,194	199,300,435
	Closing Inventory		(38,874,966)	(21,150,539)
	Raw Materials Consumed		<u>283,148,228</u>	<u>178,149,896</u>
22.02	Factory Overhead			
	Salary, Wages, Overtime & Allowance		56,189,074	51,052,074
	Stores and spares	9.01	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
	Cleaning 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	<i>Annexure-A</i>	7,850,107	6,411,950
			<u>73,900,373</u>	<u>64,250,514</u>
23.00	Operating Expenses			
	Administrative Expenses	23.01	10,997,474	8,753,163
	Selling & Distribution Expenses	23.02	12,000,957	7,362,950
			<u>22,998,431</u>	<u>16,116,113</u>
23.01	Administrative Expenses			
	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	<i>Annexure-A</i>	872,234	712,439
		<u>10,997,474</u>	<u>8,753,163</u>
23.02 Selling & Distribution Expenses			
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
		<u>12,000,957</u>	<u>7,362,950</u>
24.00 Other Income/ (Loss)			
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)
		<u>1,781,189</u>	<u>(358,481)</u>
25.00 Financial Expenses			
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
		<u>20,591,639</u>	<u>13,790,449</u>
26.00 Current Tax Expenses			
Income Tax Expenses	26.01	4,203,936	1,395,048
Deferred Tax	15.01	1,212,188	1,281,339
		<u>5,416,123</u>	<u>2,676,388</u>
26.01 Current Tax Calculation			
Income before tax		38,859,203	22,303,226
Add: Accounting Depreciation		8,722,341	7,124,389
Less: Tax Depreciation		(18,853,905)	(17,802,214)
Taxable Income		<u>28,727,639</u>	<u>11,625,401</u>
Income Tax Rate		12%	12%
Current tax for the year		<u>3,447,317</u>	<u>1,395,048</u>
Add: Prior Adjustment for the Year 2017		756,619	-
		<u>4,203,936</u>	<u>1,395,048</u>
27.00 Earnings Per Share (EPS)			
Earnings Per Share (Basic)			
Total Comprehensive Income		35,224,269	19,268,357
Weighted Average Number of Ordinary Shares (Note-19.00)		28,042,134	19,195,990
		<u>1.26</u>	<u>1.00</u>
Earnings Per Share (Adjusted)			
Total Comprehensive Income		35,224,269	19,268,357
Weighted Average Number of Ordinary Shares (Note-19.00)		28,042,134	28,042,134
		<u>1.26</u>	<u>0.69</u>

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	452,516,544
Turnover in Quantity (Pcs)	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)	283,148,228
Raw Materials in Quantities (MTR)- Fabrics	1,736,479
Raw Materials in Quantities (DZN)- Accessories	59,485

(ii) Finished Goods:

Particulars	31-Dec-18
Opening Quantity (Pcs)	42,049
Production Quantity (Pcs)	1,292,869
Closing Quantity (Pcs)	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
Total	32	200	1325	1557

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
Total	764,000

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
Total			750,000

(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 Parts	1,002,822

(iii)	Capital Goods	-
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(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	83,148,228	99.57%	-	-
Store Items Consumed	1,225,358	-	-	1,225,358	0.43%
Total	284,373,586				

(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, know-how, professional and consultation fees were received.

(iii) No Dividend 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
Net Cash Flows from Operating Activities	17,663,319	51,522,031

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			Annexure-A
	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	Written Down Value as at 31-12-2018
Land & Land development	93,177,241	11,357,105	-	104,534,346	0%	-	-	-	104,534,346
Building & Civil Construction	113,048,402	47,560,312	-	160,608,714	5%	10,574,736	3,156,346	13,731,081	146,877,633
Plant & Machineries	111,805,554	11,470,982	-	123,276,536	5%	13,556,423	2,647,411	16,203,835	107,072,701
Furniture & Fixtures	2,050,617	708,215	-	2,758,832	10%	220,361	126,924	347,284	2,411,548
Office Equipment	6,133,957	1,419,476	-	7,553,433	20%	1,059,924	649,351	1,709,275	5,844,158
Factory Equipment	26,991,146	2,103,377	-	29,094,523	10%	4,047,848	1,234,806	5,282,654	23,811,869
Electrical Equipment & Installation	16,167,801	278,265	-	16,446,066	10%	2,443,165	695,507	3,138,673	13,307,393
Transport & Vehicles	2,944,400	-	-	2,944,400	20%	824,432	211,997	1,036,429	1,907,971
Balance as on 31 Dec. 2018	372,319,119	74,897,732	-	447,216,851		32,726,890	8,722,341	41,449,231	405,767,620
Balance as on 30 June 2018	351,293,338	21,055,781	-	372,349,118		17,372,309	15,354,581	32,726,890	339,622,229

Allocation of Depreciation		31-Dec-18
Factory Overhead	90%	7,850,107
Administrative Expenses	10%	872,234
	100%	8,722,341

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 Handicrafts 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.	233,629	-
Montrims Limited	-	804,242
Muslim Trims	-	99,744
N.S.I International Trading Ltd.	-	1,324,692
Nantong Wang & Sheng Textile	-	3,510,211
Nassa Sewing Thread Ltd.	470,697	-
Pacific Button Inds. Ltd.	1,288,337	-
Packmat Industries Ltd.	445,890	-

Paxar (BD) Ltd.	-	807,821
Peacock Design	179,143	-
Quick Source Accessories	831,111	1,889,745
R. R. M. Enterprise	519,320	106,979
R.M Interlining Ltd.	1,660,113	2,182,026
Rahim Textile	-	386,694
Rahman Textile	299,523	-
Ridge (Pvt) Ltd.	-	460,282
S and B Fashion	494,360	-
S. R. International	109,741	-
Sanzi Textile Mills Limited	2,357,254	637,591
Sen Security Sowtion	627,572	596,482
Star Accessories Limited	156,853	-
Sumec Taxtile	-	2,603,535
Texperts Limited	-	2,262,411
Textrim Accessories	-	206,609
Trims Maker Bangladesh	1,017,467	-
Well Accessories Ltd.	60,408	-
Whuzheou Llangyu IMP And Exp	-	2,296,472
Yester Accessories Company (BD) Ltd.	667,848	-
YIWU Maxwell Fabric and Garment Co., Ltd.	109,594	-
Yokohama Label & Printing (BD) Co., Ltd.	483,359	-
Total	41,221,294	81,873,378

(c) Selected ratios as specified in Annexure-D:

GARDENIA WEARS LTD.
Statement of Ratio Analysis

The following Ratios have been calculated by the management based on audited financial statements of GARDENIA WEARS LTD. for the period ended 31 December 2018 and for the year ended 30 June 2018, 30 June 2017, 30 June 2016 and 30 June 2015. Selected Ratio as specified in rule 4(1)(d) Annexure D of the Securities and Exchange Commission (Public Issue) Rules, 2015.

Particulars		December 31, 2018	June 30, 2018	June 30, 2017
		Result	Result	Result
I. Liquidity Ratios:				
(i) Current Ratio (Times)	Current Assets/ Current Liability	2.39	1.58	0.97
(ii) Quick Ratio (Times)	(Current Assets - Inventory)/ Current Liability	1.95	1.07	0.52
II. Operating Efficiency Ratios:				
(i) Accounts Receivable Turnover Ratio	Net Sales/ Average Accounts Receivables	3.19	8.20	18.35
(ii) Inventory Turnover Ratio (Times)	Cost of Goods Sold/ Average Inventory	4.09	5.61	5.74
(iii) Assets Turnover Ratio (Times)	Sales/ Average Total Assets	0.58	1.04	0.80
III. Profitability Ratios:				
(i) Gross Margin Ratio (%)	Gross Profit/ Net Sales	18.22%	18.17%	17.82%
(ii) Operating Profit Ratio (%)	Operating Profit/ Net Sales	13.14%	12.56%	9.05%
(iii) Net Profit Ratio (%)	Net Profit after Tax/ Net Sales	7.78%	6.05%	6.19%
(iv) Return on Assets Ratio (%)	Net Profit after Tax/ Average Total Assets	4.49%	6.32%	4.98%
(v) Return on Equity Ratio (%)	Net Profit after Tax/ Average Total Shareholders' Equity	9.35%	17.01%	14.79%
(vi) Basic Earnings Per Share (EPS)	Net Profit after Tax/ Weighted Average Number of Ordinary Shares Outstanding	1.26	2.04	1.64

(vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) Margin	EBITDA/ Net Sales	15.46%	14.93%	14.78%
IV. Solvency Ratios:				
(i) Debt to Total Assets Ratio	Total Debt/ Total Assets	0.31	0.40	0.40
(ii) Debt to Equity Ratio (Times)	Total Debt/ Total Equity	0.54	1.12	1.02
(iii) Times Interest Earned Ratio (Times)	EBIT/ Financial Expense	2.97	2.28	7.67
(iv) Debt Service Coverage Ratio	Net Operating Profit/ Total Debt Service	1.79	2.14	8.42
V. Cash Flow Ratios:				
(i) Net Operating Cash Flows per Share (NOCFPS)	Net Operating Cash Flow/ No. of Ordinary Shares Outstanding	0.63	2.29	(3.83)
(ii) NOCFPS to EPS Ratio	Net Operating Cash Flow per Share/ EPS	0.50	1.12	(2.33)

We have examined the calculation procedure of the above ratios of GARDENIA WEARS LTD. for the period ended 31 December 2018 and for the year ended 30 June 2018, 30 June 2017 no material deviation found in the result. Its mention here that company started its commercial operation on 01 August 2016.

The details calculation is presented in Annexure-A

Dated: 12 February 2019
Place: Dhaka

Sd/-
Kanchi Lal Das, M.Com, FCA
Managing Partner

Comparison with the industry average ratio of same periods:

Gardenia Wears Ltd.		Industry Average**	Remark/ Explanation
Particulars	30.06.2018	30.06.2018	
	Ratio	Ratio	
1. Liquidity Ratios :			
Current Ratio (Times)	1.58	2.87	GWL's ratio is satisfactory with the industry average ratio.
Quick Ratio (Times)	1.07	1.77	GWL's ratio is satisfactory with the industry average ratio.
2. Operating Efficiency Ratios :			
Accounts Receivable Turnover Ratio (Times)	8.20	5.53	GWL's Ratio is much better than the industry average ratio.
Inventory Turnover Ratio (Times)	5.61	2.54	GWL's Ratio is much better than the industry average ratio.
Assets Turnover Ratio (Times)	1.04	0.54	GWL's ratio is satisfactory with the industry average ratio.
3. Profitability Ratios :			
Gross Margin Ratio (%)	18.17	23.16	GWL's Ratio needs to be improved with the average industry ratio.
Operating Income Ratio (%)	12.56	16.20	GWL's Ratio is satisfactory with the average industry ratio.
Net Income Ratio (%)	6.05	10.47	GWL's Ratio is satisfactory with the average industry ratio.
Return on Assets Ratio (%)	6.32	5.40	GWL's Ratio is much better than the industry average ratio.
Return on Equity Ratio (%)	17.01	8.27	GWL's Ratio is much better than the industry average ratio.
Earnings Per Share (Basic)	2.04	2.02	GWL's ratio is satisfactory with the industry average ratio.
EBITDA Margin	14.93	16.20	GWL's Ratio is satisfactory with the average industry ratio.
4. Solvency Ratios :			
Debt to Total Asset Ratio	0.40	0.24	GWL's Ratio is satisfactory with the average industry ratio.
Debt to Equity Ratio (Times)	1.12	0.61	GWL's Ratio needs to be improved with the average industry ratio.
Times Interest Earned Ratio (Times)	2.28	8.45	GWL's Ratio needs to be improved with the average industry ratio.
Debt Service Coverage Ratio	2.14	-	GWL's ratio is satisfactory.
5. Cash Flow ratios :			
Net Operating Cash Flow Per Share	2.29	1.68	GWL's Ratio is much better than the industry average ratio.
Net Operating Cash Flow Per Share/EPS	1.12	0.82	GWL's Ratio is satisfactory with the average industry ratio.

** The Industry average ratio is calculated through using the ratio of 3 listed similar companies namely Hamid Fabrics Limited, Paramount Textile Limited and Kattali Textile Limited for the year ended June 30, 2018. (Source: Annual Report-2018)

Gardenia Wears Ltd.		Industry Average**	Remark/ Explanation
Particulars	30.06.2017	30.06.2017	
	Ratio	Ratio	
1. Liquidity Ratios :			
Current Ratio (Times)	0.97	2.49	GWL's Ratio needs to be improved with the average industry ratio.
Quick Ratio (Times)	0.52	1.37	GWL's Ratio needs to be improved with the average industry ratio.
2. Operating Efficiency Ratios :			
Accounts Receivable Turnover Ratio (Times)	18.35	2.91	GWL's Ratio needs to be improved with the average industry ratio.
Inventory Turnover Ratio (Times)	5.74	2.30	GWL's Ratio needs to be improved with the average industry ratio.
Assets Turnover Ratio (Times)	0.80	0.48	GWL's Ratio is satisfactory with the average industry ratio.
3. Profitability Ratios :			
Gross Margin Ratio (%)	17.82	23.51	GWL's Ratio needs to be improved with the average industry ratio.
Operating Income Ratio (%)	9.05	15.43	GWL's Ratio needs to be improved with the average industry ratio.
Net Income Ratio (%)	6.19	10.10	GWL's Ratio is satisfactory with the average industry ratio.
Return on Assets Ratio (%)	4.98	5.06	GWL's Ratio is satisfactory with the average industry ratio.
Return on Equity Ratio (%)	14.79	7.04	GWL's Ratio is much better than the industry average ratio.
Earnings Per Share (Basic)	1.64	1.61	GWL's Ratio is satisfactory with the average industry ratio.
EBITDA Margin	14.78	18.53	GWL's Ratio is satisfactory with the average industry ratio.
4. Solvency Ratios :			
Debt to Total Asset Ratio	0.40	0.26	GWL's Ratio is satisfactory with the average industry ratio.
Debt to Equity Ratio (Times)	1.02	0.48	GWL's Ratio is satisfactory with the average industry ratio.
Times Interest Earned Ratio (Times)	7.67	8.02	GWL's Ratio is satisfactory with the average industry ratio.
Debt Service Coverage Ratio	8.42	-	GWL's Ratio is satisfactory.
5. Cash Flow ratios :			
Net Operating Cash Flow Per Share	(3.83)	2.71	GWL's Ratio needs to be improved with the average industry ratio.
Net Operating Cash Flow Per Share/EPS	(2.33)	1.93	GWL's Ratio needs to be improved with the average industry ratio.

** The Industry average ratio is calculated through using the ratio of 3 listed similar companies namely Hamid Fabrics Limited, Paramount Textile Limited and Kattali Textile Limited for the year ended June 30, 2017. (Source: Annual Report-2017)

(d) Auditors report under Section 135(1), Para 24(1) of Part II of Schedule III of the কোম্পানি আইন, 1994. The report shall include comparative income statements and balance sheet and aforementioned ratios for immediate preceding five accounting years of the issuer. If the issuer has been in commercial operation for less than five years, the above mentioned inclusion and submission will have to be made for the period since commercial operation:

GARDENIA WEARS LTD.

Auditors' report in pursuance of section 135(1) under Para 24(1) of Part-II of the Third Schedule of the Companies Act, 1994

As required under section 135(1), Para 24(1), Part II of the Third Schedule of Companies Act 1994, we appended below the following financial information of GARDENIA WEARS LTD. for the period ended 31 December 2018 & year ended 30 June 2018 audited by us (AHMAD & AKHTAR, Chartered Accountants) and 30 June 2017 audited by (KHAN WAHAB SHAFIQUE RAHMAN & CO., Chartered Accountants).

1. GARDENIA WEARS LTD. was incorporated on 07 May 2014.
2. The Operating results of the company over the last 2 years 6 months operation is as follows:

A) Statement of Financial Position:			
Assets and Properties	December 31, 2018	June 30, 2018	June 30, 2017
	Taka	Taka	Taka
ASSETS			
Non-Current Assets	438,212,812	388,763,136	349,603,853
Property, Plant & Equipment	405,767,620	339,592,229	333,921,029
Capital Work in Progress	32,445,192	49,170,907	15,682,824
Preliminary Expenses	-	-	-
Current Assets	425,303,804	315,649,167	187,854,365
Advance, Deposit and Prepayments	51,925,421	19,508,544	12,290,380
Trade Receivables	158,554,519	125,113,189	33,057,234
Others Receivable	503,482	309,588	-
Inventories	78,728,254	102,245,333	86,845,302
Cash and Cash Equivalents	135,592,129	68,472,513	55,661,449
Total Assets	863,516,617	704,412,303	537,458,218
EQUITY AND LIABILITIES			
Shareholders' Equity	503,103,104	250,133,336	210,917,770
Share Capital	409,705,400	191,959,900	191,959,900
Retained Earnings	93,397,704	58,173,436	18,957,870

Non-Current Liabilities	182,332,630	253,960,314	132,740,375
Long Term Borrowings (net off Current Portion)	177,033,847	184,683,844	125,384,954
Share Money Deposit	-	65,189,875	5,748,214
Deferred Tax Liability	5,298,783	4,086,595	1,607,207
Current Liabilities	178,080,883	200,318,652	193,800,073
Trade & Others Payables	59,815,923	86,448,437	27,468,560
Accruals & Provision	23,368,552	19,606,896	76,637,164
Short Term Borrowings	70,485,956	64,954,614	57,908,744
Current Portion of Long Term Borrowings	20,558,860	20,558,860	20,558,860
Interest payable on Bank Loan	3,851,592	8,749,845	11,226,745
Total Liabilities	360,413,513	454,278,967	326,540,448
Total Shareholders' Equity and Liabilities	863,516,617	704,412,303	537,458,218
Net Asset Value (NAV) per Share	12.28	13.03	10.99

B. Statement of Operating Result:			
Particulars	December 31, 2018	June 30, 2018	June 30, 2017
	Taka	Taka	Taka
Revenue	452,516,544	648,569,059	303,357,265
Less: Cost of Goods Sold	370,067,272	530,752,944	249,301,411
Gross Profit/(Loss)	82,449,272	117,816,115	54,055,854
Less: Operating Expenses	22,998,431	36,332,556	26,601,835
Profit from Operation	59,450,842	81,483,559	27,454,019
Less: Financial Expenses	20,591,639	35,563,863	3,261,901
Net Operating Profit	38,859,203	45,919,696	24,192,118
Add: Other Income/(Loss)	1,781,189	(306,672)	(2,444,922)
Profit Before Tax	40,640,392	45,613,024	21,747,196
Less: Income Tax Expenses	5,416,123	6,397,459	2,964,291
Current Tax Expenses	4,203,936	3,918,072	1,357,084
Deferred Tax Expenses	1,212,188	2,479,388	1,607,207

Total Comprehensive Income	35,224,269	39,215,566	18,782,905
Earnings Per Share (Basic)	1.26	2.04	1.64
**Earnings Per Share (Diluted)	0.86	0.96	0.46

**Diluted Earnings per Share (EPS) for all the year is calculated considering the latest outstanding number of shares i.e 40,970,540

C) Dividend declared:			
Particulars	December 31, 2018	June 30, 2018	June 30, 2017
	Taka	Taka	Taka
Cash dividend %	-	-	-
Stock dividend %	-	-	-

D) GARDENIA WEARS LTD. was registered as a private limited company under the Companies Act-1994 on 07th May 2014 vides Registration No.C-115802/14.

The company was converted into a public limited company on November 27, 2018

E) The Company started its commercial operation in 01 August, 2016

F) The Company has no Subsidiary company.

G) No proceeds or part of the proceeds of the issue of shares would be applied directly by the company in the purchase of any business.

H) The Company prepared accounts for the period ended December 31, 2018

I) Figures related to previous years have been rearranged wherever considered necessary.

Dated: 12 February 2019

Place: Dhaka

Sd/-
Kanchi Lal Das, M. Com, FCA
 Managing Partner

(e) Financial spread sheet analysis for the latest audited financial statements:

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

Particulars	Amount	Percentage on Total Asset	Grand Percentage
ASSETS			
Non-Current Assets	438,212,812		50.75%
Property, Plant & Equipment	405,767,620	46.99%	
Land & Land development	104,534,346	12.11%	
Building & Civil Construction	146,877,633	17.01%	
Plant & Machinerics	107,072,701	12.40%	
Furniture & Fixtures	2,411,548	0.28%	
Office Equipment	5,844,158	0.68%	
Factory Equipment	23,811,869	2.76%	
Electrical Equipment & Installation	13,307,393	1.54%	
Transport & Vehicles	1,907,971	0.22%	
Capital Work in Progress	32,445,192	3.76%	
Capital Work in Progress	32,445,192	0.00%	
Current Assets	425,303,804		49.19%
Advance, Deposit & Prepayments	51,925,421	6.01%	
Advance against Construction	40,662,550	4.71%	
Sundry Advance	3,008,069	0.35%	
Prepayments	219,303	0.03%	
Security Deposits	1,488,900	0.17%	
Advances income taxes	6,546,599	0.76%	
Trade Receivable	158,554,519	18.36%	
Trade Receivable	158,554,519	18.36%	
Others Receivable	503,482	0.06%	
Others Receivable	503,482	0.06%	
Inventories	78,728,254	9.12%	
Fabrics & Accessories	38,874,966	4.50%	
Work in Process	25,483,341	2.95%	
Finished Goods	14,157,411	1.64%	
Store & Spares Parts	212,536	0.02%	
Cash & Cash Equivalents	135,592,129	15.70%	
Total Assets	863,516,617		100%
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity	503,103,104		58.26%
Share Capital	409,705,400	47.45%	
Retained Earnings	93,397,704	10.82%	
Non-Current Liabilities	182,332,630		21.12%
Long Term Borrowings (net off Current Portion)	177,033,847	20.50%	
Share Money Deposit	-	0.00%	
Deferred Tax Liabilities	5,298,783	0.61%	
Current Liabilities	178,080,883		20.62%
Trade & Others Payables	59,815,923	6.93%	

Accruals & Provision	23,368,552	2.71%	
Liabilities for Expenses	15,995,314	1.85%	
Audit fees	230,000	0.03%	
Salary & allowances	11,058,841	1.28%	
Remuneration	125,000	0.01%	
Electricity	297,407	0.03%	
Internet Bill	20,000	0.00%	
Other Payable	792,930	0.09%	
Office Rent	70,000	0.01%	
Utility Bill	5,034	0.00%	
C & F Charges	3,250,693	0.38%	
TDS Payable	52,707	0.01%	
VDS payable	92,702	0.01%	
Provision for Taxation	7,373,238	0.85%	
Short Term Borrowings	70,485,956	8.16%	
Current Portion of Long Term Borrowings	20,558,860	2.38%	
Interest payable on Bank Loan	3,851,592	0.45%	
Total Shareholders' Equity and Liabilities	863,516,617		100%

Gardenia Wears Ltd.
Statement of profit or loss & other comprehensive income
For the year ended December 31, 2018

Particulars	For the year ended December 31, 2018	Percentage on total revenue	Grand percentage
Revenue	452,516,544		100.00%
Less: Cost of goods sold	370,067,272		81.78%
Raw Materials Consumption	283,148,228	62.57%	
Work in Progress-Opening	36,821,771	8.14%	
Work in Progress-Closing	25,483,341	5.63%	
Changes in Work in Progress	11,338,430		
Total Consumption	294,486,659	65.08%	
Add: Factory Overhead	73,900,373		
Cost of Production	368,387,032	81.41%	
Finished goods-Opening	15,837,651		
Finished goods-Closing	14,157,411		
Change of finished goods stock	1,680,240		
Cost of goods sold	370,067,272	81.78%	
Gross Profit	82,449,272		18.22%
Less: Operating Expenses	22,998,431		5.08%
Administrative Expenses	10,997,474	2.43%	
Selling & Distributing Expenses	12,000,957	2.65%	
Profit from Operation	59,450,842		13.14%
Less: Financial Expenses	20,591,639	4.55%	
Add: Other Income/(Loss)	1,781,189	0.39%	
Profit/(Loss) before Tax	40,640,392		8.98%
Less: Income Tax Expenses	5,416,123		1.20%
Current Tax	4,203,936	0.93%	
Deferred Tax	1,212,188	0.27%	
Net Profit after Tax	35,224,269		7.78%

(f) Earnings per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS:

Particulars	(Amount in BDT)	
	31.12.2018	
Net profit after Tax	35,224,269	
Total existing number of Share	40,970,540	
Weighted average number of Share	28,042,134	
Earnings per Share (EPS) considering existing no. of shares	0.86	
Earnings per Share (EPS) considering weighted average no. of shares	1.26	

Calculation of weighted average number of share

Particulars	Number of Share	Weight	Weighted average no of Shares
Opening No. of Shares	19,195,990	365/365	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	16,519,630	40/184	3,591,224
Total	40,970,540		28,042,134

(g) All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings per Share:

Particulars	(Amount in BDT)	
	31.12.2018	
Profit before tax	40,640,392	
Less: Non-operating Income	1,781,189	
Net profit before tax except other income	38,859,203	
Less: Income Tax Expenses	5,416,123	
Net profit after tax except other income	33,443,080	
Total existing number of Share	40,970,540	
Weighted average number of Share	28,042,134	
Earnings per Share (EPS) considering existing no. of shares	0.82	
Earnings per Share (EPS) considering weighted average no. of shares	1.19	

(h) Quarterly or half-yearly EPS should not be annualized while calculating the EPS:

The Company did not annualize quarterly or half yearly EPS.

(i) Net asset value (with and without considering revaluation surplus or reserve) per unit of the securities being offered at the date of the latest audited statement of financial position.

Particulars	Amount in Taka
Share Capital	409,705,400
Retained Earnings	93,397,704
Total Shareholders' Equity	503,103,104
Total Number of ordinary shares	40,970,540
Net Assets Value (NAV) at Tk. 10.00 per share	12.28

(j) The Commission may require the issuer to re-audit the audited financial statements, if any deficiency or anomaly is found in the financial statements. In such a case, cost of audit should be borne by the concerned issuer.

If any circumstances arises as above respect, the Company shall follow the Commission guideline in due course

(k) Following statements for the last five years or any shorter period of commercial operation certified by the auditors: -

(i) Statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid or accrued:

Certification on Statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid or accrued of Gardenia Wears Ltd.

After due verification, we certify that the long term and short term borrowing including borrowing from related party or connected persons of Gardenia Wears Ltd. from 1st July, 2016 to 31 December, 2018 made up as follows:

For the Period ended 31 December 2018

Name of Party	Nature of Relationship	Nature of Borrowing	Balance as 31 December 2018	Interest Rate	Interest Paid, (BDT)	Interest Accrued, (BDT)
Premier Bank Ltd., Banani Branch, Dhaka.	Lender	Long Term	200,246,437	13%	15,173,983	2,653,730
Sub-Total			200,246,437		15,173,983	2,653,730
Premier Bank Ltd., Banani Branch, Dhaka.	Lender	Short Term	71,683,818	(OD)11.5 % to 13% & (PC) 7%	7,157,800	1,197,862
Sub-Total			71,683,818		7,157,800	1,197,862
Grand Total (Taka)			271,930,255		22,331,783	3,851,592

For the Year ended 30 June 2018

Name of Party	Nature of Relationship	Nature of Borrowing	Balance as 30 June 2018	Interest Rate	Interest Paid, (BDT)	Interest Accrued, (BDT)
Premier Bank Ltd., Banani Branch, Dhaka.	Lender	Long Term	209,449,596	13%	29,893,602	4,206,892
Sub-Total			209,449,596		29,893,602	4,206,892
Premier Bank Ltd., Banani Branch, Dhaka.	Lender	Short Term	69,497,567	11%	3,794,827	4,542,953
Sub-Total			69,497,567		3,794,827	4,542,953
Grand Total (Taka)			278,947,163		33,688,429	8,749,845

For the Year ended 30 June, 2017

Name of Party	Nature of Relationship	Nature of Borrowing	Balance as 30 June 2017	Interest Rate	Interest Paid, (BDT)	Interest Accrued, (BDT)
Premier Bank Ltd., Banani Branch, Dhaka.	Lender	Long Term	157,170,559	10.5%	10,092,120	11,226,745
Sub-Total			157,170,559		10,092,120	11,226,745
Premier Bank Ltd., Banani Branch, Dhaka.	Lender	Short Term	57,908,744	11% & 7%	-	2,207,563
Sub-Total			57,908,744		-	2,207,563
Grand Total (Taka)			215,079,303		10,092,120	13,434,308

Dated: 12 February 2019
Place: Dhaka

Sd/-
Kanchi Lal Das, M.Com, FCA
Managing Partner

(ii) Statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral or other security, re-payment schedule and status;

Certification on statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral or other security, re-payment schedule and status of Gardenia Wears Ltd.

After due verification, we certify that the principal terms of secured loans as per loan agreement and assets on which charge have been created against those Loans of Gardenia Wears Ltd. from 1st July, 2016 to 31 December, 2018 were as follows:

Long Term Loan:

Particulars	30 June, 2017	30 June, 2018	31 Dec, 2018
Names of lenders	Premier Bank Ltd., Banani Branch, Dhaka.	Premier Bank Ltd., Banani Branch, Dhaka.	Premier Bank Ltd., Banani Branch, Dhaka.
Purpose	Import Machineries, Local Machineries & Factory Building.		
Primary Security/ Collateral or others Security	648.46 decimal project land of Gardenia Wears Ltd along with factory Buildings.		
Sanctioned Amount (Taka in Lac)	2,346 Lac	2,346 Lac	2,346 Lac
Rate of Interest	11%	13%	13%
Re-payment schedule	28 Quarterly Installment	28 Quarterly Installment	28 Quarterly Installment
Status (Outstanding balance Tk.)	157,170,559	209,449,596	200,246,437

Short Term Loan:

Particulars	30 June, 2017	30 June, 2018	31 Dec, 2018
Names of lenders	Premier Bank Ltd., Banani Branch, Dhaka.	Premier Bank Ltd., Banani Branch, Dhaka.	Premier Bank Ltd., Banani Branch, Dhaka.
Purpose	For Working Capital Finance & Import Raw Materials		
Primary Security/ Collateral or others Security	LC documents and Imported goods.		
Sanctioned Amount (Taka in Lac)	800 Lac	800 Lac	1150 Lac
Rate of Interest	11% & 7%	11%	(OD)11.5% to 13% & (PC) 7%
Re-payment schedule	Within 1 Year	Within 1 Year	Within 1 Year
Status (Outstanding balance Tk.)	57,908,744	69,497,567	71,683,818

Dated: 12 February 2019
Place: Dhaka

Sd/-
Kanchi Lal Das, M.Com, FCA
Managing Partner

(iii) Statement of unsecured loans with terms & conditions:

Certification on statement of unsecured loans with terms and conditions of Gardenia Wears Ltd.

This is to certify that Gardenia Wears Ltd. did not take any unsecured loan from 1st July, 2016 to 31 December, 2018.

Dated: 12 February 2019
Place: Dhaka

Sd/-
Kanchi Lal Das, M.Com, FCA
Managing Partner

(iv) Statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store & spares parts, inventory of trading goods etc.:

Certification on statement showing the amount of raw material, packing material, stock-in process and finished goods, consumable items, store and spare parts, inventory of trading goods etc. of Gardenia Wears Ltd.

After due verification, we certify that the statement of inventories showing amount of raw material, stock-in process, finished goods, store and spare parts of Gardenia Wears Ltd. from 1st July, 2016 to 31 December, 2018 were as follows:

Particulars	Amount in Taka		
	30 June, 2017	30 June, 2018	31 December, 2018
Raw Material (Fabrics & Accessories)	58,296,841	49,150,839	38,874,966
Store & Spare Parts	-	435,072	212,536
Finished Goods	11,223,021	15,837,651	14,157,411
Work-In-Process	17,325,440	36,821,771	25,483,341
Total Taka	86,845,302	102,245,333	78,728,254

Dated: 12 February 2019
Place: Dhaka

Sd/-
Kanchi Lal Das, M.Com, FCA
Managing Partner

(v) Statement of trade receivables showing receivable from related party and connected persons:

Certification on statement of trade receivables showing receivable from related party and connected persons of Gardenia Wears Ltd.

After due verification, we certify that the statement of trade receivables showing receivables from related party and connected persons of Gardenia Wears Ltd. from 1st July, 2016 to 31 December, 2018 were as follows:

Particulars	Amount in Taka		
	30 June, 2017	30 June, 2018	31 December, 2018
General	33,057,234	125,113,189	158,554,519
From related party	-	-	-
From connected persons	-	-	-
Total	33,057,234	125,113,189	158,554,519

Dated: 12 February 2019
Place: Dhaka

Sd/-
Kanchi Lal Das, M.Com, FCA
Managing Partner

(vi) Statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized or accrued:

Certification on statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized or accrued by the Gardenia Wears Ltd.

This is to certify that Gardenia Wears Ltd. did not give any loan to any person or related party from 1st July, 2016 to 31 December 2018.

Dated: 12 February 2019
Place: Dhaka

Sd/-
Kanchi Lal Das, M.Com, FCA
Managing Partner

(vii) Statement of other income showing interest income, dividend income, discount received, other non-operating income:

Certification on statement of other income showing interest income, dividend income, discount received, other non-operating income of Gardenia Wears Ltd.

After due verification, we certify that the statement of other income showing interest income and other non-operating income of Gardenia Wears Ltd. from 1st July, 2016 to 31 December, 2018 were as follows:

Particular	Amount in Taka		
	30 June, 2017	30 June, 2018	31 December, 2018
Scrap Sales	-	-	-
Interest Income (SND)	52,171	37,982	375,442
FDR Interest	-	607,407	713,274
Foreign Currency Gain	-	-	692,473
Total	52,171	645,389	1,781,189

Dated: 12 February 2019
Place: Dhaka

Sd/-
Kanchi Lal Das, M.Com, FCA
Managing Partner

(viii) Statement of turnover showing separately in cash and through banking channel:

Certification on statement of turnover showing separately in cash and through banking channel of Gardenia Wears Ltd.

After due verification, we certify that the turnover showing separately in cash and through banking channel of Gardenia Wears Ltd. from 1st July, 2016 to 31 December, 2018 were as follows:

Particular	Amount in Taka		
	30 June, 2017	30 June, 2018	31 December, 2018
In Cash	-	-	-
Through banking channel	303,357,265	648,569,059	452,516,544
Total Turnover	303,357,265	648,569,059	452,516,544

Dated: 12 February 2019
Place: Dhaka

Sd/-
Kanchi Lal Das, M.Com, FCA
Managing Partner

(ix) Statement of related party transaction:

Certification on statement of related party transactions of Gardenia Wears Ltd.

After due verification, we certify that the status of related party transactions of Gardenia Wears Ltd. from 1st July, 2016 to 31 December, 2018 were as follows:

Name	Nature of Transaction	Amount in (BDT)					
		30.06.2017		30.06.2018		31.12.2018	
		Total Amount	Accrued	Total Amount	Accrued	Total Amount	Accrued
Mr. Mohammed Ruhul Amin	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	-	-	2,000	-
Mr. Ehsanul Kabir	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	5,000	-	-	-
Mr. Shahnul Hasan Khan	Remuneration	-	-	-	-	750,000	125,000
	Board meeting Fee	-	-	-	-	2,000	-
Mr. Mohammed Taifur Hossain	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	4,000	-	2,000	-
Mrs. Rafsana Rafique	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	4,000	-	2,000	-
Mrs. Sayeda Ahmed	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	4,000	-	1,000	-
Mr. Naseem Ahmed	Remuneration	125,000	125,000	1,500,000	125,000	-	-
	Board meeting Fee	-	-	5,000	-	2,000	-
Mr. Mohammad Shariat Ullah	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	-	-	1,000	-
Mr. Mohammad Obaidul Haque	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	-	-	1,000	-
Mr. Walid Bin Kader	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	-	-	1,000	-
Mr. Abdul Wadud	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	4,000	-	-	-
Mr. Golam Shawkat	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	3,000	-	-	-
Md. Shoriful Islam	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	2,000	-	-	-
Mr. Waki Tasnim	Remuneration	-	-	-	-	-	-
	Board meeting Fee	-	-	4,000	-	-	-

Dated: 12 February 2019
Place: Dhaka

Sd/-
Kanchi Lal Das, M.Com, FCA
Managing Partner

(x) Reconciliation of business income shown in tax return with net income shown in audited financial statements:

Certification regarding reconciliation of business income shown in tax return with net income shown in audited financial statements of Gardenia Wears Ltd. from 1st July, 2016 to 31 December, 2018.

This is to certify that the business income of Gardenia Wears Ltd. as per audited financial statements and income shown in tax return for the last Two years & Six Months were as follows:

Particulars	30 June 2017	30 June 2018	31 December 2018
Net income before tax as per Audited Financial Statements	24,192,119	45,919,696	40,640,392
Add: Accounting Depreciation	17,372,309	15,354,581	-
Less: Tax Depreciation (As per 3rd Schedule)	30,765,704	36,016,141	-
Income shown in Tax Return	10,798,724	25,258,136	-

Dated: 12 February 2019
Place: Dhaka

Sd/-
Kanchi Lal Das, M.Com, FCA
Managing Partner

(xi) Confirmation that all receipts and payments of the issuer above Tk. 5,00,000/- (five lac) were made through banking channel:

Certification on confirmation that all receipts and payments of Gardenia Wears Ltd. above Tk. 500,000/ (Five Lac) were made through Banking Channel.

This is to certify that all receipts and payments of Gardenia Wears Ltd. above Tk. 500,000 (Five Lac) were made through banking channel from 1st July, 2016 to 31 December, 2018.

Dated: 12 February 2019
Place: Dhaka

Sd/-
Kanchi Lal Das, M.Com, FCA
Managing Partner

(xii) Confirmation that Bank Statements of the issuer are in conformity with its books of accounts:

Certification on confirmation that Bank Statements of Gardenia Wears Ltd. are in conformity with its books of accounts

This is to certify that the bank statements of Gardenia Wears Ltd. from 1st July, 2016 to 31 December, 2018 are in conformity with its books of accounts.

Dated: 12 February 2019
Place: Dhaka

Sd/-
Kanchi Lal Das, M.Com, FCA
Managing Partner

(xiii) Statement of payment status of TAX, VAT and other taxes or duties:

Certification on statement of payment status of Tax, VAT and other taxes or duties of Gardenia Wears Ltd.

After due verification, we certify that the status of Tax, VAT and other taxes or duties payments of Gardenia Wears Ltd. from 1st July, 2016 to 31 December, 2018 were as follows:

Particular		Amount in BDT		
		30 June, 2017	30 June, 2018	31 Dec, 2018
Tax	Assessment	(2017-2018) Completed	(2018-2019) Yet to be Submitted	-

	Paid Amount	2,105,853	3,918,071	2,620,677
VAT*	-	Exempted	Exempted	Exempted
Others Taxes/Duties	-	N/A	N/A	N/A
Total	-	2,105,853	3,918,071	2,620,677

* According to Value added Tax (VAT) Act 1991 section -72 (S.R.O no 162-Act/2008/488-Mushak, Dated 26th June 2008) The Company's traded income is 100% export oriented. So its income is not subject to VAT.

Dated: 12 February 2019
Place: Dhaka

Sd/-
Kanchi Lal Das, M.Com, FCA
Managing Partner

SECTION (XXVII): PUBLIC ISSUE APPLICATION PROCEDURE: AS DESCRIBED IN THE CONSENT LETTER

Step-1 (Applicant)

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25th (twenty fifth)** working day from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
 - (a) Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
 - (b) Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains Foreign Currency account debiting the same account and provide the customer with a certificate mentioning the FC account number which has been debited to issue the FDD. The applicant shall also submit the certificate with their application. No banker shall issue more than two drafts from any Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.
 - (c) Eligible investors shall submit application through the electronic subscription system of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by the exchange(s).

Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall:
 - (a) post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
 - (b) accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the "Public Issue Application Account" maintained with its bank within the first banking hour of next working day of the cut-off date;
 - (c) instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall prepare a list containing the draft information against the respective applicant's particulars.
6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and within 03 (three) working days from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde '~' separator) format, the certificate(s) issued by its banker, the drafts and certificates received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.
7. On the next working day, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts submitted by Non-resident Bangladeshi (NRB) and Foreign

applicants and the list containing the drafts and certificates information. Exchanges shall verify and preserve the bankers' certificates in their custody.

8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

Step-3 (Issuer)

9. The Issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDRom to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. On the next working day, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges within 10 (ten) working days from the date of receiving information from the Exchanges.
12. The Issuer and the issue manager shall conduct category wise lottery with the valid applications within 03 (three) working days from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges.
13. The Issuer and issue manager shall arrange posting the lottery result on their websites within 06 (six) hours and on the websites of the Commission and Exchanges within 12 (twelve) hours of lottery.
14. **Within 02 (two) working days** of conducting lottery, the Issuer shall:
 - a) send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde ' separator) format to the respective Exchange.
 - b) send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.
 - c) issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.
 - d) send consolidated allotment data (BOID and number of securities) in electronic text format in a CDRom to CDBL to credit the allotted shares to the respective BO accounts.

Step-4 (Intermediary)

15. On the next working day, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
 - a) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants:
 - b) send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money:
16. On the next working day of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall request its banker to:
 - a) release the amount blocked for unsuccessful (other than NRB and foreign) applicants:
 - b) remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign) who are subject to penal provisions to the respective 'Escrow' accounts of the Issuer opened for subscription purpose.
17. On the next working day of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
18. Simultaneously, the stockbrokers/Merchant Bankers shall release the application money blocked in the customer accounts: inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' accounts of the Issuer. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.
19. All drafts submitted by NRB or Foreign applicants shall be deposited in the Issuer's respective 'Escrow' accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or

merchant banker or transfer to the applicant's bank account (FC account which has been debited to apply by NRB or foreign applicants) through banking channel within 10 (ten) working days from the date of lottery.

Miscellaneous:

20. The Issuer, Issue Manager(s), Stockbrokers and Merchant Bankers shall ensure compliance of the above.
21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
22. Amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
23. The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk.2,00,000.00 (taka two lac) for a public issue.
24. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk.5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
25. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
26. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
27. The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

All eligible Stock Brokers and Merchant Bankers shall receive the IPO subscription.

Others:

The IPO subscription money collected from investors will be remitted in following bank accounts with Premier Bank Limited, Banani Branch:

Sl.	Account bearing number	Account title	Currency
For Resident Bangladeshis			
01	0104 13600000036	Gardenia Wears Ltd.	BDT
For Non-resident Bangladeshis			
02	0104 15200001700	Gardenia Wears Ltd.	USD
03	0104 15300000132	Gardenia Wears Ltd.	GBP
04	0104 15400000059	Gardenia Wears Ltd.	EURO

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”

APPLICATION FOR PUBLIC ISSUE

Date:

Name of applicant	:	
Client Code	:	
BO ID No.	:	
Category of applicant	:	
Name of the Company	:	
Number of Shares	:	
Total amount in Tk.	:	
Amount in word	:	

Applicants

Authorized Officer

SECTION (XXVIII): MANAGEMENT & AUDITORS' ADDITIONAL DISCLOSURE/ DECLARATION

STATEMENT REGARDING COST AUDIT

This is to certify that, as per provision of the Companies Act 1994, Cost Audit by the Professional Accountant is not applicable for "Gardenia Wears Ltd."

Sd/-
Khairul Bashar A. T. Mohammed
Chief Executive Officer & SEVP
MTB Capital Ltd.

Sd/-
Shahnul Hasan Khan
Managing Director
Gardenia Wears Ltd.

Sd/-
Apresh Paul
Chief Financial Officer
Gardenia Wears Ltd.

Dated: 30th March, 2019

CONSENT OF DIRECTORS TO SERVE AS DIRECTORS

We hereby agree that we have been serving as Director(s) of Gardenia Wears Ltd. and continue to act as Director(s) of the Company.

Sd/-
Shahnul Hasan Khan
Managing Director

Sd/-
Mohammed Taifur Hossain
Director

Sd/-
Mohammed Ruhul Amin
Chairman &
Nominee Director of Bestinet
(Bangladesh) Ltd.

Sd/-
Mrs. Sayeda Ahmed
Director

Sd/-
Naseem Ahmed
Director

Sd/-
Mohammad Shariat Ullah
Director

Sd/-
Mohammad Obaidul Haque
Director

Sd/-
Mrs. Rafsana Rafique
Director

Sd/-
Mohammed Tajul Islam
Nominee Director of Application
Mentors Ltd.

Sd/-
Md. Mamoon Al Bashir
Independent Director

Sd/-
Mohammed Aziz Uddin Bhuyan
Independent Director

Sd/-
Md. Walid Bin Kader
Independent Director

Date: 30th March, 2019

STATEMENT REGARDING SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

In our opinion, there have no such circumstances arisen since the date of the last financial statements as disclosed in the prospectus which materially and adversely affect or is likely to affect the trading or profitability of the Gardenia Wears Ltd. or the value of its assets, or its ability to pay its liabilities within the next twelve months.

Sd/-
Shahnul Hasan Khan
Managing Director

Sd/-
Mohammed Taifur Hossain
Director

Sd/-
Mohammed Ruhul Amin
Chairman &
Nominee Director of Bestinet
(Bangladesh) Ltd.

Sd/-
Mrs. Sayeda Ahmed
Director

Sd/-
Naseem Ahmed
Director

Sd/-
Mohammad Shariat Ullah
Director

Sd/-
Mohammad Obaidul Haque
Director

Sd/-
Mrs. Rafsana Rafique
Director

Sd/-
Mohammed Tajul Islam
Nominee Director of Application
Mentors Ltd.

Sd/-

Sd/-

Sd/-

Md. Mamoon Al Bashir
Independent Director

Mohammed Aziz Uddin Bhuyan
Independent Director

Md. Walid Bin Kader
Independent Director

Date: 30th March, 2019

DECLARATION WHETHER ALL THE PLANT & MACHINERIES OF THE COMPANY ARE PURCHASED IN BRAND NEW OR RECONDITION/ SECOND HAND CONDITION.

We do hereby declare that all the plants and machineries of the Gardenia Wears Ltd. as on December 31, 2018 were purchased in brand new condition. There are no re-conditioned or second hand machineries installed in the Company.

For Issuer,

Sd/-
Shahnul Hasan Khan
Managing Director

Sd/-
Aparesh Paul
Chief Financial Officer

Date: 30th March, 2019