



2017
A 2018
ANNUAL REPORT



Shepherd Industries Limited

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Transmittal Letter

To
All Share Holders,
Bangladesh Securities and Exchanges Commission,
Registrar of Joint Stock Companies & Firms,
Dhaka Stock Exchange Limited,
Chittagong Stock Exchange Limited.

Subject: Annual Report for the year ended June 30, 2018.

Dear sir (s),
Enclosed please find a copy of Annual Report together with the Audited Financial Statements including Statement of Financial Position, Statement of Profit or Loss & Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year ended June 30, 2018 along with notes to thereon of Shepherd Industries Limited for your kind information and records.

Thank you.

Sincerely yours,


Mohammed Abu Zafar
Company secretary



Shepherd Industries Limited

House # 24, Road # 04, Sector # 04, Uttara, Dhaka-1230

Notice of the 17th Annual General Meeting

Notice is hereby given that the 17th Annual General Meeting (AGM) of the shareholders of Shepherd Industries Limited will be held on Wednesday, December 19, 2018 at 10.30 a.m. at the DOHS Baridhara Convention Center, Baridhara DOHS Parishad, DOHS Baridhara, Dhaka Cantonment, Dhaka-1206 to transact the following business.

Agenda

01. To receive and adopt Director's Report and audited Financial Statements of the company for the year ended on June 30, 2018.
02. To declare dividend for the year ended on June 30, 2018 as recommended by Board of Directors.
03. To appoint Director.
04. To appoint Auditors and the Professional who will provide the certificate on compliance Corporate Governance Code for the year ended June 30, 2019 and fix their remuneration.
05. To invest in Shepherd Textile (Bd) Limited.
06. To extend time for utilization of IPO proceeds.
07. To transact any other business which may be placed before the meeting with the permission of the chair.

By order of the Board



Mohammed Abu Zafar
Company Secretary

Dated: December 05, 2018

Notes:

01. The Record Date is November 12, 2018.
02. The shareholders whose name will appear in the Share Register of the Company and in the Depository Register on the record date will be eligible to attend the 17th Annual General Meeting (AGM) and qualify for the dividend to be declared at the AGM.
03. A Shareholder eligible to attend and vote at the Annual General Meeting (AGM) or may appoint a proxy to attend and vote in his/her behalf by filling proxy Form. The proxy Form must be affixed with requisite revenue stamp of Tk. 20/= and must be submitted to the Head Office of the Company not later than 48 hours before the day of the Annual General Meeting (AGM).
04. Members are requested to notify change of address, if any, through their respective Depository Participants before the Record Date.
05. Annual Report 2018 of Shepherd Industries Limited will also be available at the Company website: www.shepherdbd.com
06. Shareholders attendance counter will open at 9.00 a.m. and to be continued till 10.30 a.m.
07. No gift or benefit in cash or kind shall be paid to the shareholders in terms of clause (c) of the Notification No.SEC/CMRRCD /2009-193/154 dated October 24, 2013 for attending the AGM of the company.

Corporate Directory

BOARD OF DIRECTORS

Mr. Chung Wen Kuei

Chairman

Mr. Kao Wen Fu

Managing Director

Mr. Yang Ming Te

Director (Representative of Eternal Flame Int'l Inc.)

Mr. Lin Chih-Wen

Director (Representative of Ever Priority Ltd.)

Mr. Md. Monzur Alam Khan

Independent Director

Audit Committee

Mr. Md. Monzur Alam Khan

Chairman

Mr. Kao Wen Fu

Member

Mr. Chung Wen Kuei

Member

Mr. Mohammed Abu Zafar

Secretary

Company Secretary

Mr. Mohammed Abu Zafar

Chief Financial Officer

Mr. Md. Aatur Rahman

Head of Internal Auditor

Ms. Shahnaz Akhter

Management Team

Mr. Kao Wen Fu, Managing Director

Mr. Md. Abdul Mannan, Deputy Managing Director

Mr. Md. Aatur Rahman, Chief Financial Officer

Mr. Abdullah Al Harun Eusuf, DGM

Mr. Md. Moklasur Rahman, Factory In Charge

Registered Name of the Company

Shepherd Industries Limited

Incorporation No. & Date

C-401066(425)/2000 dated August 21, 2000

Commencement of Commercial Operation

October 18, 2001

Legal Status

Public Limited Company listed with
Dhaka stock Exchange Ltd. and Chittagong Stock Exchange Ltd.

Nature of Business

Dyeing & Washing (100% export oriented)

Registered Address

House#24, Road#04, Sector#04, Uttara, Dhaka-1230
Phone: +88-02-7913340-2, Fax: +88-02-7913359-60
E-mail: info@shepherdbd.com
Web: www.shepherdbd.com

Factory Address

Bagrapara, Kathalia, Bhaluka, Mymensingh

Associates Member

Bangladesh Association of Publicly Listed Companies
Bangladesh Dyed Yarn Exporter Association

Statutory Auditor

Mahfel Huq & Co., Chartered Accountants
4th Floor, BGIC Tower, 34
Topkhana Road, Dhaka-1000, Bangladesh

Legal Advisor

Podder & Associates
6/A/1 Segun Bagicha (ground floor),
Topkhana Road, Dhaka-1000

Corporate Governance Compliance Auditor

Aftab Ahmed & Co.
Chartered Accountants
96/G (1st Floor), Green Road, Panthapath, Dhaka-1205

Bankers

IFIC Bank Limited, Gulshan Branch
Trust Bank Limited, Gulshan Corporate Branch
Southeast Bank Limited, Gulshan Branch
Eastern Bank Limited, Uttara Branch
Pubali Bank Limited, Bhaluka Branch

Company Profile

Shepherd Industries Limited has been incorporated with the Registrar of Joint Stock Companies and Firms (RJSCF) vide registration no. C-41066(425)/2000 dated August 21, 2000 as a Private Limited Company by shares namely Shepherd Industries Limited and after that it is converted in to a Public Limited Company on June 08, 2015. The company has been amalgamated by the scheme of amalgamation with Shepherd Yarn Limited by the order of the Honorable High Court Division of The Supreme Court of Bangladesh dated December 15, 2014; with effect from April 01, 2015. The registered office of the company is situated at House # 24, Road # 04, Sector # 04, Uttara, Dhaka-1230, Bangladesh and the manufacturing establishment is located at Bagrapara, Kathalia, Bhaluka, Mymensingh.

Shepherd Industries Limited established in 2000 in Bangladesh. A long journey of 18 years, the company gathers a lot of experiences in the field of sweater yarn dyeing which make a good reputation in the market. Garment wash is a new segment of business of the company which comes into the light by the way of Initial Public Offering (IPO). Our yarn and garment washing quality remains one of the highest satisfactions in the market as well as we are also capable of providing huge production with very short lead time to meet customers' delivery deadlines. Our machineries are equipped with the latest technology and our laboratory is monitored by foreign technicians. We are committed with quality control, accurate time delivery, and large production capacity.

Shepherd Industries limited is a 100% export oriented company engaged in dyeing of different counts of cotton, acrylic, viscose and nylon yarn and washing of different type of garments & fabrics which are marketed to the direct exporters.



Our Vision and Mission

Our Vision

Our conception of business germinated from our vision which sees it as a means to the wellbeing of the investors, stakeholders, employees and members of the society at large by creating new wealth in the form of goods and services that go to satisfy the wants of all of them without distributing or damaging the socio-ecological balance of the mother earth and the process of human civilization leading to peaceful Co-existence of all the living beings.



Our Mission

Our aim is to make Shepherd Industries Limited a secure & rewarding investment for its shareholders & investors, a reliable source of high-quality yarn & high-quality wash for denims at affordable price to its customers, secure place for work to its employees & an ethical partner to its business association.

The Board of Directors



Mr. Chung Wen Kuei
Chairman

Chung Wen Kuei, is a Taiwan national and chairman of Shepherd Industries Limited with 29 years working experience in dying industry he made significant contribution to the development of Shepherd Industries. He always hunts for better quality in his products and deeper relations with the customers. He is an expert in the dyeing industry.

Mr. Kao Wen Fu
Managing Director

Mr. Kao Wen Fu is a visionary entrepreneur investor and philanthropist. He established his first venture Pakistan Alfateme Textile in 1990 and thereafter he established Shepherd Textile (BD) Ltd at DEPZ in 1997, and Shepherd Industries Ltd in 2000, Shepherd Yarn Ltd in 2005, Taiwan Food & Processing Ind. Ltd. in 2013. He is vastly experienced in the textile and dying sector. He is a Taiwan national with dynamic leadership quality. Under the leadership of Mr. Kao Wen Fu, Shepherd Industries Limited enjoyed huge business growth over time. Mr. Kao's Innovative business idea and ability to promptly response to the contemporary changes in modern era's fashion and tastes are the keys to the success of Shepherd Industries Ltd. At his 60's, he is still energetic and dynamic. Mr. Kao has visited many countries for business purpose.



Mr. Lin Chih-Wen
Nominee Director (Representative of Ever Priority Ltd.)

Mr. Lin Chih-Wen has proven capability of contributing values in dyeing industries. He has 36 years of professional experience in Nylon/Cotton/Polyester Dyeing Factory as Technical person. He is 56 years old with dynamic leadership quality. He provides dynamic insights to the company's affairs, which is also outstanding to accelerate the performance of Shepherd Industries Limited.





Mr. Yang Ming Te

Nominee Director (Representative of Eternal Flame Int'l Co. Inc.)

Yang Ming Te, a Taiwanese national representing Eternal Flame Int'l.Co. Inc. in the board of Shepherd Industries Limited with more than 32 years in the dyeing industry, he managed to bring a broader vision in sales, marketing and customer care. He always put positive impact towards the company to maximize wealth.

Mr. Md. Monzur Alam Khan

Independent Director

Barrister MonzurAlam Khan is the Independent Director of the company. Mr. Monzur is a barrister by profession & completed his education in the UK. Previously he worked in Lee, Khan & Associates a commercial law firm and lot of other reputed firms. He established his own law firm. Barrister Monzur is a charismatic personality, hardworking creative person with lot of experience in handling corporate issues.



Photo Gallery





Message from the Chairman

Distinguished Shareholders

I, on behalf of the Board of Directors have the pleasure to welcome all of our esteemed shareholders on the occasion of 17th Annual General Meeting of the company and I also want to give thanks to honorable shareholders for joining with us to make the event successful.

With pleasure I present the Report of the Board of Directors, the Audited Financial Position, Statement of Profit or Loss & Other Comprehensive Income and other Financial Statements of the company for the year ended on June 30, 2018. I am very glad to inform you that we have earned Tk.156.76 million after payment of tax and the Board of Directors recommended 12% cash dividend for all shareholders.

I specially want to give thanks to Managing Director Mr. Kao Wen Fu for his enthusiastic leadership as we continued the sustainable growth trend. We believe his farsighted leadership and hardworking of his team will make the future more prosperous.

On behalf of the Board I would like to express my sincere thanks to the respected shareholders for the confidence respond on the Board of the company throughout the year. I am also grateful to the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies & Firms, Central Depository Bangladesh Limited, Banks and Financial Institutions for their support and patronage extended to the company from time to time.

I embrace your support and seek your co-operation by all means for a brighter future for all.

Thanking you.

Regards

A handwritten signature in black ink, appearing to read '鍾文貴' (Chung Wen Kuei).

Chung Wen Kuei
Chairman

Directors' Report

Dear Shareholders,

On behalf of the Board of Directors of Shepherd Industries Ltd., I have the pleasure of welcoming you all to 17th Annual General Meeting. The Board of Directors is pleased to take the opportunity to present you the Audited Financial Statements of the Company for the Financial Year 2017-2018, Auditors' Report and the Directors' Report thereon along with Company's performance and other matters in terms of Companies ACT 1994, the guideline issued by Bangladesh Securities and Exchanges Commission and Bangladesh Accounting Standards.

AN INDUSTRY OUT LOOK AND POSSIBLE FUTURE DEVELOPMENTS IN THE INDUSTRY:

Shepherd Industries Ltd. is a 100% export oriented backward linkage industry which is involved in business to collect different type of sweater yarn as per market's demand and dye for supplying to those sweater manufacturing industries which are directly exporting their products outside of Bangladesh. The company has collected taka 20 crore from IPO proceeds, major part of which money will be used to set up a very modern technology-based washing plant. Civil construction of building for washing plant is going on and LC's for machineries already been opened. The company has an Effluent Treatment Plant (ETP) which can treat 6000 cubic meter of waste water in a day.

The managements are always careful about to sustain up the shareholder's wright. In the global market, now fashions and technology are changing very fast, synchronizing with the fastest technology-based products it is very important to install high tech machineries as well as hire technology know how, experienced and efficient manpower. At the same time products diversification is also very important to sustain in the competitive business world. The management of the company are always ready to meet up this type of challenge very smartly so that they thought about to set up a washing plant which is now in the way to completion. After completion of the setting of washing plant a new segment of products will be added which will contribute significant earnings to the shareholders.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The company operates in single segments, so segment reporting is not applicable.

RISKS AND CONCERNS

Exchange Risk

As a 100% export oriented both the export of the finished goods and the import of raw materials (yarn, accessories and dyes/chemicals) are both in US Dollars, there is an automatic hedge as far as exchange risk is concerned. However, any further appreciation in the value of the major global currencies against the Bangladeshi Taka (BDT) will hurt the competitive edge of the manufacturers in Bangladesh. The current level of the exchange rate between the local currency and the Euro is beginning to pose a major threat to Bangladesh's competitiveness in the European market. Whilst Far East is yet to be affected, we are aware that a few of the major European buyers are curtailing their imports. We remain vigilant and are countering any potential risk through increased productivity as well as investments in the latest and most efficient technologies. Additionally, the passing of the Brexit bill in the UK has resulted in a sharp depreciation of the UK Pound making imports that much more expensive for them. As a result, we have additional pressure to reduce prices for exports to the UK, which is one of the major markets for our company.

Political Risk

The year under review was relatively stable without any major political or industrial unrest which had dogged the industry over the past two years. This is a risk that is beyond the control of the entrepreneurs and we hope for this stable environment to continue for conducting and growing our business.

Industry Risk

We do not anticipate any major competition to Bangladesh in the RMG sector in the foreseeable future. In fact, the trend is quite the opposite where the number one RMG exporter in the world is struggling to hold on to its position due to increased costs. However, to ensure that the preferred destination for buyers leaving China to Bangladesh, we have to constantly invest in R&D as well as latest technologies to improve productivity and efficiency. At the same time, we will require continued governmental support for infrastructural developments.

Market Risk

At present and in the foreseeable future the demand for RMG from manufacturers in Bangladesh is expected to be continuously on the rise but the competition amongst the factories for this increased business will remain severe. In order to survive and thrive in this environment Shepherd Industries Limited has evolved into fully compliant factory, invested in the latest in

technology and machineries and has a strong marketing team to attract and sustain customer relationships. We have a well-diversified base of buyers in terms of geographical location and also are not heavily dependent on any one or two buyers. We believe that we have this risk well mitigated and our increased year on year sales is a testament to this fact.

Environment Risk

One of the main Elements for Dyeing and Washing are water and which extracting only from underground source as a result day by day underground water level is going deeper and cost of water is also increasing. On the other hand, it's discharging waste water which is heavily contaminated by dyes and chemicals which also very harmful for human as well as animals those are lived in water. Above the environmental effects may increase the product cost in future. To overcome these obstacles, we have set up a biological ETP which is less costly than chemical ETP.

DISCUSSION ON COST OF GOODS SOLD, GROSS PROFIT MARGIN AND NET PROFIT MARGIN

Particulars	30-06-2018	30-06-2017	30-06-2016 (3 Months)	31-03-2016	31-03-2015 (3 Months)
Cost of goods sold	2,402,730,555	2,263,558,771	669,410,501	2,330,114,989	346,930,751
Gross Profit	364,644,304	315,409,707	87,451,424	306,442,907	43,211,059
Net Profit after Tax	156,769,556	127,992,497	48,199,648	125,464,121	12,041,477

DISCUSSION ON CONTINUITY OF ANY EXTRA-ORDINARY GAIN OR LOSS

There is no extra-ordinary gain or loss in the financial statements.

RELATED PARTY DISCLOUSER

The Company has Related Party transactions which have been disclosed in related party transaction in note no. 38.2 of the notes to the financial statements.

UTILIZATION OF PROCEEDS FROM PUBLIC ISSUE

The company raised Tk. 20.00 Crore by issuing 20,000,000 Ordinary Shares of Tk.10 each from the capital market in order to meet up the fund requirements for the purpose of Civil Construction, Acquisition & Installation of Machineries (Dyeing, Washing, Duties, Insurance, L/C Commission, Inland Carrying, C & F, Erection and Installation), Expansion of ETP, repayment of short-term bank loan and IPO Expenses. The Utilization of IPO fund has been audited by Ahmed Zaker & CO, Chartered Accountants. The report on utilization of IPO proceeds for the month June 2018 as follows:

Purpose Mentioned in the Prospectus	Time line as per prospectus	Amount as per Prospectus	Amount as per revised utilization plan as approved in the 16th AGM	Utilized Amount		Utilized (%)	Total Unutilized Amount	Unutilized (%)	Remarks
				This Month	Upto this Month				
Civil Construction	Within 12 months of receiving IPO fund	28,140,524	45,360,000	-	-	0.00%	45,360,000	100.00%	Revised Utilization plan has been approved by the shareholders in the 16th AGM held on 21st November 2017 subject to the approval of BSEC.
Acquisition & Installation of Machineries (Dyeing, Washing, Duties, Insurance, L/C Commission, Inland Carrying, C & F, Erection and Installation)	Within 12 months of receiving IPO fund	96,970,692	104,276,260	-	55,044,525	52.79%	49,231,735	47.21%	
Expansion of ETP	Within 18 months of receiving IPO fund	15,424,550	-	-	-	-	-	-	
Repayment of short term bank loan	Within 3 months of receiving IPO fund	44,464,234	44,464,234	-	44,464,234	100.00%	-	0.00%	
IPO Expenses	As and when required	15,000,000	5,899,506	-	5,899,506	100.00%	-	0.00%	
Total		200,000,000	200,000,000	-	105,408,265		94,591,75		

Net Interest on IPO Proceeds	4,434,927
Un-Utilized IPO Proceeds	94,591,735
Total Un-Utilized IPO Proceeds including interest	<u>99,026,662</u>

Percentage:

Interest on IPO Proceeds: 2.22%

Un-Utilized IPO Proceeds with Interest Income: 49.51%

Notes:

- a) During this month, the utilized amount is Tk. Nil.
- b) The shareholders of the Company have approved revised IPO Utilization plan in the 16th AGM held on 21st November 2017 following the Board of Directors' resolution passed on 6th November 2017 in its 90th meeting to re-arrange the utilization of IPO fund for Building under the head of Civil Construction and Acquisition & Installation of Machineries. Due to the revision of the IPO Utilization plan, previously un-adjusted IPO expenses of Tk. 9,100,494 and fully un-utilized IPO proceeds received for the purpose of the Expansion of ETP amounting Tk. 15,424,550 has been re-arranged in to the heads under Civil Construction (Compliance Factory Building) and Acquisition & Installation of Machineries. The revised IPO Utilization plan is yet to be approved by the Bangladesh Securities and Exchange Commission (BSEC).

EXPLANATION ON THE FINANCIAL RESULTS DETERIORATE AFTER IPO

Not Applicable.

SIGNIFICANT VARIANCE BETWEEN QUARTERLY FINANCIAL PERFORMANCE AND ANNUAL FINANCIAL STATEMENTS

Significant variations haven't occurred between Quarterly Financial performance and Annual Financial Statements.

DIRECTOR'S REMUNERATION

Director's Remuneration

Director's Remuneration paid during the year is shown in note no. 26. During the year 12 nos. Board of Directors Meeting held and has been paid Tk. 77,000 (Seventy-Seven Thousand) against Board Meeting Fee which has been disclosed in note no. 26.

DIRECTORS RESPONSIBILITIES FOR FINANCIAL STATEMENTS

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

- i) Proper books of accounts of the company have been maintained.
- ii) Appropriate accounting policies have been applied consistently in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.
- iii) The international Financial Reporting Standards, as applicable in Bangladesh, have been followed in the preparation of the financial statements and any departure there from has been adequately disclosed.
- iv) The systems of internal control are sound and have been implemented and monitored effectively.
- v) There are no significant doubts upon the company's ability to continue as a going concern.
- vi) The significant deviations from the last year's operating results are shown in note no. 37 as additional disclosure of note to the financial statements.
- vii) The key operating data and financial data for the last two years are shown in the next chapter of this Directors Report.

KEY OPERATING AND FINANCIAL DATA

Operational Result	Amount in Taka				
	30 June 2018	30 June 2017	30 June 2016 (Three Months)	31 March 2016	31 March 2015 (Three Months)
Revenue	2,767,374,859	2,578,968,478	756,861,925	2,636,557,896	390,141,810
Gross Profit	364,644,304	315,409,707	87,451,424	306,442,907	43,211,059
Operating Income	314,780,541	272,338,655	76,032,288	273,918,826	35,544,089
Net Profit before Tax	187,370,366	163,425,097	59,901,062	149,936,589	14,342,845
Profit for the year	156,769,556	127,992,497	48,199,648	125,464,121	12,041,477
Basic Earnings per Share	1.15	1.03	0.46	4.17	13.59
Operational Result	30 June 2018	30 June 2017	30 June 2016	31 March 2016	31 March 2015
Non-Current Assets	1,564,687,213	1,526,266,925	1,384,811,864	1,346,179,361	830,378,882
Current Assets	3,312,886,185	3,039,003,195	2,471,463,873	2,531,856,325	1,561,776,222
Total Assets	4,877,573,398	4,565,270,120	3,856,275,737	3,878,035,686	2,392,155,104
Shareholders' Equity	2,435,704,809	2,277,761,951	1,948,472,212	1,933,656,316	940,382,549
Non-Current Liabilities	131,481,214	132,726,294	123,185,570	124,017,703	119,657,390
Current Liabilities	2,310,367,375	2,154,781,875	1,784,617,955	1,820,361,667	1,332,115,164
Total Equity & Liabilities	4,877,553,398	4,565,270,120	3,856,275,737	3,878,035,686	2,392,155,103
Net Asset Value per Share	17.83	18.34	18.70	18.56	1,061.69
Key Financial Ratio	30 June 2018	30 June 2017	30 June 2016	31 March 2016	31 March 2015
Liquidity Ratios:					
Current Ratio (Times)	1.43	1.41	1.38	1.39	1.17
Quick Ratio (Times)	0.79	0.74	0.72	0.88	0.65
Operating Efficiency Ratios:					
Accounts Receivables Turnover Ratio	1.87	2.13	0.75	3.94	0.94
Inventory Turnover Ratio (Times)	1.65	1.73	0.52	2.25	0.47
Assets Turnover Ratio (Times)	0.57	0.56	0.20	0.68	0.16
Profitability Ratios:					
Return on Capital					
Employed (ROCE) (%)	12.26%	11.30%	3.67%	13.31%	3.35%
Gross Margin Ratio (%)	13.18%	12.23%	11.55%	11.62%	11.08%
Operating Profit Ratio (%)	11.37%	10.56%	10.05%	10.39%	9.11%
Net Profit Ratio (%)	5.66%	4.96%	6.37%	4.76%	3.09%
Return on Assets Ratio (%)	3.21%	2.80%	1.25%	3.24%	0.50%
Return on Equity Ratio (ROE) (%)	6.44%	5.62%	2.47%	6.49%	1.28%
Earnings per Share (Basic EPS)	1.15	1.03	0.46	4.17	13.59
Solvency Ratios:					
Debt to Total Assets Ratio	0.23	0.34	0.18	0.17	0.31
Debt Equity Ratio (Times)	0.46	0.69	0.36	0.33	0.79
Time Interest Earned Ratio (Times)	2.69	4.00	5.73	2.37	2.73
Cash Flow Ratio:					
Net Operating Cash Flow per Share	4.65	(6.00)	0.08	1.49	(178.19)
Net Operating Cash Flow per Share/EPS	4.04	(5.83)	0.17	0.36	(13.11)

DIVIDEND

The Board of Directors has recommended 12% Cash Dividend for the all shareholders for the year ended on June 30, 2018 whose names appear in the Share Register of the Company and/or Depository Register of CDBL as on record date: November 12, 2018.

TOTAL NO. OF BOARD MEETINGS HELD DURING THE YEAR AND ATTENDANCE BY EACH DIRECTOR:

12 Board of Director's Meeting held during the year and details of attendance by each director are as follows:

Name of Directors	Attendance
Mr. Chung Wen Kuei, Chairman	12
Mr. Kao Wen Fu, Managing Director	12
Mr. Lin Chih-Wen, Director (Representative of Ever Priority Ltd.)	5
Mr. Yang Ming Te, Director (Representative of Eternal Flame Int'l Co. Inc.)	6
Mr. Md. Monzur Alam Khan, Independent Director	4

REPORT ON THE PATTERN OF SHAREHOLDING

Parent or Subsidiary or Associated Companies:

Name of Company	Relation	No. of shares	Percentage
		Nil	Nil

Directors, CEO/MD, CS, CFO, HIAC and their spouses and minor children

Name	Designation/Relation	No. of shares	Percentage
Chung Wen Kuei	Chairman	3,587,556	2.63
Kao Wen Fu	Managing Director	4,089,303	2.99
Ever Priority Limited	Director	47,339,215	34.65
Eternal Flame Int'l Co. Inc.	Director	11,975,238	8.76

Executives:

Name	Designation/Relation	No. of shares	Percentage
Md. Abdul Mannan	Deputy Managing Director	374,559	0.27

Shareholding 10% or more voting interest:

Name of shareholder	No. of shares	Percentage
Ever Priority Limited	47,339,215	34.65

APPOINTMENT OR REAPPOINTMENT OF A DIRECTOR

Ever Priority Ltd. has been replaced their nominee Mr. Kao Chen Tsai instead of Mr. Lin Chih-Wen. Brief resume and other information of Mr. Kao Chen Tsai as per Clause 5(xxiv) of The Bangladesh Securities and Exchange Commissions' Notification No. BSEC/CMRRCD/ 2006-158/207/Admin/80 dated June 03, 2018 are as follows:

Name: Kao Chen Tsai

Father's Name: Kao Wen Fu

Nationality: Taiwanese

Address: 4-FL-1, 250, Sec-4, Chung Hsiau, E, Rd. Taipei, Taiwan

Having two years' experience as an executive director of Shepherd Yarn Ltd. which has been merged with Shepherd Industries Ltd. and also acting role as chairman of Ever Priority Ltd. He has a vast experience in textile and dyeing field of its manufacturing as well as marketing. He is very energetic, enthusiastic and young entrepreneur. Company will be enriched by his know-how opinion in the field of production as well as marketing of the products.

COMPANY SECRETARY, CFO & INTERNAL AUDITOR

As per Corporate Governance Code of BSEC, the Company has allocated the responsibilities as follows:

Company Secretary : Mohammed Abu Zafar

Chief Financial Officer : Md. Aatur Rahman

Head of Internal Auditor : Ms. Shahnaz Akhter

AUDIT COMMITTEE

The Audit Committee, as a sub-committee of the Board, has been constituted with three Directors, one of whom is an Independent Director and others are non-executive director. The Company Secretary acts as Secretary to the Audit Committee. The Committee assists the Board in ensuring that the financial statements reflect a true and fair view of the state of affairs of the Company. Audit Committee is responsible to the Board of Directors and its roles and responsibilities are clearly set forth.

Audit Committee has been formed as follows:

Mr. Md. Monzur Alam Khan	: Chairman
Mr. Yang Ming Te Director (Representative of Eternal Flame Int'l Co. Inc.)	: Member
Mr. Kao Wen Tsai Director (Representative of Ever Priority Ltd.)	: Member
Mohammed Abu Zafar	: Secretary

NRC Committee

Committee has been constituted as follows:

Mr. Kao Wen Fu, Managing Director	: Chairman
Md. Ataur Rahman, CFO	: Member
Md. Abdul Mannan, DMD	: Member
Mr. Md. Monzur Alam Khan, Independent Director	: Member
Mohammed Abu Zafar, Company Secretary	: Secretary

We will reform the above Committee within the stipulated time as per The Bangladesh Securities and Exchange Commissions' Notification No. BSEC/CMRRCD/ 2006-158/207/Admin/80 dated June 03, 2018.

AUDITORS

As per The Bangladesh Securities and Exchange Commissions' Notification No. BSEC/CMRRCD/ 2006-158/208/Admin/81 dated June 20, 2018, tenure of the existing statutory auditors of the company Mahfel Huq & Co., Chartered Accountants has been expired. Ata Khan & Co., Chartered Accountants expressed their interest to be appointed as statutory auditors of the company for the year ended on June 30, 2019.

Aftab Ahmed & Co., Chartered Accountants expressed their interest to report and provide certificate on compliance of Corporate Governance Code for year ended on June 30, 2019 as per Clause 9(2) of The Bangladesh Securities and Exchange Commissions' Notification No. BSEC/CMRRCD/ 2006-158/207/Admin/80 dated June 03, 2018

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I take this opportunity to thank all our shareholders wholehearted cooperation and active support in assisting me and the Board of Directors to effectively discharge our duties during the year under review. We would also like to express our gratitude to the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, RJSC and other business associates for their valuable suggestions, continuous support and cooperation extended to the company. We would also like to thank our Auditor, Mahfel Huq & Co., Chartered Accountants for their efforts for timely completion of the audit. We would like to express our gratitude to our bankers, customers and suppliers for providing all the necessary and timely support to enable and enhance our growth and profitability. Lastly, we would like to express our deepest appreciation for the services and the loyalty of all our executives, officers and employees of the company at all levels, without whom it would have been impossible to have delivered such a solid performance.

I now request the valued shareholders to kindly accept and approve the Auditors' Report, Annual Audited Accounts 2017-2018 and the Directors Report placed before you.

Thanking you,

For and on behalf of the Board of Directors



Chung Wen Kuei
Chairman



Management's Discussion and Analysis by CEO/MD

It is an immense pleasure for me to welcome all of you to 17th Annual General Meeting of Shepherd Industries Ltd. and to present a brief discussion and analysis over the financial statements of the year ended on June 30, 2018 as well as the comparative analysis of previous year's financial results.

- We have prepared the financial statements in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted in Bangladesh, The Companies Act 1994, The Income Tax Rules 1984, The Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as managements desire.
- During the reporting period, there is any changes haven't been occurred that effect on the financial performance or result and financial position.
- During the reporting year EPS increased to Tk.1.15 which was Tk.1.03 in last year because of sales increased by Tk. 18.84 crore, NOCFPS increased to Tk.4.65 which was Tk. (6.00) last year and NAV decreased to Tk17.83 than Tk.18.34 last year due to number of shares have been increased by issuing bonus shares. Preceding five year's financial performance or result and financial position as follows:

Operational Result/Position	30 June 2018	30 June 2017	30 June 2016 (Three Months)	31 March 2016	31 March 2015 (Three Months)
Basic Earnings per Share	1.15	1.03	0.46	4.17	13.59
Net Operating Cash Flow per Share	4.65	(6.00)	0.08	1.49	(178.19)
Net Asset Value per Share	17.83	18.34	18.70	18.56	1,061.69

- Shepherd industries Ltd. engaged mainly in sweater yarn dyeing and garments washing activities. Raw yarn, dyes and chemicals' price in the international market is always uneven on the other hand finished good's price is very competitive. Using technology-based machineries, skilled work force and efficient management we have improved our performance compare to the last years and compare to the other industries in this sector our sales, earning and other indicators regarding financial performance is very consistent. We believe, our growth rate is very steady and it remain unchanged in the future.

- e) Readymade Garments (RMG) Industry sector has witnessed a steady growth over the years and it has become a largest export earning sector in Bangladesh. At present Bangladesh is the 3rd largest RMG export country in the world that generating 80% of export earnings and contributing more than 10% to national GDP. This sector employed near about 6 million people where 80% of them are female. Now a days "Made in Bangladesh" is create a position as an international brand image. Due to the geographic advantage and lower labor cost is the main attraction for the many international brands but the labor cost in Bangladesh has been increasing rapidly and this trend may be continued for the next few years.

Shepherd Industries Ltd. is a 100% deemed exporter of sweater yarn and washing of exportable RMG (denims). In the competitive landscape of the apparel and sweater manufacturing industries; negotiation, price, quality and timely delivery of commodities are very important which affect the customers' sourcing strategy and direction and which create challenge for us. We always monitor and adjust the customers' diversity of strategy to remain in competition.

- f) Already explained the risk and concerned mitigation plans of the company in financial statements' note no.3.01 to 3.06
- g) Our washing plant is under construction and LC has been opened for importing machineries for washing plant which will be arrived within the beginning of the next year. After launching the washing project, a significant contribution will be added which will be reflected in the next financial statements.

Dear shareholder, synchronizing with international market demand we are going to renovate/replace highly technology-based machineries and setting up a modern and compliance washing plant during this year. We hope that from this year and towards we will be able to achieve our optimum goal.

I embrace your support and seek your co-operation by all means for a brighter future for all.

Thanking you.

Regards



Kao Wen Fu
Managing Director

Audit Committee Report

For the year ended 30th June 2018

The Board of Directors of Shepherd Industries Limited has constituted an Audit Committee according to the conditions of Bangladesh Securities and Exchange Commission's (BSEC) guidelines which is appended at the Compliance Report enclosed with the Directors' Report. The committee comprises of Mr. Kao Wen Fu, Managing Director, Mr. Chung Wen kuei, Chairman of the Company and Md. Monzur Alam Khan, independent director and chairman of the Committee. Mohammed Abu Zafar, Company Secretary functions as the Secretary of the Committee. The Audit Committee is appointed by the Board. All members of the Audit Committee are financially literate and are able to analyze and interpret financial statements of effectively discharge their duties and responsibilities as members of the Audit Committee.

Purpose of Audit Committee

The role of the Audit Committee is to monitor the integrity of the financial statements of the Company and review and when appropriate, make recommendations to the Board on business risks, internal controls and compliance. The Committee satisfies itself, by means of suitable steps and appropriate information, that proper and satisfactory internal control systems are in place to identify and contain business risks and that the company's business is conducted in a proper and economically sound manner. The key responsibilities of the Audit Committee include:

- Monitor the integrity of the financial reporting process ensuring compliance to accounting policies, standards and principles.
- Monitor internal control and business risk management process.
- Monitor and review the effectiveness of external auditors.
- Oversee hiring and performance of external auditors.
- Other matters as per term of reference and Audit Committee.

Authority

The Audit Committee is authorized by the Board to review and activity within the business as per terms of reference. It is authorized to seek any information it requires from and require the attendance at any of its meetings of any Director or member of management and all employees are expected to co-operative with any request made by the Committee.

The Committee is also authorized to have information and advice from the Company Legal Advisor, Tax Consultant and Statutory Auditor if required. The terms of reference of Audit Committee may be amended from time to time as required for the business in line with BSEC notifications subject to approval by the Board.

Meeting Attendance

The Audit Committee met 4 (four) times during the year 30 June 2018. All the members were present in all meetings of the Committee. The details of attendance of each member at the Audit Committee meetings during the year 30 June 2018 are as follows:

Name of Members	Held	Attend	%
Md. Monzur Alam Khan, Chairman	4	4	100
Yang Ming Te, Director	4	4	100
Lin Shu Huei, Director	4	4	100
Mohammed Abu Zafar, Secretary	4	4	100

Summary of Activities 2017-2018

The Committee carried out its duties in accordance with the terms of reference of the Audit Committee. During the year 30 June 2018. The Audit Committee carried out the following activities:

1. Financial Reporting

Reviewed the quarterly and annual audited financial statements of the Company with the CFO and MD, focusing particularly on significant changes to accounting policies and practices, adjustments arising from the audits, compliance with accounting standards and other legal requirements before recommending them to the Board for approval.

2. Internal Audit

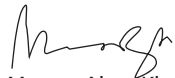
- a. Reviewed internal audit reports and corresponding actions to improve controls as agreed by management.
- b. Reviewed status reports of internal audit to ensure that appropriate actions had been taken to implement the audit recommendations.

3. External Audit

- a. Reviewed with the external auditors the Company's Statement of Control before recommending the same for inclusion in the Company's Annual Report of 2018.
- b. Reviewed the finding arising from audits particularly the comments and recommendations in management letter.
- c. Reviewed the external auditors' audit plan including its nature and scope, audit report, evaluation of internal controls and coordination of the external auditors.



(Mohammed Abu Zafar)
Secretary, Audit Committee
Company Secretary



(Md. Monzur Alam Khan)
Chairman, Audit Committee

Shepherd Industries Limited

MD & CFO's Declaration

The Board of Directors
Shepherd Industries Limited
House#24, Road#04, Sector#04
Uttara, Dhaka-1230

Subject: Declaration on Financial Statements for the year ended on 30 June 2018.

Dear Sirs,

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

- (1) The Financial Statements of Shepherd Industries Limited for the year ended on 30 June 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there-from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- i) We have reviewed the financial statements for the year ended on 30 June 2018 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Kao Wen Fu
Managing Director



Ataur Rahman
Chief Financial Officer (CFO)

AACO

Since
1963

AFTAB AHMED & CO. Chartered Accountants

Annexure - B

[Certificate as per condition No. 1(5)(xxvii)]

Report to the Shareholders of Shepherd Industries Limited On compliance on Corporate Governance Issues

We have examined the compliance status to the Corporate Governance Codes by Shepherd Industries Limited for the year ended on 30 June 2018. These codes relate to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 03 June 2018 of the Bangladesh Securities and Exchange Commission (BSEC).

Such compliance with the Corporate Governance Codes 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 Codes.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Codes 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 Codes.

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 Codes as stipulated in the above-mentioned Corporate Governance Codes 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 Codes;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities law and other relevant; and
- (d) The Governance of the company is satisfactory.

Place: Dhaka
Dated: 24 October, 2018



For, Aftab Ahmed & CO.
Chartered Accountants,
Abu Sayeed Ahmed, FCA,
Partner.

Reporting and Compliance of Corporate Governance

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

(Report under Condition No.9)

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
1(1)	Board of Directors. 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) (a)	Independent Directors All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following: At least one- fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		The Board of Directors are comprised of 5 (five) Directors including 1 (one) Independent Director.
1(2)(b)(i)	For the purpose of this clause "independent director" means a director who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	✓		
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	✓		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the কোম্পানী আইন, ১৯৯৪ (১৯৯৪ সনের ১৮নং আইন) Companies Act, 1994). Explanation: For the purpose of counting tenure or term of independent director any partial term of tenure shall be deemed to be a full tenure.	✓		
1(3)(a)	Qualification of Independent Director Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓		
1(3)(b)(i)	Independent director shall have following qualifications: Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	-		
1(3)(b)(ii)	Corporate Leader who is or was a top-level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or Explanation: Top level executive includes Managing Director (MD) or Chief Executive Officer (CEO), Additional or Deputy Managing Director (AMD or DMD), Chief Operating Officer (COO), Chief Financial Officer (CFO), Company Secretary (CS), Head of Internal Audit and Compliance (HIAC), Head of Administration and Human Resources or equivalent positions and same level or ranked or salaried officials of the company.	-		

Annual Report 2017-2018

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	-		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	-		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			No such issue arose
1(4)(a)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer. The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
1(5)(i)	The Directors' Report to Shareholders The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994): An industry outlook and possible future developments in the industry;	✓		
1(5)(ii)	The 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)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	✓		
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			No such issue arose
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;			No such matter to explain
1(5)(x)	A statement of remuneration paid to the directors including independent directors;			Independent Directors have not taken any remuneration.
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	A statement that 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)	A statement that 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)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement that 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)	A statement that 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)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			Dividend has been declared

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			N/A
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1(5)(xxiii)(a)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by: 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; and	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details); Explanation: For the purpose of this clause, the expression "executive" means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance.	✓		
1(5)(xxiv)(a)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders: brief resume of the director;	✓		
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas; and	✓		
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)(xxiv)(a)	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: 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 immediately 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; and	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the s h a r e - holders in the next AGM	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		
1(6)	Meetings of the Board of Directors The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1(7)(a)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer the Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		Working for formulated
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.			will be complied within stipulated time
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			N/A
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			N/A
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed a airs of the subsidiary company also;			N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
3(1)(a)	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS). Appointment The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
3(2)	Requirement to attend Board of Directors' Meetings The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
3(3)(a)(i)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO) The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief: these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3(3)(b)	The MD or CEO and CFO shall also 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)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4(i)	Board of Directors' Committee For ensuring good governance in the company, the Board shall have at least following sub-committees: Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
5(1)(a)	Audit Committee Responsibility to the Board of Directors The company shall have an Audit Committee as a subcommittee of the Board;	✓		
5(1)(b)	The Audit Committee shall 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)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)(a)	Constitution of the Audit Committee The Audit Committee shall be composed of at least 3 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5(2)(c)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 12 (twelve) years of such experience; Explanation: The term “financially literate” means the ability to read and understand the financial statements like statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows statement and a person will be considered to have accounting or related financial management expertise if he or she possesses professional qualification or Accounting or Finance graduate with at least 12 (twelve) years of corporate management or professional experiences.	✓		
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;	✓		
5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5(3)(a)	Chairperson of the Audit Committee The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such incidence arose
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)(a)	Meeting of the Audit Committee The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		
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)(a)	Role of Audit Committee The Audit Committee shall: 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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
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; and	✓		
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: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.	✓		The application/ uses of IPO fund of the company have been disclosed to the Audit Committee on quarterly basis before adoption of Accounts by the Board of Director's and the same have been submitted to BSEC, DSE & CSE.
5(6)(a)(i)	Reporting of the Audit Committee Reporting to the Board of Directors The Audit Committee shall report on its activities to the Board.	✓		
5(6)(a)(ii)(a)	The Audit Committee shall immediately report to the Board on the following findings, if any: report on conflicts of interests;			No such incidence arose
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			No such incidence arose
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			No such incidence arose
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			No such incidence arose
5(6)(b)	Reporting to the Authorities 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 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.			No such reportable incidence arose
5(7)	Reporting to the Shareholders and General Investors 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.	✓		

Annual Report 2017-2018

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
6(1)(a)	Nomination and Remuneration Committee (NRC). Responsibility to the Board of Directors The company shall 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)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓		
6(2)(a)	Constitution of the NRC The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All members of the Committee shall be non-executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			No such incidence arose
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			No such incidence arose
6(2)(g)	The company secretary shall act as the secretary of the Committee;	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
6(3)(a)	Chairperson of the NRC The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			No such incidence arose
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM			will attend in upcoming AGM
6(4)(a)	Meeting of the NRC The NRC shall conduct at least one meeting in a financial year;			to be followed
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	✓		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
6(5)(a)	Role of the NRC NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6(5)(b)(i)(a)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board: 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: the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		
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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
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; and	✓		
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.			will be complied within stipulated time
7(1)(i)	External or Statutory Auditors The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely: 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); and	✓		
7(1)(ix)	any other service that creates conflict of interest.			No such incidence arose
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: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		
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			will attend in upcoming AGM

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
8(1)	Maintaining a Website by the Company The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date listing	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchanges.	✓		
9(1)	Reporting and Compliance of Corporate Governance 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 the compliance of this Corporate Governance Code shall be appointed by the shareholders in the Annual General Meeting.			will appoint in the next AGM
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		



Kao Wen Fu
Managing Director

Independent Auditor's Report

To the shareholders of

SHEPHERD INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying Financial Statements of Shepherd Industries Limited, which comprise the Statement of Financial Position as at 30 June 2018 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted in Bangladesh, the Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA) as adopted in Bangladesh. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements prepared in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) give a true and fair view of the financial position of the company as at 30 June 2018 and of its financial performance and its cash flows for the year then ended and comply with the requirements of the Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations.

Emphasis of Matter

Without qualifying our opinion in this regard, we draw attention to note # 37 where management has explained that Net Asset Value (NAV) per share for the year has decreased due to increase in number of shares and Net Operating Cash Flow Per Share (NOCFPS) has increased due to less payment to suppliers and others, and more collection from customers compared to previous year.

Report on Other Legal and Regulatory Requirements

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

- a) 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;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred was for the purpose of company's business.

Dhaka
October 22, 2018


MAHFEL HUQ & CO.
Chartered Accountants

SHEPHERD INDUSTRIES LIMITED
Statement of Financial Position
As on June 30, 2018

Particulars	Notes	Amount in Taka	Amount in Taka
		30.06.2018	30.06.2017
ASSETS			
Non-Current Assets			
		1,564,687,213	1,526,266,925
Property, Plant & Equipment	4	1,564,349,713	1,525,712,624
Intangible Asset	5	337,500	554,301
Current Assets			
		3,312,866,185	3,039,003,195
Inventories	6	1,481,453,005	1,439,369,822
Trade & other Receivables	7	1,633,566,392	1,331,333,393
Advance, Deposit & Prepayments	8	62,825,107	112,899,663
Current Account with Related Entity	9	-	1,878,800
Cash and Cash Equivalents	10	135,021,681	153,521,517
		4,877,553,398	4,565,270,120
EQUITY AND LIABILITIES			
Shareholders' Equity			
		2,435,704,809	2,277,761,951
Share Capital	11	1,366,265,840	1,242,059,860
Revaluation Reserve	12	538,651,924	545,300,632
Retained Earnings	13	530,787,045	490,401,459
Non-Current Liabilities			
		131,481,214	132,726,294
Obligation under Finance Lease	14	2,424,934	4,489,374
Deferred Tax liabilities	15	129,056,280	128,236,920
Current Liabilities			
		2,310,367,375	2,154,781,875
Loan from Shareholders'	16	33,728,933	33,728,933
Trade & other Payables	17	1,059,899,778	414,878,188
Obligation under Finance Lease-Current Portion	14	4,550,319	4,896,344
Short Term Bank Loan	18	1,071,597,263	1,529,243,947
Outstanding IPO Subscription	19	74,750	637,750
Liabilities for Expenses & Provisions	20	140,516,332	171,396,713
		4,877,553,398	4,565,270,120
Net Asset Value (NAV) Per Share	31	17.83	18.34

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


Chief Financial Officer


Company Secretary


Director


Managing Director


Chairman

This is the Statement of Financial Position referred to in our separate report of even date.

Dated: Dhaka
22 October 2018


MAHFEL HUQ & CO.
Chartered Accountants

SHEPHERD INDUSTRIES LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2018

Particulars	Notes	Amount in Taka 2017-2018	Amount in Taka 2016-2017
Revenue	21	2,767,374,859	2,578,968,478
Less: Cost of Sales	22	(2,402,730,555)	(2,263,558,771)
Gross Profit		364,644,304	315,409,707
Foreign Currency Gain/(Loss)	23	6,024,021	3,339,623
Add: Other income	24	13,544,740	9,971,374
Less: Operating Expenses		(69,432,524)	(56,382,049)
Selling & Distribution Expenses	25	(10,794,481)	(9,415,643)
Administrative Expenses	26	(58,638,043)	(46,966,406)
Profit from Operation		314,780,541	272,338,655
Less: Financial Expenses	27	(127,410,175)	(91,107,381)
Less : IPO Expenses	28	-	(17,806,177)
Net Profit/ (Loss) before tax		187,370,366	163,425,097
Income Tax Expense:		(30,600,810)	(35,432,600)
Current Tax	29	(28,608,148)	(25,080,325)
Deferred Tax Income/(Expenses)		(1,992,662)	(10,352,275)
Net Profit/ (Loss) after Tax for the year		156,769,556	127,992,497
Basic Earning Per share (Par Value of Tk. 10/- each)	30	1.15	1.03
Diluted Earnings Per Share	30	1.15	1.03

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


 Chief Financial Officer


 Company Secretary


 Director


 Managing Director


 Chairman

This is the Statement of Profit or Loss and Other Comprehensive Income referred to in our separate report of even date.

Dated: Dhaka
 22 October 2018


 MAHFEL HUQ & CO.
 Chartered Accountants

SHEPHERD INDUSTRIES LIMITED**Statement of Changes in Equity****For the year ended June 30, 2018**

Particulars	Paid up Capital	Revaluation Reserve	Retained Earnings	Total Equity
Opening balance as on 01-07-2017	1,242,059,860	545,300,632	490,401,459	2,277,761,951
Stock Dividend for 2016-2017	124,205,980	-	(124,205,980)	-
Less: Depreciation on revaluation transfer to retained earnings	-	(7,822,010)	7,822,010	-
Add/(Less): Deferred Tax Income/ (Expenses) during the year	-	1,173,302	-	1,173,302
Add: Net profit/(loss) for the year	-	-	156,769,556	156,769,556
Closing balance on 30 June 2018	1,366,265,840	538,651,924	530,787,045	2,435,704,809

SHEPHERD INDUSTRIES LIMITED**Statement of Changes in Equity****For the year ended June 30, 2017**

Particulars	Paid up Capital	Revaluation Reserve	Retained Earnings	Total Equity
Opening balance as on 01-07-2016	1,042,059,860	552,651,670	353,760,682	1,948,472,212
Fresh Issuance of Share	200,000,000	-	-	200,000,000
Less: Depreciation on revaluation transfer to retained earnings	-	(8,648,280)	8,648,280	-
Add/(Less): Deferred Tax Income/ (Expenses) during the year	-	1,297,242	-	1,297,242
Add: Net profit (Loss) for the year	-	-	127,992,497	127,992,497
Closing balance on 30 June 2017	1,242,059,860	545,300,632	490,401,459	2,277,761,951

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


Chief Financial Officer


Company Secretary


Director


Managing Director


Chairman

This is the Statement of Changes in Equity referred to in our separate report of even date.

Dated: Dhaka
22 October 2018


MAHFEL HUQ & CO.
Chartered Accountants

SHEPHERD INDUSTRIES LIMITED
Statement of Cash Flows
For the year ended June 30, 2018

Particulars	Notes	Amount in Taka	Amount in Taka
		2017-2018	2016-2017
A. Cash Flows from Operating Activities			
Received from customers and others	32	2,510,709,948	2,375,118,744
Payment to Creditors, Suppliers, Employees and Others	33	(1,842,960,463)	(3,100,791,370)
Cash inflow/(outflow) from operation		667,749,485	(725,672,626)
Income Tax Paid	34	(33,105,145)	(20,139,854)
Net cash used in Operating Activities	36	634,644,340	(745,812,480)
B. Cash Flows from Investing Activities			
Acquisition of Property, Plant & Equipments		(64,478,615)	(202,273,474)
Acquisition of Intangible Assets		-	(450,000)
Proceeds from Sale of Property, Plant & Equipments		-	3,080,000
Investment on FDR			232,899
Investment in Share Money Deposit of Taiwan Food and Processing Industries Limited			62,000,000
Current a/c with Related Entity		1,878,800	13,221,200
Net cash used in Investing Activities		(62,599,815)	(124,189,375)
C. Cash Flow from Financing Activities			
Proceeds from Issuance of share		-	200,000,000
Outstanding IPO Subscription		(563,000)	637,750
Obligation under Finance Lease Received/(Paid)-Net		(2,410,465)	3,588,600
Short Term Loan Received/(Paid)-Net		(457,646,684)	876,578,655
Financial Expenses Paid		(127,410,175)	(91,107,381)
Net cash used in by Financing Activities		(588,030,324)	989,697,624
D. Net Increase/(Decrease) in cash and Cash Equivalent		(15,985,799)	119,695,769
E. Cash & Cash Equivalent at beginning at the year		153,521,517	40,654,383
F. Unrealized Foreign Exchange Gain/(Loss)		(2,514,037)	(6,828,635)
G. Cash & Cash Equivalent at the end of the year		135,021,681	153,521,517
Net Operating Cash Flows Per Share (NOCFPS)		4.65	(6.00)

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


 Chief Financial Officer


 Company Secretary


 Director


 Managing Director


 Chairman

This is the Statement of Cash Flows referred to in our separate report of even date.

Dated: Dhaka
 22 October 2018


 MAHFEL HUQ & CO.
 Chartered Accountants

SHEPHERD INDUSTRIES LIMITED
Notes to the Financial Statements
For the year ended June 30, 2018

1 About the Company

1.01 SHEPHERD INDUSTRIES LIMITED, a private limited company limited by shares incorporated with the Registrar of Joint Stock Companies & Firms under the Companies Act 1994 on 21 August 2000 vide registration No. C-41066(425)/2000. The registered office of the company is located at House # 24, Road # 04, Sector # 04, Uttara Model Town, Dhaka-1230, Bangladesh. The Industrial unit is located at Kathalia, Bhaluka, Mymensingh. The company converted into public limited company with effect from June 08, 2015. The company is a publicly traded company and listed with Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd from 23 February 2017 and 25 February 2017 respectively.

The commercial production of the company was commenced on 18 October 2001.

1.02 Nature of Business Activities

Shepherd Industries limited is a 100% export oriented company engaged in dyeing of different counts of cotton, acrylic, viscose and nylon yarn and washing of different type of garments & fabrics which are marketed to the direct exporters.

2 Significant Accounting Policy for the presentation of the financial Statements

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

2.01 Corporate Financial Statements

The financial statements have been prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1994 and the International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) as applicable to this Company. The Board of Directors is responsible for preparing and presenting the financial statements including adequate disclosures, which approved and authorized for issue of these financial statements.

2.02 The financial statements are presented in accordance with guidelines provided by IAS 1 : Presentation of Financial Statements
The financial statements comprises the following;

- Statement of Financial Position as on June 30, 2018;
- Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2018;
- Statement of Change in Equity for the year ended June 30, 2018;
- Statement of Cash Flows for the year ended June 30, 2018;
- Accounting Policies and explanatory notes to the Financial Statements for the year ended June 30, 2018.

2.03 Functional and presentation currency

The Financial Statements are prepared and presented in Bangladeshi Currency (Taka), which is the functional currency of the company. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise.

2.04 Comparative Information

Comparative information has been disclosed in respect of the previous year for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

2.05 Going Concern

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

2.06 Foreign Currency Transaction:

Foreign currency transactions are recorded, on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date.

At the end of each reporting year, in compliance with the provision of IAS 21: The Effects of Changes in Foreign Exchange Rates, are determined as under :

- (a) Foreign currency monetary items are translated using the closing rate.
- (b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.
- (c) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rate different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in profit or loss in the year in which they arise.

2.07 Reporting Period

The financial statements covers twelve months from July 01, 2017 to June 30, 2018.

2.08 Fundamental Accounting Concepts/ Assumption

The financial statements have been prepared under historical cost convention on accrual basis and such other convention as required by IFRS for fair presentation of financial statements.

2.09 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported value of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. However, the estimates and underlying assumptions are revised when there is material impact on the financial results of the company.

Due to the inherent uncertainty involved in making estimates, actual result could differ from those estimates.

2.10 Regulatory Compliance

The financial Statements have been prepared in compliance with the following laws and regulations;

- The Companies Act, 1994
- The Bangladesh Securities and Exchange Rule 1987
- The Bangladesh Securities and Exchange Commission Act 1993.
- The Income Tax Ordinance, 1984
- The Income Tax Rules, 1984
- The Value Added Tax (VAT) Act, 1991
- The Custom Act 1969
- Dhaka Stock Exchange Listing Regulation 2015

2.11 Compliance with IAS & IFRS

The following IAS have been applied in preparation of the financial statements for the period under review:

- IAS 1 Presentation of Financial Statements
- IAS 2 Inventories
- IAS 7 Statement of Cash Flows
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- IAS 10 Events after the Reporting Period
- IAS 12 Income Taxes
- IAS 16 Property, Plant and Equipment
- IAS 17 Leases
- IAS 19 Employee Benefits
- IAS 21 The Effects of Changes in Foreign Exchange Rates
- IAS 23 Borrowing Cost

- IAS 24 Related Party Disclosures
- IAS 32 Financial Instruments : Presentation
- IAS 33 Earnings Per Share
- IAS 36 Impairment of Assets
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets
- IAS 38 Intangible Assets
- IAS 39 Financial Instruments : Recognition and Measurement
- IAS 40 Investment Property

The following IFRS is applicable to the financial statements for the period under review;

- IFRS 1 First-time adoption of Bangladesh Financial Reporting Standards
- IFRS 7 Financial Instruments : Disclosures
- IFRS 9 Financial Instruments
- IFRS 15 Revenue from contracts with customers

2.12 Events after the Reporting Period

In compliance with the requirements of IAS 10: Events after the reporting period, "Post Balance Events" that provide additional information about the company's position at the balance date are reflected in the financial statements and events after the balance sheet date that are not adjusting events are disclosed in the notes when material.

The Board of Directors of the company in its Board Meeting held at its corporate office on October 22, 2018 at 4.00 p.m. has recommended 12% Cash dividend for the year ended June 30, 2018.

2.13 Recognition and Measurement of Tangible Fixed Assets

Tangible assets have been stated at written down value. Accumulated historical cost and depreciation have been shown in the Financial Statements. The cost of acquisition comprises of purchase price, including import duties and non-refundable Taxes and any directly attributable cost of bringing the assets to its state of intended use. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an addition to cost of the assets.

2.14 Revaluation of Property, Plant & Equipment (PPE)

PPE have been stated at revalued amounts in accordance with IAS : 16 Property , Plant & Equipment.

- i) Effective date of revaluation to the Financial Statements 31-12-2010 and 31-12-2011 respectively.
- ii) PPE has been revalued by Mridha and Associates an independent valuer.
- iii) Revaluation surplus has been transferred to Revaluation Reserve and distribution of such surplus to the shareholders is restricted.

2.15 Depreciation of Tangible Fixed Assets

Depreciation on Property, Plant & Equipment other than Land & Land Development have been computed during the year using the reducing balance method so as to write off the assets over their expected useful life. Depreciation has been charged on addition when the related property, plant & equipments are available for use as per management intention. No depreciation has been charged from the date of disposal/derecognition of the related assets.

After considering the useful life of assets as per IAS-16, the annual depreciation rates have been applied as under which is considered reasonable by the management;

	Rate (%)
Building - Factory	10%
Land & Land Development	0%
Plant & Machinery	10%
ETP	15%
Electric Equipment & Line Installation	10%
Fire Fighting Equipment	10%
Tools & Equipments	20%
Deep Tube well	10%
Gas Line Installation	10%
Building - Head Office	5%
Office Equipment	10%
Air Conditioner & Electric Appliance	10%
Lift - Head Office, Uttara	10%
Furniture & Fixture	10%
Office Decoration	10%
Car & Vehicles	15%
Telephone Equipments	10%

2.16 Impairment of assets

I) Financial Assets

Accounts receivable and others receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired can include default of delinquency by a debtor, indicates that a debtor of issuer will enter bankruptcy etc. During the period no impaired loss occurred to recognize in the Financial Statements.

II) Non-Financial assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impaired loss is recognized immediately in statement of comprehensive income unless the asset is carried at revalued amount. Any impaired loss of a revalued asset treated as a revaluation decrease. During the period no impaired loss occurred to recognize in the Financial Statements.

2.17 Inventories

Inventories are measured at the lower of cost and net realizable value as prescribed by IAS-2. The cost of inventories is based on the FIFO method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the Case of manufactured inventories and work-in-progress, cost includes an appropriate allocation of production overheads based on normal operation capacity.

2.18 Trade and Other Receivables

Trade receivables are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. All the receivables are fully secured by LC. However, a provision for doubtful debt of Tk. 4,222,845 has been provided in the Financial Statements as described in note # 7

2.19 Cash & Cash Equivalents

According to IAS 7 'Statement of Cash Flows' cash comprises of cash in hand, demand deposits and Cash equivalents which are short term highly liquid investments that are readily convertible to Cash and which are subject to an insignificant risk of changes in value. IAS 1 "Presentation of Financial Statements" provides that Cash & Cash Equivalents are not restricted in use. Considering the provision of IAS 7 & IAS 1, Cash in Hand & Bank Balances have been treated as Cash & Cash Equivalents.

2.20 Income Tax

- a) **Current Tax:** Provision for income tax has been made @ 15% on net profit before tax of the company except other income as per Income Tax Ordinance 1984. However provision @ 25% has been made on other income of 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 taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the financial statement date.

2.21 Leased Assets

In compliance with IAS 17, Lease in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance leases and all other leases are classified as operating lease.

Upon initial recognition, the lease assets is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payment. Subsequent to initial recognition, the assets is accounted for in accordance with accounting policy applicable to the assets.

2.22 Revenue Recognition

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts as per IFRS-15: Revenue from contracts with customers. Revenue is recognized when the parties to the contract have approved the contracts and are committed to perform their respective obligations; the contract has commercial substance; the significant risks and reward of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably & there is no continuing management involvement with the goods sold. Transfer of risk and rewards occurs for the sale of goods when the product is delivered.

2.23 Employee Benefits

The company maintains Contributory Provident Fund and Gratuity for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective agreements/trust deeds. The company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19, Employee Benefits. The cost of employee benefit is charged off as revenue expenditure in the period to which the contributions relate.

The company got recognition from Commissioner of Taxes its provident fund scheme (Defined Contribution Plan) vide order no: নথি নং - ৪৭-২৮/কঅ-২/আসা/প্রভিডেন্ট ফান্ড/২০১৪-২০১৫/১৩০৮(৩) তারিখ : ২৭/০৫/২০১৫ খ্রিঃ for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. All permanent employees contribute to the provident fund and the company also makes equal contribution.

The company got recognition from National Board of Revenue its gratuity fund vide order no: নথি নং -০৮.০১.০০০০.০৩৫.০২.০০১৬. ২০১৫/১৭৮ তারিখ : ০১/০৭/২০১৫ খ্রিঃ for employees of the company eligible to be members of the fund in accordance with the rules of the gratuity fund constituted under an irrevocable trust.

2.24 Borrowing Cost

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

2.25 Financial expenses

Finance expenses comprise interest expenses on bank loan and other borrowings. All borrowing cost is recognized in the statement of profit or loss and other comprehensive income based on the statement received from Financial Institutions.

2.26 Statement of Cash Flows

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

2.27 Earnings Per Share (EPS)

This has been calculated in compliance with the requirement of IAS-33 : Earnings per share by dividing the net earnings after Tax by the weighted average number of ordinary shares outstanding during the period .

Basic Earnings per share (Numerator /Denominator)

Earnings (Numerator)

*This represents earning for the period attributable to ordinary shareholders

No. of ordinary shares (Denominator)

This represent weighted average number of ordinary share outstanding during the year.

Diluted Earnings per share

As per the existing conditions of the loans taken by the company from various financial institutions or other contracts with various parties including employees, there is no condition related to conversion or stipulation related to share based payments for material and services supplied by them to the company. Hence , Diluted EPS of the company is same as basic EPS.

2.28 Operating Segments

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 a single geographical territory.

2.29 Provisions

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

- a. when the company has an obligation (legal or constructive) as a result of past events;
- b. when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c. Reliable estimates can be made of the amount of the obligation.

The company made provisions for doubtful debts against the disputed amount due from New Horizon (BD) Ltd. under money suit (Note no.7).

2.30 Contingent Liabilities and Contingents Assets

Contingent Liabilities and Contingents Assets are present or possible obligations on liabilities or assets , arising from past events and existence of which depends upon the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company or which amount of the obligations cannot be measured with sufficient reliability in accordance with IAS-37 .

The company has a contingent liability of Tk. 1,98,36,222 with the bank for issuing bank guarantee against Security Deposit required by Titas Gas Transmission and Distribution company for Gas connection. The company deposited Taka 32,47,706 as bank guarantee margin.

2.31 Intangible Assets

In Compliance with the requirements of IAS, 38 Intangible Assets '

The following terms are used in this Standard with the meanings specified:

Amortization is the systematic allocation of the depreciable amount of an intangible asset over its useful life.

An asset is a resource:

- (a) controlled by an entity as a result as past events; and
- (b) From which future economic benefits are expected to flow to the entity.

Intangible assets are being written off @20% on straight line method.

2.32 Financial Instrument

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

Financial assets:

Financial assets of the company include cash and cash equivalents, Trade and other receivables and equity instrument of another entity. The company initially recognized receivable on the date they are originated. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provision of the transaction. The company derecognizes a financial asset when, and only when the contractual rights or probabilities of receiving the cash flows on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial assets are transferred.

Financial liability:

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 the financial liabilities when its contractual obligations are discharged or cancelled or expired or no more exist. Financial liabilities includes payable for expense, liability for capital expenditure and other current liabilities.

2.33 Related Party Disclosures

The Company in normal course of business carried out a number of transactions with directors/entities that fall within the definition of related party contained in International Accounting Standard (IAS) 24: Related Party Disclosures. The disclosure relating to related parties have been shown in note # 38.2.

2.34 Investment Property

For Investment Property, the company follows fair value model as subsequent measurement. A gain or loss arising from a change in the fair value of investment property is recognized in Statement of Profit or loss for the year in which it arises.

3 Risk exposure

3.01 Interest rate risk

Interest rate risk is the risk that Company faces due to unfavorable movements in the interest rates. Changes in the government's monetary policy, along with increased demand for loans/ investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

Management perception

The Company maintains low debt/ equity ratio and accordingly, adverse impact of interest rate fluctuation is insignificant. Considering the global economy and inflection of overseas financing, financial institutions in Bangladesh reducing lending rate creating an opportunity for saving in financial cost.

3.02 Exchange rate risk

Exchange rate risk occurs due to changes in exchange rates. As the Company imports materials and equipment from abroad and also earns revenue in foreign currency, unfavorable volatility or currency fluctuation may affect the profitability of the Company. If exchange rate increases against local currency, opportunity arises for generating more profit.

Management perception

The company purchase raw materials and sells finished product mostly in US\$ currency and the transaction would settle within very short period. Therefore, volatility of exchange rate will have no impact on profitability of the Company.

3.03 Industry risks

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation.

Management perception

Management is optimistic about growth opportunity in textile sector in Bangladesh. Furthermore there is untapped international market.

3.04 Market risks

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. On the other hand, strong marketing and brand management would help the company increase their customer base.

Management perception

Management is fully aware of the market risk and act accordingly. Market for textile products in Bangladesh is growing at an exponential rate. Moreover the company has a strong marketing and brand management to increase the customer base and customer loyalty.

3.05 Operational risks

Non-availabilities of materials/equipment/services may affect the smooth operational activities of The Company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, terrorist attacks, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses.

Management perception

The company perceives that allocation of its resources properly can reduce this risk factor to great extent. The Company hedges such risks and also takes preventive measures therefore.

3.06 Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price.

Management perception

The Company's approach to managing liquidity 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, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared 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.

	Amount in Taka 30.06.2018	Amount in Taka 30.06.2017
4 Property, Plant & Equipment		
A. Cost		
Opening balance	2,098,930,661	1,851,118,210
Add: Addition during the Period	107,500,086	202,273,474
Add: Transfer from Capital Work-in-Progress	-	50,407,119
Less: Disposal made during the year	-	(4,868,142)
	2,206,430,747	2,098,930,661
B. Accumulated Depreciation		
Opening balance	573,218,037	516,882,533
Add: Addition during the Period	68,862,997	59,603,136
Less : Adjustments made during the year	-	(3,267,632)
Accumulated Depreciation	642,081,034	573,218,037
Written Down Value (A - B)	1,564,349,713	1,525,712,624

A detailed schedule on Property, Plant and Equipment has been given in **Annexure - A**

5 Intangible Asset		
Opening Balance	554,301	169,068
Addition during the year	-	450,000
Less: Write off during the year @ 20%	(216,801)	(64,767)
Written Down Value	337,500	554,301

The above represents the cost of software and software development which is being written off @ 20% on straight line method.

6 Inventories		
Raw Materials	1,095,023,723	1,089,436,475
Dyes & Chemical	197,348,745	179,588,085
Work-in-Process	49,548,775	45,547,439
Finished Goods	121,525,455	104,510,516
Packing Materials	8,015,488	5,097,922
Stores & Spares	9,990,819	15,189,385
	1,481,453,005	1,439,369,822

Details has been given in **Annexure - B**

7 Trade & other Receivables		
This has been arrived as under;		
Accounts receivable	1,630,718,332	1,330,215,619
Other Receivable	2,848,060	1,117,774
	1,633,566,392	1,331,333,393

The company has pending suits against receivables to be received from New Horizon (BD) Ltd for the outstanding amount following money suits in the court of 2nd District Judge, Dhaka, Money Suit No. 16 of 2013 and still waiting for judgment by the Ld Court for which a provision for doubtful debts of Tk. 42,22,845/ has already been provided in the financial statements.

Classification schedule as required by Schedule XI of Companies Act 1994 is as follows:

i) Accounts Receivable considered good in respect of which the company is fully secured	1,500,905,832	1,121,757,621
ii) Accounts Receivable considered good in respect of which the company holds no security other than the debtor's personal security	604,100	324,086
iii) Accounts Receivable considered doubtful or bad	4,222,845	4,222,845
iv) Accounts Receivable due by any director or other officer of the company	-	-
v) Accounts Receivable due by Common management	132,056,460	209,251,686
vi) The maximum amount of receivable due by any director or other officer of the company	-	-

	Amount in Taka 30.06.2018	Amount in Taka 30.06.2017
Less: Provision for doubtful debts	1,637,789,237 (4,222,845)	1,335,556,238 (4,222,845)
	1,633,566,392	1,331,333,393

The aging of trade and other receivables is as follows:

	Accounts Receivable	Other Receivable	Total	Total
Within Three Months	643,559,345	648,100	644,207,445	805,056,624
Three to Six Months	709,013,380	358,635	709,372,015	496,584,572
More than Six Months	278,145,607	1,841,325	279,986,932	29,692,197
	1,630,718,332	2,848,060	1,633,566,392	1,331,333,393

Details has been given in **Annexure - C**.

8 Advance, Deposits & Prepayments

The Break-up of the Amount is given below:

Advances	45,849,285	99,138,516
Deposits	16,975,822	13,761,147
	62,825,107	112,899,663

A detailed schedule of advance, deposit & prepayment is shown in **Annexure -D**.

9 Current Accounts with Related Entity

This has been arrived as under;

Party Wise break down given below:

Shepherd Textile (BD.) Limited	-	1,878,800
	-	1,878,800

This amount represents the balance of inter company transaction under the common management.

10 Cash and Cash Equivalents

The Break-up of the Amount is given below:

Cash in Hand	1,860,481	1,345,915
Cash at Banks (Note: 12.1)	(Note - 10.1) 133,161,200	152,175,602
	135,021,681	153,521,517

10.1 Cash at Bank

Bank Name & Account Number

Al-Arafah Islami Bank CD # 0171020062933	-	1,475
Bank Alfalah CD-070201701321	25,045	26,195
Bank Alfalah CD-070201701323	-	115,527
Bank Asia # 0563300338	-	178,644
City Bank CD A/C- 1101471199001	-	31,223
Dhaka Bank CD A/C# 0212100000003142	-	16,879
Eastern Bank CD # 1131060206101	3,845,362	5,054,622
Eastern Bank Margin	1,016,345	16,762,248
IFIC Bank CD # 1002-535257001	239,968	425,018
IFIC Bank CD # 1002-535257071	47,832	39,838
Southeast Bank FBPA/C # 0060	1,087	1,587
Southeast Bank DAD (\$) # 15400000019	2,529,488	-
Bangladesh Krishi Bank CD-509	-	818
National Bank A/C. # 0043-33017514	9,430	8,396
National Bank # 33004091	-	722
National Bank-CD-272 (Bhaluka)	-	8,204
IFIC A/C # 1002-535257-836 (USD A/c)	1,778,894	996,683
IFIC A/C # 1002-063136-041 (Taka A/c)	99,649,448	124,246,238

	Amount in Taka 30.06.2018	Amount in Taka 30.06.2017
IFIC A/C # 1002-063136-051 (USD A/c)	173,280	721,296
IFIC A/C # 1002-063136-052 (GBP A/c)	48,456	60,646
IFIC A/C # 1002-063136-053 (EURO A/c)	47,614	51,234
NBL FC A/C-0043-84004808 (USD A/c)	166,026	160,525
Southeast Bank # 15500000371 (USD A/c)	-	1,524,896
Trust Bank A/C # 5025000416 (USD A/c)	6,286,732	654,371
Trust Bank FC Margin # 016-5025003584 (USD A/C)	16,088,271	-
Pubali Bank CD # 4465901009224	494,610	382,403
Sonali Bank # 11069	-	11,453
Sonali Bank-Bhaluka Br- 3005442	-	15,123
Southeast Bank # 11100012503	-	54,468
Southeast Bank CD# 111-17190	71,237	531,826
Trust Bank CD # 0210010201	-	46,347
Trust Bank CD # 9820	642,075	24,687
Woori Bank A/C # CD-2820	-	22,010
	133,161,200	152,175,602
11 Share Capital		
Authorized Capital:		
190,000,000 ordinary shares of Tk. 10/- each.	1,900,000,000	1,900,000,000
Paid up Capital:		
136,626,584 ordinary shares @ Tk.10/- each.	1,366,265,840	1,242,059,860

Particulars	Amount in Taka	Amount in Taka
124,205,986 Ordinary Shares @ Tk. 10 each fully paid up in cash	1,242,059,860	1,242,059,860
12,420,598 Stock Dividend @ Tk. 10 each	124,205,980	-
136,626,584 Ordinary Shares	1,366,265,840	1,242,059,860

The present shareholding position of the different share holders are as follows:

Particulars	No of Share	Value per Share	Amount	% of Holding
Sponsors/Directors	70,336,060	10.00	703,360,600	51.48%
Foreign	33,990,688	10.00	339,906,880	24.88%
Institution	4,437,279	10.00	44,372,790	3.25%
General Public	27,862,557	10.00	278,625,570	20.39%
	136,626,584		1,366,265,840	100.00%

Pattern of Shareholding and No. of Shareholding as on 30 June 2018

Share Holding Range	Percentage of Share Holding	No. of Share	Number of Share Holders
Up to 499 Shares	2030	371,019	0.30%
500 to 5000 Shares	4328	7,209,678	5.43%
5001 to 10000 Shares	612	4,550,542	2.97%
10001 to 20000 Shares	340	4,679,709	2.61%
20001 to 30000 Shares	96	2,392,935	1.16%
30001 to 40000 Shares	60	2,107,099	0.83%
40001 to 50000 Shares	34	1,552,097	0.35%
50001 to 100000 Shares	50	3,662,173	1.27%
100001 to 1000000 Shares	43	12,496,869	10.71%
1000001 to Above Shares	18	97,604,463	74.37%
Total	7494	136,626,584	100.00%

	Amount in Taka 30.06.2018	Amount in Taka 30.06.2017
12 Revaluation Reserve		
This has been arrived as under;		
Opening Balance	545,300,632	552,651,670
Less: Depreciation on revaluation transferred to retained earnings	(7,822,010)	(8,648,280)
Add/(Less): Deferred Tax Income/(Expenses) during the year	1,173,302	1,297,242
	538,651,924	545,300,632
13 Retained Earnings		
This has been arrived as under;		
Opening balance	490,401,459	353,760,682
Less: Stock Dividend	(124,205,980)	-
Add: Net profit (Loss) for the year	156,769,556	127,992,497
Add: Depreciation transferred from revaluation reserve	7,822,010	8,648,280
	530,787,045	490,401,459
14 Obligation under finance lease		
This consist of the following;		
Lease Liability-IDLC	1,954,839	4,003,683
Lease Liability-MFIL	5,020,414	5,382,035
	6,975,253	9,385,718
Less: Current portion	4,550,319	4,896,344
Non-Current portion	2,424,934	4,489,374
14.1 Aging Schedule for lease finance		
Within One year	4,550,319	4,896,344
Witing two to four years	2,424,934	4,489,374
	6,975,253	9,385,718

Nature:	Lease Finance-IDLC
Purpose:	Acquisition of vehicle
Tenure:	4 years
Repayment:	48 monthly equal installment @ Tk. 2,07,110
Rate of Interest:	15.00%
Security:	Security deposit Tk.4,14,220 equivalent 2 monthly installments
Nature:	Lease Finance-MFIL
Purpose:	Acquisition of vehicle
Tenure:	3 years
Repayment:	36 monthly equal installment @ Tk. 1,98,349
Rate of Interest:	14.50%
Security:	Security deposit Tk.1,98,349 equivalent 1 monthly installments
Nature:	Lease Finance-MFIL
Purpose:	Acquisition of vehicle
Tenure:	3 years
Repayment:	36 monthly equal installment @ Tk. 34,199
Rate of Interest:	14.50%
Security:	
Nature:	Lease Finance-MFIL
Purpose:	Acquisition of vehicle
Tenure:	3 years
Repayment:	36 monthly equal installment @ Tk. 30,470
Rate of Interest:	14.50%
Security:	

	Amount in Taka 30.06.2018	Amount in Taka 30.06.2017
15 Deferred Tax liabilities		
This has been arrived as under;		
Opening Balance	128,236,920	119,181,887
Add/(Less): Deferred Tax Expenses/(Income) recognized in Statement of Profit or Loss and other comprehensive income	1,992,662	10,352,275
Add/(Less): Deferred Tax Expenses/(Income) recognized directly in Statement of Changes in Equity	(1,173,302)	(1,297,242)
	129,056,280	128,236,920
The details have been shown in Annexure-E		
16 Loan from Shareholders'		
This has been arrived as under;		
Opening Balance	33,728,933	33,728,933
Add: Transfer from Share Money Deposit	-	-
	33,728,933	33,728,933
17 Trade & Other Payables		
This has been arrived as under;		
Trade Payable	1,043,425,749	384,709,568
Other Payable	16,474,029	30,168,620
	1,059,899,778	414,878,188

All the trade payables disclosed here are arisen from purchasing yarn, dyes & chemical, packing materials etc. from both foreign & local suppliers.

A detailed schedule of Trade and other payables is shown in **Annexure -F**

Ageing Schedule:	Trade Payable	Other Payable	Total	Total
Within Three Months	489,521,740	8,442,197	497,963,937	299,725,872
Three months to six months	496,279,674	5,526,295	501,805,969	100,878,667
More than six months	57,624,335	2,505,537	60,129,872	14,273,649
	1,043,425,749	16,474,029	1,059,899,778	414,878,188

18 Short Term Bank Loan			
This consist of the following;			
Demand Loan	IFIC Bank Limited	61,582,801	199,847,425
Force Loan	IFIC Bank Limited	-	112,709,526
Force Loan	Southeast Bank Limited	-	39,399,973
LDBP Loan	Eastern Bank Ltd	90,352,683	120,124,398
LDBP Loan	IFIC Bank Limited	237,556,450	121,103,380
LDBP Loan	Southeast Bank Limited	255,285,774	164,248,948
LDBP Loan	Trust Bank Limited	7,390,044	266,265,751
Term Loan	IFIC Bank Limited	-	53,230,890
Time Loan	Trust Bank Limited	-	28,948,303
General Loan	Trust Bank Limited	-	129,745,240
EDF Loan	Southeast Bank Limited	90,488,398	-
SOD - IFIC Bank	IFIC Bank Limited	43,918,496	48,246,451
SOD-Southeast Bank	Southeast Bank Limited	51,173,031	42,728,852
Loan Against Trust Receipts	Southeast Bank Limited	233,849,586	202,644,810
		1,071,597,263	1,529,243,947

	Amount in Taka 30.06.2018	Amount in Taka 30.06.2017
Nature:	Short term loan	
Purpose:	Working capital	
Tenure:	One year	
Repayment:	From Export Proceed	
Rate of Interest:	6.50% to 15.00%	
Security	Mortgage of 432 Decimals of land with factory premises, 655.75 decimals at Bhaluka and 673 decimals land with two pre-fabricated and three semi pacca building, Post dated cheque, Hypothecation of machineries, raw materials, work in process & finished goods duly insured covering the risk of fire and personal guarantee of all directors.	

19 Outstanding IPO Subscription

The break-up of the amount is given below:

Bank Name & Account Number

IFIC A/C # 1002-063136-051 (USD A/c)

IFIC A/C # 1002-063136-052 (GBP A/c)

IFIC A/C # 1002-063136-053 (EURO A/c)

70,500	606,500
4,250	21,250
-	10,000
74,750	637,750

20 Liabilities for Expenses & provisions

This consist of the following;

Salary & Allowance-Payable

Tax Deduction at Source

Gas, Electric Bill & Internet Bill Payable

Audit & Professional Fees Payable

Employees CPF Payable

Provision for Employees' Gratuity Fund

Provision for Income Tax

Note- 20.1

15,829,016	7,679,461
5,823,834	8,886,036
20,055,740	19,152,664
449,750	571,500
1,096,828	714,450
35,998,621	30,864,621
61,262,543	103,527,981
140,516,332	171,396,713

20.1 Provision for Income Tax

Opening Balance

Add: Provided during the year

Less: Paid during the year

Less: Adjusted during the year

103,527,981	82,447,656
28,608,148	25,080,325
132,136,129	107,527,981
(14,477,420)	(4,000,000)
(56,396,166)	-
61,262,543	103,527,981

21 Revenue

	Quantity (Lbs)	Average Rate
Export Sales	14,388,719	192.33

2,767,374,859	2,578,968,478
2,767,374,859	2,578,968,478

22 Cost of Sales

This has been arrived as under;

Work in process (Opening)

Add: Raw Material Consumed Note-22.1

Add: Factory Overhead Note-22.2

Less: Work in Process (Closing)

Cost of Production

Add: Finished Goods (Opening)

Finished Goods Available for sale

Less: Finished Goods (Closing)

Cost of Sales

45,547,439	25,369,907
2,055,342,525	2,032,285,638
368,404,305	279,855,942
(49,548,775)	(45,547,439)
2,419,745,494	2,291,964,048
104,510,516	76,105,239
2,524,256,010	2,368,069,287
(121,525,455)	(104,510,516)
2,402,730,555	2,263,558,771

	Amount in Taka 30.06.2018	Amount in Taka 30.06.2017
22.1 Raw Material Consumed		
Opening Stock	1,274,122,482	1,072,168,969
Raw Materials	1,089,436,475	885,778,015
Dyes & Chemicals	179,588,085	180,962,892
Packing Materials	5,097,922	5,428,062
Add: Cost of Materials Purchased	2,081,607,999	2,234,239,151
Raw materials	1,702,046,103	1,856,585,466
Dyes & chemicals	307,616,594	310,900,435
Packing materials	30,026,989	26,777,049
Carrying inward	23,482,930	24,850,996
Insurance	5,836,816	4,563,777
Clearing & forwarding expenses	12,598,567	10,561,428
Raw Materials available for Consumption	3,355,730,481	3,306,408,120
Less : Closing Stock	1,300,387,956	1,274,122,482
Raw Materials	1,095,023,723	1,089,436,475
Dyes & Chemicals	197,348,745	179,588,085
Packing Materials	8,015,488	5,097,922
Raw Materials Consumed	2,055,342,525	2,032,285,638
22.2 Factory Overheads		
This has been arrived as under;		
Ansar Guard Expenses	65,400	63,360
Conveyance	912,355	518,915
Contribution to Gratuity Fund	4,693,478	3,237,914
Contribution to Provident Fund	1,893,151	485,172
Crockeries & Cutleries	14,280	30,783
Depreciation	59,523,465	52,212,918
Electricity Bill	6,183,516	797,262
ETP Expenses	1,614,256	2,046,446
Fire Fighting Expenses	555,170	46,100
Forms, Stamps, Documents etc.	304,680	684,320
Fuel, Oil & Lubricants	2,097,097	2,073,680
Gas Bill	112,720,172	98,861,434
Gas Bill-Factory Residence	66,384	40,536
Hangs, Twisting & Winding Expenses	1,138,602	577,288
Insurance-Fire	1,852,563	650,021
Loading & Unloading Charge	985,900	489,588
Medical Expenses	216,321	115,509
Printing- Factory	559,295	588,435
Rates & Taxes	1,260,725	23,954
Repair & Maintenance of Building, Machineries etc.	16,299,373	15,466,182
Stationeries	1,401,832	1,399,348
Sundry Expenses	2,316,832	1,267,966
Testing Charge	48,457	167,928
Tiffin, Refreshment & Entertainment	1,109,029	769,216
Uniform & Liveries	259,515	138,657
Wages, Salaries & Allowances	150,064,772	96,683,918
Washing & Cleaning Expenses	247,685	419,092
	368,404,305	279,855,942
23 Foreign Currency Gain/(Loss)		
Realized Foreign Exchange Gain/(Loss)	2,700,300	(521,873)
Unrealized Foreign Exchange Gain/(Loss)	3,323,721	3,861,496
	6,024,021	3,339,623

	Amount in Taka	Amount in Taka
	30.06.2018	30.06.2017
24 Other Income:		
This consist of the followings;		
Income from Interest on FDR	-	3,454
Land and House Rent	7,497,187	5,857,404
Interest Received from IPO Bank A/C	3,328,753	1,626,403
Gain/(Loss) from sale of fixed assets	-	1,479,490
Sundry Income	2,718,800	1,004,623
	13,544,740	9,971,374
25 Selling & Distribution Expenses		
This consist of the followings;		
Salary and Allowances	8,024,364	6,939,568
Travelling & Conveyance	1,667,839	1,431,492
Stationeries	80,865	226,060
Mobile Bill	99,800	94,747
Contribution to Gratuity Fund	445,291	321,504
Contribution to Provident Fund	476,322	402,272
	10,794,481	9,415,643
26 Administrative Expenses		
This has been arrived as under;		
Advertising Expenses	527,452	583,134
Amortization of Intangible Assets	216,801	64,767
Audit Fees	402,500	287,500
AGM Expenses	814,019	-
Board Meeting Fees	77,000	27,900
Professional Fees	739,815	582,950
Automobile Expenses	3,799,991	3,122,629
Contribution to Gratuity Fund	995,231	584,357
Contribution to Provident Fund	830,866	686,567
Depreciation-Administrative	9,339,532	7,390,218
Electricity Bill	1,451,390	1,458,128
Employees' Group Insurance	583,523	352,712
Forms, Stamps, Documents etc.	1,999,011	822,240
Gas Bill	78,885	66,303
Generator Expenses	33,550	13,000
Insurance-Motor	439,228	699,956
Internet Expenses	484,495	351,466
Licence & Renewal Fees	1,971,806	273,897
Director,s Remuneration	1,480,512	1,483,255
Office Maintenance Expenses	548,958	825,884
Papers & Periodicals	14,318	15,284
Postage & Courier	94,706	301,842
Printing & Photocopy	66,757	190,034
Salary & Allowances	28,041,418	22,926,295
Satellite Cable Rent	9,350	10,050
Stationeries	466,317	722,382
Sundry Expenses	1,036,153	777,097
Telephone & Mobile Expenses	477,115	459,269
Tiffin, Refreshment & Entertainment	687,440	1,067,325
Travelling & Conveyance	769,037	625,478
Water Bill	160,867	194,487
	58,638,043	46,966,406

	Amount in Taka 30.06.2018	Amount in Taka 30.06.2017
27 Financial Expenses		
This consist of the followings;		
Bank Charges & Commission	4,726,612	7,496,367
Bank Charges on Proceeds Realization	5,817,409	4,880,751
Interest on Short Term Loan	115,757,553	77,789,381
Interest on Obligation under Finance Lease	1,108,601	940,882
	127,410,175	91,107,381
28 IPO Expenses		
This consist of the followings;		
Managers to the Issue Fee	-	2,300,000
DSE and CSE Annual Fee	-	1,096,824
Fees related to Listing with the stock exchanges	-	3,926,180
Consent fee	-	800,000
Underwriting commission	-	700,000
CDBL Fees and Expenses	-	294,809
Publication of prospectus	-	510,600
Abridge Version of Prospectus and Notice in 4 daily news paper	-	597,043
Notice for prospectus, Lottery, Refund etc .in 4 daily news paper	-	156,935
Lottery related expenses including BUET fee	-	401,750
Post Issue Management Fees	-	6,619,506
Data transmission (DSE & CSE)	-	400,000
Administrative & Stationary Expense	-	2,530
	-	17,806,177
29 Current tax:		
The above balance is made up as follows:		
Income tax on business income Note - 29.1	25,221,963	21,590,344
Income tax on other income Note - 29.2	3,386,185	3,489,981
Total	28,608,148	25,080,325
29.1 Income tax on business income:		
Profit before tax	187,370,366	163,425,097
Add: Accounting depreciation	68,862,997	59,603,136
Add: Contribution to Employees' Gratuity Fund	6,134,000	4,143,775
Less: Tax depreciation	(79,676,202)	(73,029,546)
Less: Payment to Employees' Gratuity Fund	(1,000,000)	(235,463)
Less: Other income	(13,544,740)	(9,971,374)
Taxable business income	168,146,421	143,935,625
Tax rate	15%	15%
Income tax on business income	25,221,963	21,590,344
29.2 Income tax on other income:		
Other Income	13,544,740	9,971,374
Tax rate	25%	35%
Income tax on other income	3,386,185	3,489,981
30 Basic Earnings per share		
Net profit after tax attributable to ordinary shareholders of the company	156,769,556	127,992,497
Weighted average number of share (Note-30.1)	136,626,584	124,571,789
Basic EPS for the year	1.15	1.03
Diluted Earnings Per Share	1.15	1.03

Amount in Taka	Amount in Taka
30.06.2018	30.06.2017

30.1 Weighted average number of share

Particulars	Number of share	Number of share
124,205,986 No. of Ordinary Shares for 365 days	124,205,986	104,205,986
12,420,598 No. of Stock Dividend	12,420,598	12,420,598
2,00,00,000 No. of Ordinary shares for fresh issuance of shares for 145 days	-	7,945,205
	136,626,584	124,571,789

31 Net Assets Value per Share

Net asset value per share has been calculated as under;

Total Assets	4,877,553,398	4,565,270,120
Less: Outside liability	(2,441,848,589)	(2,287,508,169)
Non-Current Liability	(131,481,214)	(132,726,294)
Current Liability	(2,310,367,375)	(2,154,781,875)
Net Asset Value	2,435,704,809	2,277,761,951

Shares outstanding at the end on the year

	136,626,584	124,205,986
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Net Asset Value per share

	17.83	18.34
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32 Received from Customers & Others

Revenue during the year	2,767,374,859	2,578,968,478
Adjustment for Foreign Exchange Gain / (Loss) for Trade Receivable	32,023,348	27,525,275
Other Income	13,544,740	9,971,374
Adjustment for Profit/(Loss) on sale of Fixed Assets	-	(1,479,490)
Opening Accounts & Other Receivable	1,331,333,393	1,091,466,500
Closing Accounts & Other Receivable	(1,633,566,392)	(1,331,333,393)
	2,510,709,948	2,375,118,744

33 Payment to Creditors, Suppliers, Employees and Others

Cost of goods Sold	(2,402,730,555)	(2,263,558,771)
Selling & Distribution Expenses	(10,794,481)	(9,415,643)
Administrative Expenses	(58,638,043)	(46,966,406)
IPO Expenses	-	(17,806,177)
Adjustment for Depreciation	68,862,997	59,603,136
Adjustment for Write off of Intangible Assets	216,801	64,767
(Increase)/Decrease in Inventory	(42,083,183)	(255,203,864)
(Increase)/Decrease Advance Deposits & Prepayments excluding Advance Income Tax	12,306,115	(18,915,676)
Increase/(Decrease) in Trade and Other Payables	602,000,119	(553,990,920)
Increase/(Decrease) in Liabilities for Expenses	11,385,057	22,755,201
Adjustment for Foreign Exchange Gain / (Loss) for Trade Payable	(23,485,290)	(17,357,017)
	(1,842,960,463)	(3,100,791,370)

34 Income Tax Paid

Opening Advance Income Tax	78,367,809	62,227,955
Closing Advance Income Tax	(40,599,368)	(78,367,809)
Closing Income Tax Provision	61,262,543	103,527,981
Opening Income Tax Provision	(103,527,981)	(82,447,656)
Current Tax during the period	(28,608,148)	(25,080,325)
	(33,105,145)	(20,139,854)

35 Payment for Capital Work-in-Progress

Opening Capital Work-in-Progress	-	50,407,119
Closing Capital Work-in-Progress	-	-
Transfer to Property, Plant & Equipments	-	(50,407,119)
Payable for imported Machineries Included in trade & other payable	-	-
	-	-

Amount in Taka	Amount in Taka
30.06.2018	30.06.2017

36 Reconciliation of net Profit/Loss before tax with cash flows from operating activities

	187,370,366	181,231,274
Net Profit/(Loss) before tax	187,370,366	181,231,274
Opening Accounts & Other Receivable	1,331,333,393	1,091,466,500
Closing Accounts & Other Receivable	(1,633,566,392)	(1,331,333,393)
IPO Expenses	-	(17,806,177)
Adjustment for Profit/(Loss) on sale of Fixed Assets	-	(1,479,490)
Adjustment for Depreciation	68,862,997	59,603,136
Adjustment for Write off of Intangible Assets	216,801	64,767
(Increase)/Decrease in Inventory	(42,083,183)	(255,203,864)
(Increase)/Decrease Advance Deposits & Prepayments excluding Advance Income Tax	12,306,115	(18,915,676)
Increase/(Decrease) in Trade and Other Payables	602,000,119	(553,990,920)
Increase/(Decrease) in Liabilities for Expenses	11,385,057	22,755,201
Income Tax Paid	(33,105,145)	(20,139,854)
Adjustment Finance expenses	127,410,175	91,107,381
Foreign Currency gain loss arising for cash and cash equivalents	2,514,037	6,828,635
	634,644,340	(745,812,480)

37 Additional disclosure

(a) Net Asset Value per share decreased due to the fact that during the year number of shares increased for issuance of bonus shares

(b) During the year ended June 30, 2018 Net Operating Cash Flow per share of the company is Tk. 4.65 (Positive) compared to previous year's negative cash flow of Tk. (6.00). The major reasons of which were payment to creditors, suppliers, employees and others decreased by Tk. 125.70 Crore and collection from customers and others increased by Tk. 13.50 Crore.

38 Disclosure as per requirement of schedule XI, Part-II of companies Act 1994**38.1 Commission, Brokerage or Discount against sales:**

a. There was no brokerage or discount against sales during the year.

b. No commission was paid to sales against during the year.

38.2 Related party disclosures

The Company has entered into transactions with other entities that fall within the definition of related party as contained in IAS-24 "Related Party Disclosures" The Company opines that terms of related transaction do not significantly differ from those that could have been obtained from third parties. Total transactions of the significant related parties as at 30.06.2018 are as follows:

Name of Related Party	Common Management	Nature of Transaction	Opening Balance as on July, 01, 2017	Transaction during the period Dr./ (Cr.)	Closing Balance as on June, 30, 2018
Shepherd Textile (BD.) Limited	"	Intercompany Loan	1,878,800	(1,878,800)	-
Shepherd Textile (BD.) Limited	"	Office & Land Rent	330,900	(28,188)	302,712
Shepherd Textile (BD.) Limited	"	Trade Receivable	208,457,998	(78,645,498)	129,812,500
Taiwan Food & Processing Industries Ltd.	"	Office & Land Rent	312,788	1,628,460	1,941,248
Kao Wen Fu	Managing Director	Initially received as Share money Deposit and transferred to loan from shareholder during the year	(10,554,794)	-	(10,554,794)
Ever Priority Ltd.	Director	"	(18,786,859)	-	(18,786,859)
Chen Che Seng	Shareholder	"	(6,597)	-	(6,597)
Eternal Flame Int'l Co. Inc.	Director	"	(4,351,405)	-	(4,351,405)
Chung Wen Kuei	Chairman	"	(29,278)	-	(29,278)

Amount in Taka	Amount in Taka
30.06.2018	30.06.2017

a) Key Management Personnel:

As per Company Act, 1994 part-II, Schedule-XI (4) The profit and loss account will give by way of a note detailed information, showing separately the following payments provided or made during the financial year to the directors, including managing director, the managing agents or manager, if any, by the company, subsidiaries of the company and any other person:-

No.	Particulars	01.07.2017 to 30.06.2018	01.07.2016 to 30.06.2017
(a)	Managerial Remuneration paid or payable during the period to the directors, including managing directors, a managing agent or manager	1,480,512	1,483,255
(b)	Expenses reimbursed to Managing Agent	-	-
(c)	Commission or Remuneration payable separately to a managing agent or his associate	-	-
(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	-	-
(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 period.	-	-
(f)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	-	-
(g)	Other allowances and commission including guarantee commission	-	-
(h)	Pensions etc.	-	-
	(i) Pensions	-	-
	(ii) Gratuities	643,082	505,835
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	704,316	579,264
(i)	Share Based payments	-	-

As per IAS- 24:

An entity shall disclose key management personnel compensation in total and for each of the following benefits:

(a) Short-term employee benefits	14,316,393	13,074,585
(b) Post-employee benefits	1,347,398	1,085,099
(c) Other long term benefits	-	-
(d) termination benefits and	-	-
(e) share- based payment	-	-
Total:	15,663,791	14,159,684

38.3 Production capacity and utilization:

As per the nature of the industry, production quantity of dyeing varies with the course of year produce on the basis of production design as per market demand. Therefore, installed capacity in terms of multiple and frequently changeable product mix is not constant factor. During the period under review, actual production, the installed capacity in terms of the counts produced and the utilization rate in appended below;

Description	Installed Capacity	Actual Production	% of Capacity Utilization
Different Count of Yarn Dyeing (2017-2018)	80,000 Lbs/Day	55,687 Lbs/Day	69.61%
Different Count of Yarn Dyeing (2016-2017)	80,000 Lbs/Day	53,790 Lbs/Day	67.24%

Amount in Taka	Amount in Taka
30.06.2018	30.06.2017

38.4 Value of Import at CIF basis:

During the period from July 01, 2017 to June 30, 2018 total value of import in respect of raw yarn, dyes & chemical, spare parts and machineries stands at equivalent 25.04 Millions USD on CIF basis. Details are given below:

Particulars	30.06.2018	30.06.2017
	Amount in Taka	Amount in Taka
Raw Yarn	1,702,046,103	1,856,585,466
Dyes & Chemicals	268,538,566	250,600,162
Spare Parts	-	230,880
Machineries	76,849,137	53,148,426
Total:	2,047,433,806	2,160,564,934

38.5 Percentage of Materials consumed to the total consumption

Material consumed	30.06.2018		30.06.2017	
	Amount in Taka	Percentage (%)	Amount in Taka	Percentage (%)
Raw Materials	1,696,458,855	84.26%	1,652,927,006	82.97%
Dyes & Chemicals	289,855,934	14.40%	312,275,242	15.67%
Packing Materials	27,109,423	1.35%	27,107,189	1.36%
	2,013,424,212	100.00%	1,992,309,437	100.00%

38.6 Payment in foreign currency:

	30.06.2018	30.06.2017
	Amount in USD	Amount in USD
Raw Yarn	13,037,674	27,861,395
Dyes & Chemicals	2,424,071	2,616,330
Tools & Equipments	731,738	77,850

38.7 Export Sales on FOB Basis

Export	30.06.2018	30.06.2017
	Amount in USD	Amount in USD
	\$33,760,820.21	\$32,358,450.16

39 Number of Employees

All the employees receive salary/wages in excess of Tk. 5,300 per month.

Number of permanent staff	260
Number of permanent workers	711
Number of temporary staff/worker	-
Total:	971


Chief Financial Officer


Company Secretary


Director


Managing Director


Chairman

SHEPHERD INDUSTRIES LIMITED
Schedule of Property, Plant & Equipment
as on June 30, 2018

Annexure-A

Particulars	Cost				Depreciation					Written Down Value as on 30-06-18
	Opening Balance as on 01-07-17	Addition	Disposal/ Adjustment	Closing Balance as on 30-06-18	Rate (%)	Opening Balance as on 01-07-17	Charged during the year	Disposal/ Adjustment	Closing Balance as on 30-06-18	
	1	2	3	4=(1+2-3)	5	6	7=(4-6)×5	8	9=(6+7-8)	10=4-9
Building - Factory	173,723,318	1,406,946	-	175,130,264	10%	70,659,096	9,921,136	-	80,580,232	94,550,032
Land & Land Development	316,918,839	2,775,485	-	319,694,324	0%	-	-	-	-	319,694,324
Plant & Machinery	609,653,421	93,450,815	-	703,104,236	10%	323,267,912	31,254,160	-	354,522,072	348,582,164
ETP	73,844,334	-	-	73,844,334	15%	34,494,977	5,513,055	-	40,008,032	33,836,302
Electric Equipment & Line Installation	35,723,754	1,809,450	-	37,533,204	10%	21,106,890	1,504,423	-	22,611,313	14,921,891
Fire Fighting Equipment	1,606,194	-	-	1,606,194	10%	700,645	86,518	-	787,163	819,031
Tools & Equipments	20,117,093	1,734,377	-	21,851,470	20%	3,332,093	3,215,497	-	6,547,590	15,303,880
Gas Line Installation	6,755,553	-	-	6,755,553	10%	4,592,465	206,666	-	4,799,131	1,956,422
Building - Head Office	88,993,500	-	-	88,993,500	5%	15,117,129	3,610,333	-	18,727,462	70,266,038
Office Equipment	13,431,602	1,587,294	-	15,018,896	10%	7,605,756	626,128	-	8,231,884	6,787,012
Air Conditioner & Electric Appliance	2,404,216	839,005	-	3,243,221	10%	672,605	199,639	-	872,244	2,370,977
Lift - Head Office, Uttara	2,085,948	-	-	2,085,948	10%	773,948	125,349	-	899,297	1,186,651
Furniture & Fixture	4,892,783	738,845	-	5,631,628	10%	2,116,789	308,330	-	2,425,119	3,206,509
Office Decoration	2,643,013	236,375	-	2,879,388	10%	1,090,893	164,837	-	1,255,730	1,623,658
Car & Vehicles	36,157,819	2,632,904	-	38,790,723	15%	8,750,678	4,140,678	-	12,891,356	25,899,367
Telephone Equipments	3,548,530	288,590	-	3,837,120	10%	1,981,507	164,238	-	2,145,745	1,691,375
Sub Total	1,392,499,917	107,500,086	-	1,500,000,003		496,263,383	61,040,987	-	557,304,370	942,695,633
REVALUATION PART										
Land & land Development	547,605,914	-	-	547,605,914	-	-	-	-	-	547,605,914
Building	158,824,830	-	-	158,824,830	10%	76,954,654	7,822,010	-	84,776,664	74,048,166
Sub Total	706,430,744	-	-	706,430,744		76,954,654	7,822,010	-	84,776,664	621,654,080
Total as on 30.06.2018	2,098,930,661	107,500,086	-	2,206,430,747		573,218,037	68,862,997	-	642,081,034	1,564,349,713
Total as on 30.06.2017	1,851,118,210	252,680,593	4,868,142	2,098,930,661		516,882,533	59,603,136	3,267,632	573,218,037	1,525,712,624

SHEPHERD INDUSTRIES LIMITED
Schedule of Closing Inventory
as on June 30, 2018

Name of Items	30.06.2018			30.06.2017		
	Qty in Lbs/Kg	Average Rate	Total Tk	Qty in Lbs/Kg	Average Rate	Total Tk
A) RAW MATERIALS:						
Raw Yarn	9,465,934	115.68	1,095,023,723	9,417,575	115.68	1,089,436,475
B) DYES & CHEMICALS:						
Dyes	149,077	875.17	130,467,475	138,637	874.49	121,236,597
Chemicals	486,728	137.41	66,881,270	425,178	137.24	58,351,488
	635,805	310.39	197,348,745	563,815	318.52	179,588,085
C) Work in Process:						
	382,309	129.60	49,548,775	349,144	130.45	45,547,439
D) Finished Goods:						
Dyed Yarn	727,754	166.99	121,525,455	637,742	163.88	104,510,516
E) Packing Materials						
			8,015,488			5,097,922
F) Store & Spares						
			9,990,819			15,189,385
Grand total (A+B+C+D+E+F):			1,481,453,005			1,439,369,822

Annexure-B

Annexure-c

SHEPHERD INDUSTRIES LIMITED
Schedule of Accounts & Other Receivables
as on June 30, 2018

S.L	Particulars	Amount in Taka	Amount in Taka
		30.06.2018	30.06.2017
Trade Receivable			
1	A & A Fashion Ltd.	5,963,268	-
2	AB Apparels Ltd	3,160,364	-
3	Al- Amin Export Ltd	-	6,227,299
4	Aman Knitters Ltd.	263,349	-
5	Ananta Huaxiang Ltd	1,943,191	-
6	Anma Sweater Ltd.	1,535,508	202,494
7	Annanta Huazin Ltd.	5,138,364	3,453,148
8	April Fashion Ltd	8,209,459	7,857,878
9	Arna Tex Sweater Ltd	1,045,070	-
10	As Apparels Ltd.	-	23,585,802
11	Asif Apparels Ltd	3,464,093	-
12	Asif Fashion Ind. Ltd	1,247,109	-
13	Aurum Sweater Ltd	2,542,453	-
14	Best Wool Sweater Ltd.	299,044,211	121,636,079
15	BHML Industries Ltd.	7,470,741	1,405,060
16	Bhuyan Warm Tex Ltd.	10,678,343	-
17	BKC Sweater Ltd.	1,261,731	-
18	Body Fashion (PVT) Ltd	18,848,644	264,191
19	Cassiopeia Clothing Ltd	-	789,533
20	Civic Apparels Ltd	11,216,560	341,399
21	Cold Asia Sweater Ltd	1,935,557	-
22	Colour & Fashion Ind. Ltd	5,075,198	3,193,165
23	Crosswear Industires Ltd	298,066	-
24	Crown Knit Wear Ltd	1,463,171	-
25	Crystal Industries Ltd	432,736	-
26	Daeyu Bangladesh Ltd.	8,011,001	9,774,335
27	Danny Dhaka Ltd.	1,148,653	1,134,252
28	Denim Asia Ltd.	3,814,013	-
29	Denim Fashion Ltd	437,929	-
30	Desh Sweater Ltd	4,108,414	766,820
31	"Designer Fashion Ltd.	1,961,186	-
32	Dhaka Pullover Ltd.	1,613,070	4,011,165
33	Diganta Sweater Ltd	49,769,001	78,766,433
34	Din Apparels Ltd.	631,978	1,270,745
35	Disney Sweater Ltd	10,405,962	4,498,835
36	Dody Export Wear Ltd	-	1,951,401
37	Ducati Appeearls Ltd	5,062,181	4,611,495
38	Dynamic Sweater Ltd	4,892,847	-
39	Dynasty Sweater Ltd.	563,169	-
40	Eh Fabrics Ltd	6,373,180	-
41	Ekram Sweater Ltd.	1,538,027	-
42	En Rich Ltd.	352,378	-
43	Everbright Sweater Ltd	1,904,492	607,749
44	Fabulous Fashion Ltd	1,785,630	402,355
45	Fame Sweater Ltd.	-	233,119
46	FB Fashion (Pvt) Ltd.	2,107,774	3,991,082

S.L	Particulars	Amount in Taka	Amount in Taka
		30.06.2018	30.06.2017
47	Galaxy Sweater & Yarn Dyeing Ltd.	-	7,509,288
48	Garib & Garib Sweater	2,288,636	-
49	Global Knitwear Ltd.	23,154,333	19,658,341
50	Green Arrow Sweater Ltd.	3,231,523	8,743,601
51	Green Stone Knitwear Ltd.	-	677,362
52	GS Sweater Ltd.	4,912,902	-
53	Haesong Korea Ltd.	11,517,716	8,762,787
54	Hanjala Textile Ltd.	-	412,803
55	Helicon Ltd.	350,026	-
56	Indesore Sweater Ltd.	17,718,365	9,643,536
57	Irish Fashion Ltd.	7,848,404	28,442,929
58	Ixora Apprales Ltd	4,456,442	-
59	Jams Knit Wear (Pvt) Ltd	858,438	-
60	Jams Sweater Ltd	-	9,842,484
61	Jazz Sweater Ltd	1,055,840	7,144,362
62	Kaptex Sweater Ltd	8,568,511	-
63	Kaveri Sweater Ltd	-	1,204,914
64	Knit Asia Ltd	190,542	-
65	Knit Bazar Ltd	-	418,754
66	Knitexpo Ltd	-	164,506
67	Lebaz Sweater Ltd	796,245	1,631,707
68	Leeu Fashion Ltd	-	7,964,255
69	Lumbini Ltd	10,698,288	3,195,688
70	Lusine Fashion Ltd.	46,132,563	23,198,632
71	Maccoy Sweater Ltd.	2,687,119	-
72	Madina Apple Fashion Ltd.	294,073	-
73	Magpie Knitwear Ltd.	943,979	499,974
74	Mahdeen Sweater Ltd.	12,561,191	6,314,734
75	Mark Sweater Ltd.	4,361,416	11,092,343
76	Masihata Sweater Ltd	4,279,189	-
77	Mastercham Ltd.	-	2,162,827
78	Matrix Sweater	715,478	2,493,470
79	Max Sweater	32,909,470	-
80	Meditex Industries Ltd	22,761,730	-
81	Meditex Knitwear Ltd	16,251,550	-
82	Meditex Sweater Ltd.	1,944,736	2,457,691
83	M.G. Knit Fiairs Ltd	9,116,871	2,339,294
84	Midline Fashion Ltd	209,139	2,863,824
85	M I Knit Wear Ltd	1,822,113	6,992,830
86	Mim Design Limited	850,434	7,822,299
87	Mistia Sweater Ltd.	893,780	-
88	MK Sweater	-	1,895,359
89	MNR Sweater Ltd	23,009,468	27,846,892
90	M Nur Sweater Ltd	1,675,604	1,359,954
91	Modinaple Fashion	1,312,610	-
92	Moni Fashion Ltd	-	27,027,726
93	M & S Sweater Ltd.	301,353	-
94	New Horizon Ltd.	4,222,845	4,222,845
95	New Light Sweaters Ltd	4,733,790	65,447
96	Nexus Sweater	16,319,986	504,919
97	Nurani Deying	828,894	797,940
98	Oasis Fashions Ltd	1,560,758	3,537,698

S.L	Particulars	Amount in Taka	Amount in Taka
		30.06.2018	30.06.2017
99	Ocean Sweater Ltd	15,460,233	1,857,186
100	One Up Sweater Ltd.	1,354,740	-
101	Oriental lure Knit Wear Ltd	5,767,528	-
102	Orpat Sweater Ltd	7,133,168	6,492,004
103	Paban Textile Ltd	-	988,130
104	Pacific Sweater Ltd	5,551,379	7,448,209
105	Panache Knitted Creation	6,767,595	-
106	Pandora Fashion Ltd	4,760,015	3,873,122
107	Pandora Sweater Ltd	8,645,310	-
108	Pioneer Knitwear (BD) Ltd	75,789,347	-
109	Pioneer Sweater Ltd.	78,404,926	161,742,090
110	Posmi Sweater Ltd	6,994,435	379,287
111	Prime Sweater Ltd.	718,575	-
112	Probridhi Apparels Ltd	8,223,258	2,359,122
113	Pro- Maker Sweater	-	858,457
114	Radiant Sweater Ltd.	-	10,226,519
115	Raozan Sweater Ltd.	486,882	3,507,072
116	RGR Sweater Ltd	61,112,975	29,128,876
117	Riverside Sweater Ltd	588,930	1,617,487
118	Rmm Knit Clothing Ltd	21,159,463	-
119	R M M Sweater Ltd	5,974,527	18,844,838
120	Rose Sweater Ltd.	3,727,591	1,780,053
121	Rupa Knitwear Ltd	2,502,061	-
122	Saadatia Sweater Ltd.	4,266,107	1,260,954
123	Sailor Moon Sweater Ltd	5,656,687	-
124	Salek Textile Ltd.	6,168,962	2,360,502
125	Sami Apparels Ltd	161,583	-
126	Samy Tex Industries Ltd.	3,089,416	3,380,396
127	Santo Maria Fashion Ltd	503,706	-
128	Santo Mariam Sweater	1,325,098	8,764,315
129	Seowan Bangladesh Ltd.	135,428,051	133,729,202
130	Shanto Mariam Fashion Ltd	3,028,694	-
131	Shepherd Textile (BD) Ltd	129,812,500	208,457,998
132	Shomahar Sweater	5,321,172	2,488,243
133	SKJ Fashion Ltd.	-	850,314
134	Sky Apparels Ltd	5,753,035	3,351,509
135	SMH New Generation	2,391,456	-
136	Smung Sweater Ltd	22,550,471	2,531,118
137	Sonali Fabrics & Textile Mills Ltd	1,789,926	-
138	Sonia & Sweater Ltd.	2,745,970	-
139	Southeast Sweater Ltd	6,817,150	-
140	Southend Sweater Ltd	5,215,834	10,053,381
141	Southern Clothing Ltd.	10,338,504	10,255,495
142	Space Sweater Ltd	14,285,723	350,207
143	Spectra Sweater Ltd.	3,547,562	4,505,260
144	SPM Design Ltd	-	488,136
145	Sung Kwang Apparels	18,881,666	68,276,747
146	Tandem Sweater Ltd	1,458,787	-
147	Target Denim & Casual	221,358	-
148	Target Fine Knit Industries Ltd.	14,113,188	2,779,701
149	T. Design Sweater Ltd	1,994,490	-
150	That's It Knit Ltd.	-	3,567,541

S.L	Particulars	Amount in Taka	Amount in Taka
		30.06.2018	30.06.2017
151	Titas Sweater Ind. Ltd	4,182,977	1,062,357
152	Uday Sweater Limited.	-	344,468
153	Ultimate Fashion Ltd	13,652,126	17,931,923
154	V-Knit Wear & Composite	-	881,411
155	Waltz Fashions Ltd.	473,397	-
156	Welldone Apparels Ltd	63,897,000	61,513,190
157	Woolen Wear Ltd	636,249	795,522
158	Your Fashion Ltd	9,256,894	-
159	Z.A. Sweater Ltd	1,603,657	1,466,275
160	Zemtex Linkage Industries Ltd	3,910,648	-
161	Zoom Sweaters Ltd	273,779	-
Total Trade Receivable		1,634,941,177	1,334,438,464
Less: Provision for Doubtful Debts- New Horizon (BD) Ltd.		4,222,845	4,222,845
Total Receivable Considered as Good		1,630,718,332	1,330,215,619
Other Receivable			
	Office Rent	2,848,060	1,117,774
Total Other Receivable		2,848,060	1,117,774

SHEPHERD INDUSTRIES LIMITED
Schedule of Advance, Deposit & Prepayments
as on June 30, 2018

Annexure-D

S.L	Particulars	Amount in Taka	Amount in Taka
		30.06.2018	30.06.2017
A)	ADVANCES:		
1	786 Technology	-	1,463,500
2	Abdur Rashid	-	17,000
3	Advance Tax Paid	40,599,368	78,367,809
4	Ahmed Hossain, Jr. Executive-Commercial	-	6,000
5	Alamgir Enterprise	50,000	30,000
6	Anamul Haque Mollah	-	9,375
7	Artistic Properties Ltd	-	14,845,000
8	Asaduzzaman (Driver)	6,000	-
9	Auto Elcetrices	196,910	-
10	Bappai Kumar Shaha	1,000	7,000
11	Engineering Institute	-	25,000
12	Everfirst	1,856,570	-
13	Fency Yarn Department	-	568,767
14	Gamini Perera	-	163,800
15	Global Compliance Initiative	200,000	-
16	Guraba Telecom Bangladesh Ltd	300,000	-
17	Hosna Akter	11,500	-
18	International Office Machines Ltd	336	-
19	Joy Enterprise	276,687	-
20	M/s Akhand Metal Engineering works	-	200,000
21	M/S Shejuly Tiles Gallery	4,350	-
22	Mark Trade International	982,477	-
23	Md. Aminul Islam	-	10,000
24	Md. Jahirul Islam	1,000	10,000
25	Md. Shopon Miah (Peon)	2,000	-
26	Motaleb Hossain (Tiles Fitter)	-	22,000
27	Nikunja Model Service Centre	13,550	-
28	Nitol Motors Ltd	-	8,429
29	Orient Techonology	-	105,000
30	Parul Begum (cleaner)	-	7,000
31	Pre-Paid Insurance	1,105,037	1,300,044
32	Prime Gas Services	200,000	-
33	Salek Textile Ltd.	-	147,990
34	Sreeman Mithun Chandra Barmon	42,500	-
35	The Moon Engineering Works	-	1,814,802
36	Zam Zam Cable Antina	-	10,000
	Sub Total:	45,849,285	99,138,516
B)	DEPOSITS:		
1	Anser and VDP	185,532	185,532
2	Bank Guarantee Margin	3,247,707	3,150,507
3	Israil Talukder	50,000	50,000
4	L/C Margin- Southeast	3,446,417	814,942
5	Lease Deposit	612,569	612,569
6	PDB (Bhaluka)	1,043,500	1,043,500
7	RAK Security and Services (Pvt) Ltd.	30,000	30,000
8	Security Deposit- CDBL	500,000	500,000
9	Titas Gas T&D Co. Ltd.	7,716,097	7,230,097
	Sub Total:	16,975,822	13,761,147
	Grand Total:	62,825,107	112,899,663

SHEPHERD INDUSTRIES LIMITED
Schedule of Advance, Deposit & Prepayments
as on June 30, 2018

Particulars	01.07.2017	01.07.2016
	To	To
	30.06.2018	30.06.2017
A. D.Tax (income) / expenses recognized in profit and loss and other comprehensive income:		
Cost:		
Carrying amount:		
Property , Plant and Equipment	623,001,309	579,317,695
Intangible Assets	337,500	554,301
Provision for Doubtful Debt	(4,222,845)	(4,222,845)
Provision for gratuity	(35,998,621)	(30,864,621)
	583,117,343	544,784,530
Tax base:		
Property , Plant and Equipment	344,145,347	318,989,430
Intangible Assets	250,876	358,394
	344,396,223	319,347,824
Taxable /(Deductible) temporary difference	238,721,120	225,436,706
Income Tax rate	15.00%	15.00%
Deferred Tax Liabilities/(Assets) at the end of the year/period	35,808,168	33,815,506
Closing Deferred Tax Liabilities/(Assets)	35,808,168	33,815,506
Opening Deferred Tax Liabilities/(Assets)	(33,815,506)	(23,463,231)
D.Tax (income) / expenses recognized in profit and loss and other comprehensive income	1,992,662	10,352,275
B. D.Tax (income) / expenses recognized in Revaluation Reserve:		
Revaluation:		
Carrying Amount:		
Land and Land Development	547,605,914	547,605,914
Building	74,048,166	81,870,176
	621,654,080	629,476,090
Tax base:		
Land and Land Development	-	-
Building	-	-
	-	-
Taxable /(Deductible) temporary difference	621,654,080	629,476,090
Tax rate	15.00%	15.00%
Deferred tax liability end of the year/period	93,248,112	94,421,414
Closing Deferred Tax Liabilities/(Assets)	93,248,112	94,421,414
Opening Deferred Tax Liabilities/(Assets)	94,421,414	95,718,656
D.Tax (income) / expenses recognized in Revaluation Reserve:	(1,173,302)	(1,297,242)
C. Total Deferred tax liability at end of the year/period as shown in the Statement of Financial Position (A+B)	129,056,280	128,236,920

SHEPHERD INDUSTRIES LIMITED
Schedule of Trade & Other Payables
as on June 30, 2018

Annexure-F

S.L	Particulars	Amount in Taka	Amount in Taka
		30.06.2018	30.06.2017
A: Accounts Payables for Trade			
1	Badsha Textiles Ltd	4,789,043	-
2	Ben Tech Chemicals Co. Ltd.	-	28,358,046
3	Ben Tech Co. Ltd.	202,173,133	-
4	Cheng Chin Transcend Enterprise Corporation	366,786,154	29,436,732
5	Crystal Cardars Co. Ltd.	130,224,551	3,791,872
6	Fazal Cloth Mills Limited	-	12,790,938
7	Foshan Shunde Aolaimei Fine Chemicals Co.Ltd	-	1,640,855
8	Full Harbest Ltd.	-	6,263,812
9	Garg Acrylic Ltd	13,840,285	47,189,216
10	Gimatex Industries Pvt. Ltd	-	15,835,850
11	Guangzhou Chemicals Import & Export Co. Ltd	6,503,188	2,337,400
12	Hong Kong Nicca Chemical Ltd	-	3,687,450
13	Hsinson Chemical Co. Ltd.	-	2,974,140
14	Hwa Tai Industries Co. Ltd.	1,485,617	-
15	Jiangsu Gtig Eastar Co. Ltd.	-	17,186,511
16	Jiangsu Gtig Hubo Co. Ltd	-	-
17	Jiangsu Gua Tai International Group Guo Mao Co Ltd	-	8,574,747
18	Jiangsu Lugang Culture Co.Ltd.	-	32,274,225
19	Kamal Yarn Limited	-	9,375,795
20	Kung Keng Textile (BD) Ltd.	2,680,000	-
21	MPI Polyester Industries Sbn.Bhd	9,631,431	-
22	Nagina Cotton Mills Ltd	-	21,359,000
23	Novel Pioneer Ltd	102,195,853	-
24	Novel Vantage Investment Ltd. India	56,893,838	12,977,641
25	PT Adikeneana Mahkotabuana	-	26,112,774
26	Purbani Systhetic Spinning Ltd	-	6,262,620
27	Queen South Textile Mills Ltd	-	999,440
28	Shanghai Xietong (Group) Co. Ltd.	1,954,725	-
29	Sonic Eagle Industries Ltd	-	27,690,130
30	Sportking India Ltd	-	36,937,101
31	Textilchemie DR. Petry GMBH	-	1,620,060
32	Transfar Zhilian Co., Ltd	-	3,214,328
33	Transfer International Group (Hong Kong) Limited	1,267,142	-
34	UK Newline International Co Ltd.	-	13,899,014
35	Wolfson Ltd	134,128,946	-
36	AC Servicing Centre	-	15,000
37	ASM Chemical Industries Ltd.	2,227,310	930,103
38	Astar Recycle Industries	-	210,000
39	Bismillah Paper Cone & Tube	1,014,591	700,000
40	Colortech	-	125,500
41	Denim Solutions Ltd	60,858	-
41	Fast Bio Chem	-	4,600
42	G Q Industries Ltd.	481,424	-
43	GDS Chemical Bangladesh Ltd	-	12,419
44	Green Will Ltd.	31,001	-
45	International Office Machines Ltd	-	16,800

Annual Report 2017-2018

S.L	Particulars	Amount in Taka	Amount in Taka
		30.06.2018	30.06.2017
46	Jafar Traders	750,219	700,000
47	M K Electronics	238,000	-
48	M/S Salim Enterprise	-	819,000
49	M/S.K.S. Enterprise	-	2,219,800
50	Nabila Enterprise	48,508	20,475
51	Nikunja Model Service Centre	-	124,616
52	Penguin Multi Tech	-	12,000
53	R F Trading Corporation	39,500	39,500
54	R S Plastic Enterprise	20,610	1,555,200
55	R S S Trade International	21,120	865,000
56	SAF Chemicals	165,000	49,420
57	Setu Enterprise	80,179	2,850
58	SJM Enterprise	541,724	774,448
59	Sparrow Corporation	271,250	-
60	Speed Trade Bd	1,495,000	-
61	Talha Enterprise	141,984	-
62	Tex Solution Services	-	621,404
63	Trade Zentrum	-	138,565
64	Unique Cement Industries Limited.	-	108,000
65	United Chemical	669,756	593,800
66	UTC Universal Tech Co	17,542	58,500
67	Victori Bangla	480,220	797,750
68	Water World Engineering	76,048	-
69	Xin Xing Yang International Co. Ltd	-	405,120
	Sub Total	1,043,425,749	384,709,568
B: Accounts Payables for others			
1	Abdul Khaleq	525,000	-
2	Md. Aminul Islam (Peon)	1,000	-
3	Afsar Trading Corporation	-	142,784
4	Al Hera Design & Printers	95,260	119,259
5	Al-Hasan Electric House	-	26,288
6	Alu Bazar Traders	1,015,293	351,529
7	Aman Hardware Store	9,028	-
8	Amber IT Limited	8,396	5,000
9	Apparel Solution Ltd.	200,000	200,000
10	Asia Pacific General Insurnace Co.Ltd.	-	205,072
11	Auto Elcetrices	-	61,726
12	Bagerhat International	85,568	-
13	Bangla Trac Ltd.	37,992	40,717
14	Bhander Sharif Trading Corporation	476,537	2,673,222
15	Bhuiyan Sewing	140,549	15,500
16	Bilal Trading PTE Ltd	-	263,801
17	Bizli Cables	485,922	-
18	B K Hardware and Tools	7,370	-
19	Build Asia	174,659	564,659
20	DYK Associates	140,686	140,686
21	Dysin- Chem Limited	66,106	67,103
22	Easy Soft	10,000	-
23	E-Cool International Ltd	107,800	-
24	Faisal Enterprise & Refrigeration Co.	69,000	-
25	Gazi Tanks	-	202,720
26	Global Brand Private Limited	13,132	-

S.L	Particulars	Amount in Taka	Amount in Taka
		30.06.2018	30.06.2017
27	Gofront Dyeing & Finishing Machinery Manufacturer	26,132	-
28	Golden State	300,000	300,000
29	Gani & Associates	10,950	-
30	Guanzhou Panyu Gofront Dyeing & Finishing Machinery	63,307	-
31	Hasan Metal	-	6,984
32	Hellmann Worldwide Logistics Ltd.	37,367	-
33	Hoque Chemicals Works	-	81,000
34	IT Vista	176,437	24,888
35	Jamuna Thai Aluminium	43,300	-
36	Japan Hardware	750	-
37	Jharna Agency C&F Ltd	6,571	-
38	Joy Enterprise	-	28,137
39	K.S. Enterprise (C&F)	11,448	-
40	Khan Enterprise	3,387,038	942,750
41	Kopotakko Trading Corporation	-	12,655,560
42	Lube House	380,851	-
43	M. R. Enterprise	659,963	-
44	M/s Alam Store	23,130	-
45	M/S Forhad Enterprise	40,000	-
46	M/s Shree Shree Krisna Bhandar	18,500	-
47	M/s Tamanna Traders	1,564	-
48	Ma Traders & Variety Store	27,636	-
49	Madhabi Fabrics Ltd	-	50,000
50	Milnars Pumps Ltd.	202,394	580,400
51	MKS Trade Corporation	150,312	-
52	Modern Tex	503,304	-
53	Molla Sewing	-	2,720
54	Monzur Alam Khan (Barr)	-	9,000
55	Motaleb Hossain (Tiles Fitter)	24,420	-
56	Multichemi Bangladesh (Pvt) LTd	-	2,750
57	Naher Chem	47,960	-
58	Navana Poly Packaging Ltd	180,000	-
59	Navana Toyota Service Center Ltd (Uttara)	4,000	-
60	Nazia Books & Stationery	73,959	159,778
61	New Star Communication	9,600	-
62	Nilufer Akter	49,272	-
63	Olympic Accessories Ltd	126,910	-
64	Optimal IT Ltd	2,500	42,500
65	Orient Plastic & Packaging Industries Ltd.	384,314	-
66	OTS (Pvt.) Limited	50,000	-
67	Property Lift	-	134,951
68	Pubali Soil & Survey Technology	-	44,000
69	Puma Engineering	-	239,089
70	R.R. Enterprise	349,300	-
71	Renu Enterprise	-	6,600
72	Rifat Enterprise	485,750	1,935,750
73	Royal Machinery Corporation Ltd.	53,900	-
74	Saudia Electric Co.	112,097	-
75	SGS Bangladesh Ltd	-	1,519
76	Shanghai Acc-U Group	300,000	-
77	Share Bazar News.Com	-	4,800
78	Sharif Bearing & Machineries	79,333	88,910

S.L	Particulars	Amount in Taka	Amount in Taka
		30.06.2018	30.06.2017
79	SQ Wire & Cables Co. Ltd	34,324	166,838
80	Super Tex Cone	326,500	387,225
81	Superior Steel & Iron Agency	-	912
82	T & M Interlining Co. Ltd	-	100,000
83	Taipai International Ltd	384,485	393,500
84	Tax- Nishat Traders	-	2,195
85	The Daily Samakal Ltd	-	13,824
86	The Moon Engineering Works	84,000	154,000
87	The National Carrier	3,547,267	6,485,974
88	The New Khan Tyre & Battery Shop	23,886	-
89	Tianjin Hua Quan Fine Che.Co	-	42,000
Sub Total		16,474,029	30,168,620
Grand Total (A+B)		1,059,899,778	414,878,188

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2018/122



Date of issue : March 12, 2018

Renewed Certificate


This is to certify that

SHEPHERD INDUSTRIES LIMITED

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

This certificate remains current until 31st December 2018.




Secretary-General
(Acting)

CU Inspections & Certifications India Private Limited.
Plot No C-113, TTC, Industrial Area, Pawane MIDC, Navi Mumbai 400709
Email: cuc@controlunion.in
Tel: +91-22-61294200 -299

CERTIFICATE OF COMPLIANCE
(Scope Certificate)

CERTIFICATE No: CU809244OCS-01.2018
REGISTRATION No: CU 809244

CU Inspections & Certifications India Private Limited declares that
Shepherd Industries Ltd.
Kathalia, Bhaluka ,
2240 Mymensing
BANGLADESH

has been inspected and assessed according to the
Organic Content Standard (OCS)
Version 2.0
Organic Content Standard 100
Organic Content Standard Blended

and that products of the categories as mentioned below (and further specified in the annex) comply with this standard:
Yarns

Processing steps / activities carried out under responsibility of the above mentioned company (by the operations as detailed in the annex) for certified products
Exporting, Finishing, Importing, Storing, Trading, Wet processing, Yarn dyeing

This certificate is Valid until: 25 February 2019

<p>Place and date of issue: Dhaka, 26 February 2018</p> <p>Name of authorised person </p> <p>On behalf of the Managing Director Ms. Z. Jui Certifier</p>	<p>Stamp of the issuing body</p> 	<p>Standard's Logo</p> 
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This certificate cannot be used as a transaction certificate.
The issuing body can withdraw this certificate before it expires if the declared compliance is no longer guaranteed.
Accredited by: International Organic Accreditation Services (IOAS); Contract No 81

Certificate of Compliance, Page 1 of 3

CU Inspections & Certifications India Private Limited.
Plot No C-113, TTC, Industrial Area, Pawane MIDC, Navi Mumbai 400709
Email: cuc@controlunion.in
Tel: +91-22-61294200 -299

CERTIFICATE OF COMPLIANCE
(Scope Certificate)

CERTIFICATE No: CU809244GOTS-01.2018
REGISTRATION No: CU 809244

CU Inspections & Certifications India Private Limited declares that

Shepherd Industries Ltd.

**Kathalia, Bhaluka ,
2240 Mymensing
BANGLADESH**

has been inspected and assessed according to the

**Textile certification
Global Organic Textile Standard (GOTS)**

Standard: "Global Organic Textile Standard - GOTS" standards for the processing of fibres from certified organic agriculture. Version 5.0 March 2017

and that products of the categories as mentioned below (and further specified in the annex) comply with this standard:

Yarns

Processing steps / activities carried out under responsibility of the above mentioned company (by the operations as detailed in the annex) for certified products

Exporting, Finishing, Importing, Storing, Trading, Wet processing, Yarn dyeing

This certificate is Valid until: 02 June 2019

Place and date of issue:
Dhaka, 03 June 2018

Name of authorised person

On behalf of the Managing Director
Ms. S Tabassum
Certifier

Stamp of the issuing body



Standard's Logo



This certificate cannot be used as a transaction certificate.

The issuing body can withdraw this certificate before it expires if the declared compliance is no longer guaranteed.

Accredited by: International Organic Accreditation Services (IOAS); Contract No 81

Certificate of Compliance, page 1 of 3

TESTEX AG, SWISS TEXTILE TESTING INSTITUTE
GOTTHARDSTRASSE 61
POSTFACH 2156
8002 ZÜRICH, SWITZERLAND

OEKO-TEX®
CONFIDENCE IN TEXTILES

CERTIFICATE

The company

Shepherd Industries Limited
Bagrapara, Kathali
Bhaluka
Mymensing-2240
Bangladesh

is granted authorisation according to STANDARD 100 by OEKO-TEX® to use the STANDARD 100 by OEKO-TEX® mark, based on our test report **HK005 144277.1**

for the following articles:

Yarns made of 100% cotton, 100% viscose and cotton/acrylic, white, dyed (with limited range of 8 reactive and 6 basic dyestuffs) and finished

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

The certified articles fulfil requirements of Annex XVII of REACH (incl. the use of azo colourants, nickel release, etc.), the American requirement regarding total content of lead in children's articles (CPSIA; with the exception of accessories made from glass) and of the Chinese standard GB 18401:2010 (labelling requirements were not verified).

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



The certificate HKYO 032098 is valid until 15.08.2019

Zurich, 26.09.2018

Matz Bachmann
Managing Director

Mary Rose Egloff
Customer Service Ecology Manager





Shepherd Industries Limited

House # 24, Road # 04, Sector # 04, Uttara, Dhaka-1230

PROXY FORM

I/we _____ being a member(s) of **Shepherd Industries Limited** do hereby appoint Mr/Mrs _____

of as my / our Proxy to attend and vote on behalf of me / us at the 17th Annual General Meeting of the Company to be held on Wednesday, the 19th December, 2018 at 10.30 AM at the DOHS Baridhara Convention Centre Baridhara DOHS Parishad, DOHS Baridhara, Dhaka Cantonment, Dhaka-1206 and any adjournment thereof.

As witness my/our hand this _____ day of _____ 2018.

Revenue
Stamp
Tk. 20.00

(Signature of the Shareholder)

(Signature of Proxy)

BO ID No.

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No. of Shares held

Dated.....

N.B.: This Form of Proxy, duly signed (as recorded with the company), stamped and completed must be submitted to the Registered Office or Share Department (the Company's Registered Office: House # 24, Road # 04, Sector # 04, Uttara, Dhaka-1230) of the Company at least 48 (Forty Eight) hours before the Meeting.



Shepherd Industries Limited

House # 24, Road # 04, Sector # 04, Uttara, Dhaka-1230

ATTENDANCE SLIP

I do hereby submit the Attendance Slip in connection with the 17th Annual General Meeting of Shepherd Industries Limited held today Wednesday, the 19th December 2018 at 10.30 AM at the DOHS Baridhara Convention Centre, Baridhara DOHS Parishad, DOHS Baridhara, Dhaka Cantonment, Dhaka-1206.

Full Name of the Member : _____

BO ID No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

No. of Shares held

Dated.....

(Signature of Proxy)

(Signature of the Shareholder)

Date

N.B.: i) Please present this slip duly signed at the entrance of the Meeting Place.

ii) No gift or benefit in cash or kind shall be paid / offered to the Shareholders as per Circular No. SEC/CMRRCD/2009. 193/154 dated 24 October 2013 of BSEC for attending the AGM.



Shepherd Industries Limited

House # 24, Road # 04, Sector # 04, Uttara, Dhaka-1230

Tel: +88-02-7913340-42, Fax: +88-02-7913359-60

E-mail: info@shepherdbd.com, Web: www.shepherdbd.com