

ANNUAL REPORT 2018-2019



Shepherd Industries Limited



TABLE OF

CONTENT

Transmittal Letter	01
Notice of the 18th Annual General Meeting	02
Corporate Directory	03
Company Profile	05
Our Vision & Mission	06
The Board of Directors	07
Photo Gallery of AGM 2018	09
Message from the Chairman	12
Directors' Report	13
Management's Discussion and Analysis by CEO/MD	23
Audit Committee Report	25
Report of the Nomination & Remuneration Committee	27
MD & CFO's Declaration	29
Report on Corporate Governance Compliance	30
Auditors' Report to the Shareholders	41
License, Certificates and Membership of the Company	88
Proxy Form & Attendance Slip	92

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, 2019.

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, 2019 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 18th Annual General Meeting

Notice is hereby given that the 18th Annual General Meeting (AGM) of the shareholders of Shepherd Industries Limited will be held on Thursday, December 26, 2019 at 10.30 a.m. at the DOHS Baridhara Convention Centre, 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, 2019.
02. To declare dividend for the year ended on June 30, 2019 as recommended by Board of Directors.
03. To re-tire and re-elect of Directors.
04. To appoint independent director.
05. To appoint Auditors and the Professional who will provide the certificate on compliance Corporate Governance Code for the year ended June 30, 2020 and fix their remuneration.
06. 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 12, 2019

Notes:

01. The Record Date is November 25, 2019.
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 18th 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 2019 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

Chung Wen Kuei	Chairman
Kao Wen Fu	Managing Director
Yang Ming Te	Director (Representative of Eternal Flame Int'l Inc.)
Kao Chen Tsai	Director (Representative of Ever Priority Ltd.)
Md. Monzur Alam Khan	Independent Director

Audit Committee

Md. Monzur Alam Khan	Chairman
Yang Ming Te	Member
Kao Chen Tsai	Member
Mohammed Abu Zafar	Secretary

Nomination And Remuneration Committee

Md. Monzur Alam Khan	Chairman
Chung Wen Kuei	Member
Kao Chen Tsai	Member
Mohammed Abu Zafar	Secretary

Company Secretary

Mohammed Abu Zafar

Chief Financial Officer

Md. Ataur Rahman

Head of Internal Auditor

Shahnaz Akhter

Management Team

Kao Wen Fu, Managing Director
 Md. Abdul Mannan, Deputy Managing Director
 Md. Ataur Rahman, Chief Financial Officer
 Mohammed Abu Zafar, Company Secretary
 Abdullah Al Harun Eusuf, DGM
 Md. Moklasur Rahman, Factory in Charge

Registered Name of the Company	Shepherd Industries Limited
Incorporation No. & Date	C-41066(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: +88-02-48963340-2, Fax: +88-02-48963353 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	ATA Khan & Co., Chartered Accountants 67, Motijheel Commercial Area (1 st Floor) 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 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.

Shepherd Industries Limited established in 2000 in Bangladesh. A long journey of 19 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). We have a fleet of skilled workers comprising 670 people and 323 other employees including Managers, Executives, Supervisor and other supporting staff. Our dyeing capacity per day is 40,000 Lbs cotton and 40,000 Lbs acrylic & nylon yarn and washing capacity of garments every day is 25,000 pcs. We have a well-equipped laboratory and trained foreign and local technicians who maintained a strict policy and never compromised with quality issue. We are committed with quality control, accurate time delivery, and large production capacity.



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



Chung Wen Kuei
Chairman

Chung Wen Kuei, is a Taiwan national and chairman of Shepherd Industries Limited with 30 years working experience in dyeing 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. Chung Wen Kuei is also associated with Shepherd Textile (Bd) Limited, Shepherd Jeans Limited and Taiwan Food and Processing Industries Limited and performing in the leading position of those concerns.

Kao Wen Fu
Managing Director

Mr. Kao Wen Fu is a visionary entrepreneur, investor and philanthropist. He established his first venture in Pakistan named Alfateme Textile in 1990 and thereafter he established Shepherd Textile (BD) Ltd at DEPZ in 1997, Shepherd Industries Ltd in 2000, Shepherd Yarn Ltd in 2005, Taiwan Food & Processing Industries 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 the 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 key to success of Shepherd Industries Ltd. At his 63's, he is still energetic and dynamic. Mr. Kao has visited many countries for business purpose.



Kao Chen Tsai
Nominee Director (Representative of Ever Priority Ltd.)

Mr. Kao Chen Tsai is a young, energetic and educated guy has proven capability of contributing values in dyeing industries. He has experience in Nylon/Cotton/Polyester Dyeing Factory as Technical person. He is 37 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.



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 33 years' experience 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.

Md. Monzur Alam Khan

Independent Director

Barrister Monzur Alam 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 of AGM 2018







Chung Wen Kuei
Chairman

Message from the Chairman

Dear Shareholders,

I, on behalf of the Board of Directors have the pleasure to welcome all of our esteemed shareholders on the occasion of 18th 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, 2019.

Dear shareholders, RMG sector is passing very challenging moment presently in Bangladesh. Though export of RMG is increased apparently during the last year but challenges are also appearing in various dimension like price, lead time, diversification of products, increasing production cost and quality for the future. Bangladesh is known as low price RMG manufacturer in the world where the opportunities are squeezing day by day to survive in this sector.

Dear shareholders, without diversification of product, it is really very difficult to survive in this sector and our management is very cautious about this, so they already thought to add more value adding products like Denim wash. Denim wash is more profitable than dyeing and we hope it will add more earnings towards the years.

I want to give thanks again to all of shareholders because your confidence, far-sighting and positive thinking about our board of directors, management team, executives and all over our workers whose tireless work is the way of sustainable growth and future prosperity of the company.

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



Chung Wen Kuei
Chairman

Directors' Report

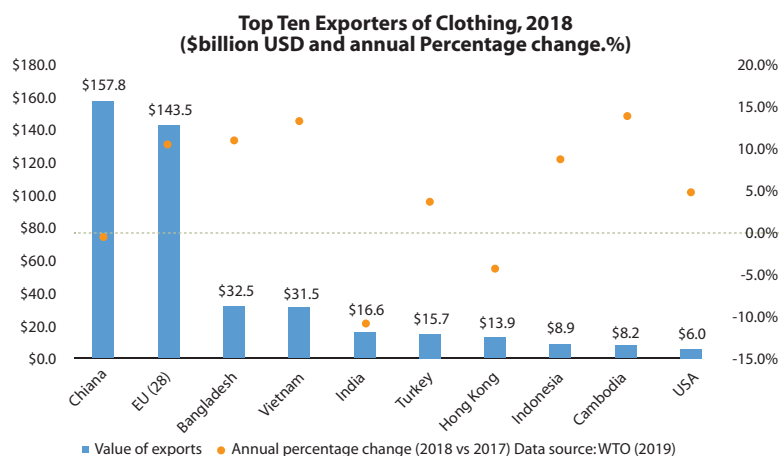
Dear Shareholders,

On behalf of the Board of Directors of Shepherd Industries Ltd., I have the pleasure of welcoming you all to 18th 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 2018-2019, 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:

The apparel industry is one of the leading segments of Bangladesh economy and one of the key sources of foreign exchange earnings. More than 4 million workers, mostly rural women contributed 83.49% to Bangladesh's total exports of \$36.66 billion. According to Export Promotion Bureau (EPB) data, Bangladesh's export earnings from the RMG sector stood at \$30.61 billion, posting 8.76% growth in the last fiscal year which is 1.51% higher than the target of \$30.16 million for the fiscal year 2018.

China, the European Union (EU28), Bangladesh, and Vietnam unshakably remained the world's top four largest exporters in 2018. Altogether, these top four accounted for as much as 72.3% of world market shares in 2018, which, however, was lower than 75.8% in 2017 and 74.3% in 2016 primarily due to China's declining market shares. Notably, even though apparel exports from Vietnam (up 13.4%) and Bangladesh (up 11.1%) enjoyed a fast growth in absolute terms in 2018, their gains in market shares were quite limited (up 0.3 percentage point from 5.9% to 6.2% for Vietnam and up 0.1 percentage point from 6.4% to 6.5% for Bangladesh).



As the second-largest exporter of apparel goods, Bangladesh was supposed to gain more from trade conflicts in capturing market share of denim products, but its close competitors Vietnam and Pakistan gained the highest. Bangladesh's denim products exports to the United States of America rose by 5.42% to \$573.27 million during the January-August period of 2019 due to the US-China trade war. According to the US Office of Textiles and Apparel (OTEXA), Bangladesh's denim exports to the US market saw a 5.42% rise and the amount was \$544 million during the same period of 2018.

Due to the US-China trade war and rising China's production cost are creating opportunities for the other countries like Bangladesh, Vietnam, India, Pakistan etc. Bangladesh has golden opportunities if it could use low-cost labor properly, develop port's problem and also diversify to new and more value adding products.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

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

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 have 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	30-06-2019	30-06-2018	30-06-2017	30-06-2016 (3 Months)	31-03-2016
Cost of goods sold	2,486,725,163	2,402,730,555	2,263,558,771	669,410,501	2,330,114,989
Gross Profit	380,808,916	364,644,304	315,409,707	87,451,424	306,442,907
Net Profit after Tax	122,764,458	156,769,556	127,992,497	48,199,648	125,464,121

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 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 30.06.2019 are as follows:

Name of Related Party	Common Management	Nature of Transaction	Opening Balance as on July, 01, 2018	Transaction during the period Dr./ (Cr.)	Closing Balance as on June, 30, 2019
Shepherd Textile (BD.) Limited	"	Office & Land Rent	302,712	(10,100)	292,612
Shepherd Textile (BD.) Limited	"	Trade Receivable	129,812,500	(129,812,500)	-
Taiwan Food & Processing Industries Ltd.	"	Office & Land Rent	1,941,248	(1,872,420)	68,828
Shepherd Jeans Ltd.	"	Received as Loan	-	(15,000,000)	(15,000,000)
Kao Wen Fu	Managing Director	Loan from Shareholder's	(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)

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. Utilization of IPO fund has been amended as approved in last AGM and used accordingly. The Utilization of IPO fund has been audited by Ahmed Zaker & Co, Chartered Accountants. The report on utilization of IPO proceeds for the month 31 March 2019 as follows:

Purpose Mentioned in the Prospectus	Time line as per prospectus	Revised time line (Up to 31st December 2019)	Amount as per Prospectus	Amount as per revised utilization plan as approved in the 16th AGM	Utilized Amount		Utilized (%)	Total Un-utilized Amount	Un-utilized (%)	Remarks
					This Month	Up to this Month				
Civil Construction	Within 12 months of receiving IPO fund	Up to 31st December 2019 as approved in the 17th AGM held on 19th December 2018	28,140,524	45,360,000	260,000	45,360,000	100.00%	-	0.00%	
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	-	104,276,260	100.00%	-	0.00%	
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	260,000	200,000,000		-		

Net Interest on IPO Proceeds	5,526,305
Un-Utilized IPO Proceeds	-
Total Un-Utilized IPO Proceeds including interest	5,526,305

Percentage:

Interest on IPO Proceeds: 2.76%

Un-Utilized IPO Proceeds with Interest Income: 2.76%

Notes:

- During this month, The Company has utilized Tk. 260,000 for the purpose of Civil Construction from IPO proceeds held at company's IPO account (A/C No. 1002063136041).
- The company has transferred IPO fund of Tk. 97,423 equivalent to USD 1170.90 from A/C No. 1002063136051, Tk. 45,147 equivalent to EUR 486.45 from A/C No. 1002063136053 and Tk. 42,869 equivalent to GBP 394.77 from A/C No. 1002063136052 to company's IPO account (A/C No. 1002063136041) and utilized Tk. 260,000 from the fund. It is mentionable here that utilization of IPO Proceed Fund has been completed during the month.
- 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 Time Frame for utilization of IPO Fund further has been extended up to 31st December 2019 with approval from the Shareholders on 17th Annual General Meeting. 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 has been paid during the year 2018 was Tk. 1,480,512 and Tk. 1,507,020 for the year 2019 which is shown in note no. 27 in the financial statements. The independent director didn't receive any remuneration during the year.

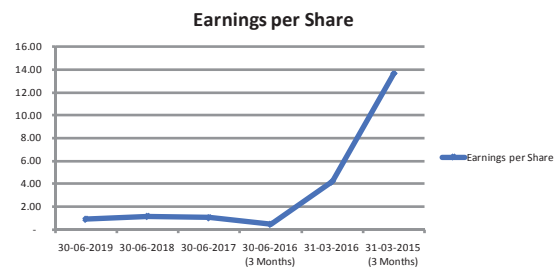
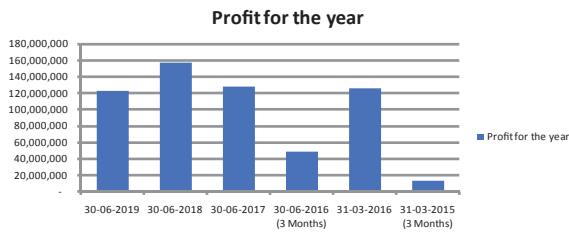
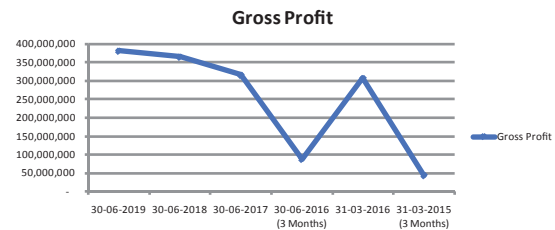
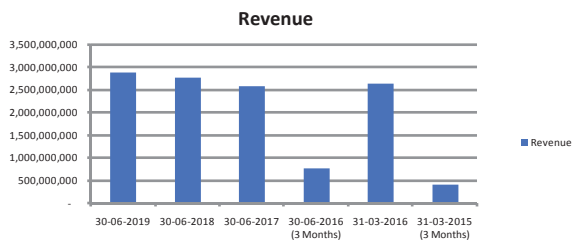
DIRECTORS RESPONSIBILITIES FOR FINANCIAL STATEMENTS

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.

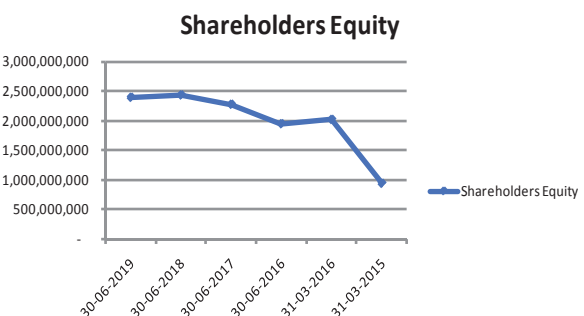
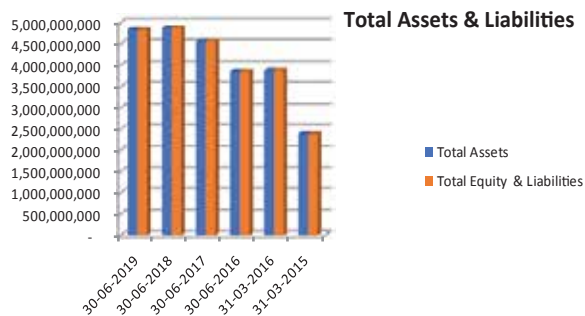
- Proper books of accounts of the company have been maintained.
- Appropriate accounting policies have been applied consistently in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.
- The international Financial Reporting Standards, as applicable in Bangladesh, have been followed in the preparation of the financial statements and any departure there from have been adequately disclosed.
- The systems of internal control are sound and have been implemented and monitored effectively.
- There are no significant doubts upon the company's ability to continue as a going concern.
- The significant deviations from the last year's operating results are shown in note no. 38 as additional disclosure of note to the financial statements.
- 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

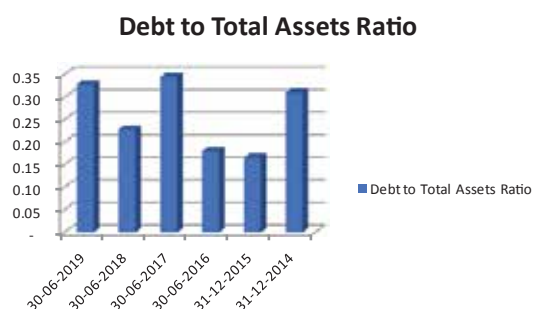
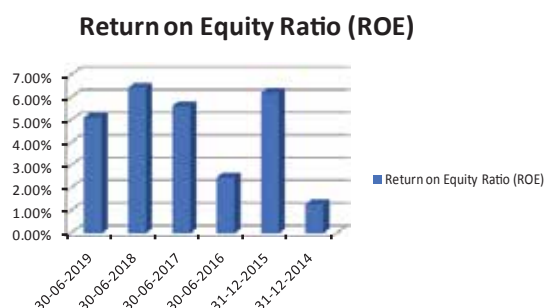
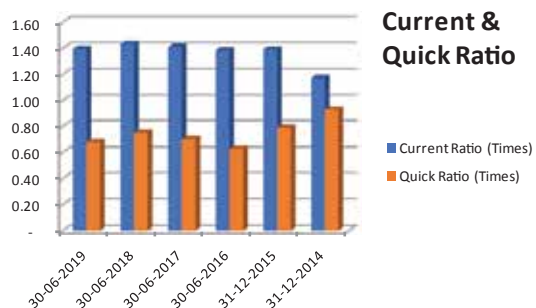
Operational Result	Amount in Taka				
	30 June 2019	30 June 2018	30 June 2017	30 June 2016 (Three Months)	31 March 2016
Revenue	2,867,534,079	2,767,374,859	2,578,968,478	756,861,925	2,636,557,896
Gross Profit	380,808,916	364,644,304	315,409,707	87,451,424	306,442,907
Operating Income	325,396,078	314,780,541	272,338,655	76,032,288	273,918,826
Net Profit before Tax	146,460,011	187,370,366	163,425,097	59,901,062	149,936,589
Profit for the year	122,764,458	156,769,556	127,992,497	48,199,648	125,464,121
Basic Earnings per Share	0.90	1.15	1.03	0.46	4.17



Operational Result	30 June 2019	30 June 2018	30 June 2017	30 June 2016	31 March 2016
Non-Current Assets	1,605,264,241	1,564,687,213	1,526,266,925	1,384,811,864	1,346,179,361
Current Assets	3,241,521,443	3,312,886,185	3,039,003,195	2,471,463,873	2,531,856,325
Total Assets	4,846,785,684	4,877,573,398	4,565,270,120	3,856,275,737	3,878,035,686
Shareholders' Equity	2,395,578,568	2,435,704,809	2,277,761,951	1,948,472,212	1,933,656,316
Non-Current Liabilities	127,904,351	131,481,214	132,726,294	123,185,570	124,017,703
Current Liabilities	2,323,302,765	2,310,367,375	2,154,781,875	1,784,617,955	1,820,361,667
Total Equity & Liabilities	4,846,785,684	4,877,553,398	4,565,270,120	3,856,275,737	3,878,035,686
Net Asset Value per Share	17.53	17.83	18.34	18.70	18.56



Key Financial Ratio	30 June 2019	30 June 2018	30 June 2017	30 June 2016	31 March 2016
Liquidity Ratios:					
Current Ratio (Times)	1.40	1.43	1.41	1.38	1.39
Quick Ratio (Times)	0.70	0.79	0.74	0.72	0.88
Operating Efficiency Ratios:					
Accounts Receivables Turnover Ratio	1.83	1.87	2.13	0.75	3.94
Inventory Turnover Ratio (Times)	1.61	1.65	1.73	0.52	2.25
Assets Turnover Ratio (Times)	0.59	0.57	0.56	0.20	0.68
Profitability Ratios:					
Return on Capital-					
Employed (ROCE) (%)	12.89%	12.26%	11.30%	3.67%	13.31%
Gross Margin Ratio (%)	13.28%	13.18%	12.23%	11.55%	11.62%
Operating Profit Ratio (%)	11.35%	11.37%	10.56%	10.05%	10.39%
Net Profit Ratio (%)	4.28%	5.66%	4.96%	6.37%	4.76%
Return on Assets Ratio (%)	2.53%	3.21%	2.80%	1.25%	3.24%
Return on Equity Ratio (ROE) (%)	5.12%	6.44%	5.62%	2.47%	6.49%
Earnings per Share (Basic EPS)	0.90	1.15	1.03	0.46	4.17
Solvency Ratios:					
Debt to Total Assets Ratio	0.33	0.23	0.34	0.18	0.17
Debt Equity Ratio (Times)	0.65	0.46	0.69	0.36	0.33
Time Interest Earned Ratio (Times)	2.02	2.69	4.00	5.73	2.37
Cash Flow Ratio:					
Net Operating Cash Flow per Share	(0.60)	4.65	(6.00)	0.08	1.49
Net Operating Cash Flow per Share/EPs	(0.67)	4.04	(5.83)	0.17	0.36



DIVIDEND

The Board of Directors has recommended 10% Stock Dividend for the all shareholders for the year ended on June 30, 2019 whose names appear in the Share Register of the Company and/or Depository Register of CDBL as on record date: November 25, 2019.

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

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

Name of Directors	Attendance
Chung Wen Kuei, Chairman	10
Kao Wen Fu, Managing Director	10
Kao Chen Tsai, Director (Representative of Ever Priority Ltd.)	2
Yang Ming Te, Director (Representative of Eternal Flame Int'l Co. Inc.)	7
Md. Monzur Alam Khan, Independent Director	6

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:

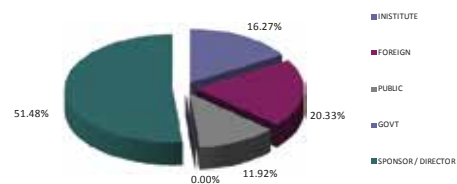
Name	Designation/Relation	No. of shares	Percentage
Md. Abdul Mannan	Deputy Managing Director	59	0.00%

Shareholding 10% or more voting interest

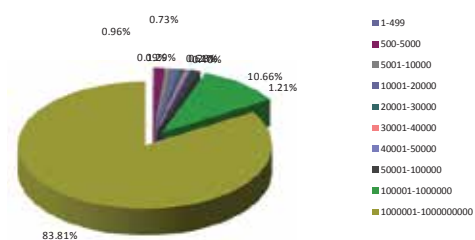
Name of shareholder	No. of shares	Percentage
Ever Priority Limited	47,339,215	34.65%

Shareholding Position as on 30.06.2019

Particulars	Percentage
INSTITUTE	16.27%
FOREIGN	20.33%
PUBLIC	11.92%
GOVT	0.00%
SPONSOR / DIRECTOR	51.48%
Total :	100.00%

Shareholding Position as on 30.06.2019**Shareholding Range as on 30.06.2019**

Range	Percentage
1-499	0.09%
500-5000	1.29%
5001-10000	0.73%
10001-20000	0.96%
20001-30000	0.61%
30001-40000	0.23%
40001-50000	0.40%
50001-100000	1.21%
100001-1000000	10.66%
1000001-1000000000	83.81%
Total :	100.00%

Shareholding Range as on 30.06.2019

Closing Price (12 Months)



ROTATION OF DIRECTOR

In order to comply with the provision mentioned under Section 91(2) of the Company Act 1994, at least one-third of the Directors shall retire from the office in 18th Annual General Meeting (AGM) of the company and the retiring Directors are eligible for re-election.

Office of the directors of Mr. Kao Wen Fu, Managing Director and Mr. Chung Wen Kuei, Chairman will be rotated by retiring and reelection as per provision mentioned under Section 91(2) of the Company Act 1994.

COMPANY SECRETARY, CFO & INTERNAL AUDITOR

As per Corporate Governance Code of BSEC's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 the Company has allocated the responsibilities as follows:

Company Secretary	: Mohammed Abu Zafar
Chief Financial Officer	: Md. Ataur Rahman
Head of Internal Auditor	: Shahnaz Akhter

AUDIT COMMITTEE

The Audit Committee, as a sub-committee of the Board, has been constituted as per Corporate Governance Code of BSEC's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 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:

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

NRC COMMITTEE

NRC Committee has been constituted as per Corporate Governance Code of BSEC's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018. The Committee has been formed as follows:

Md. Monzur Alam Khan, Independent Director	: Chairman
Kao Wen Tsai, Director (Representative of Ever Priority Ltd.)	: Member
Chung Wen Kuei, Chairman	: Member
Mohammed Abu Zafar, Company Secretary	: Secretary

APPOINTMENT OF EXTERNAL AUDITORS

In the 17th Annual General Meeting of the company was appointed M/S Ata Khan & Co., Chartered Accountants for the year ended on June 30, 2019. They have completed their first year of audit and as per The Bangladesh Securities and Exchange Commissions' Notification No. BSEC/CMRRCD/ 2006-158/208/Admin/81 dated June 20, 2018. But Ata Khan & Co. is not eligible to perform audit as per circular বিসেক/ সিএফডি/২৩/২০১৮/খড-১/১১৮ তারিখ ১২/১১/২০১৯ইং of Bangladesh Securities & Exchange Commission for the year ended on June 30, 2020 and Ahmed Zaker & Co. Chartered Accountants expressed their interest to perform as statutory auditor for the year ended on June 30, 2020.

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, 2020 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 and they are eligible for re-appointment for year ended on June 30, 2020.

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, Ata Khan & 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 2018-2019 and the Directors Report placed before you.

Thanking you,

For and on behalf of the Board of Directors


Chung Wen Kuei
Chairman



Kao Wen Fu
Managing Director

Management's Discussion and Analysis by CEO/MD

It is an immense pleasure for me to welcome all of you to 18th 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, 2019 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 is Tk.0.90 which was Tk.1.15 in last year, revenue Tk. 286.75 crore which was Tk. 276.73 crore in last year, NOCFPS is Tk. (0.60) which was Tk. 4.65 in last year and NAV is Tk. 17.53 which was Tk. 17.83 in last year. Preceding five year's financial performance or result and financial position as follows:

Operational Result/Position	30 June 2019	30 June 2018	30 June 2017	30 June 2016 (Three Months)	31 March 2016
Basic Earnings per Share	0.90	1.15	1.03	0.46	4.17
Net Operating Cash Flow per Share	(0.60)	4.65	(6.00)	0.08	1.49
Net Asset Value per Share	17.53	17.83	18.34	18.70	18.56

- 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.
- Readymade Garments (RMG) Industry sector has witnessed a steady growth over the years and it has become a largest exportearning 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.

- Already explained the risk and concerned mitigation plans of the company in financial statements' note no. 3.01 to 3.06.
- Proceeding for transferring 2.5 crore ordinary shares @ Tk. 10 each of Shepherd Textile (Bd) Limited is ongoing which was approved by the shareholders in last AGM, hopefully within very short time it will be done and will be added a significant profit with our earnings.

Annual Report 2018-2019

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 2019

The Board of Directors of Shepherd Industries Limited has constituted an Audit Committee according to the Corporate Governance Code of Bangladesh Securities and Exchange Commission's (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated June 03, 2018 which is appended at the Compliance Report enclosed with the Directors' Report. The committee comprises of Mr. Kao Chen Tsai, Director (Representative of Ever Priority Ltd.), Mr. Yang Ming Te, Director (Representative of Eternal Flame Int'l Inc.) 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 2019. 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 2019 are as follows:

Name of Members	Held	Attend	%
Md. Monzur Alam Khan, Chairman	4	4	100
Yang Ming Te, Director	4	2	50
Kao Chen Tsai, Director	4	2	50
Mohammed Abu Zafar, Secretary	4	4	100

Summary of Activities 2018-2019

The Committee carried out its duties in accordance with the terms of reference of the Audit Committee. During the year ended on 30 June 2019. 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

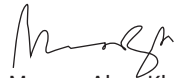
- Reviewed internal audit reports and corresponding actions to improve controls as agreed by management.
- Reviewed status reports of internal audit to ensure that appropriate actions had been taken to implement the audit recommendations.

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 2019.
- 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

Report of the Nomination & Remuneration Committee

The company has formed a NRC committee as a sub-committee of the Board, has been constituted by one of the Independent Director as Chairman and two other members of the Board in line with the newly issued Corporate Governance Code. Mr. Md. Monzur Alam Khan who represent in the Board as Independent Director is the Chairman of the Committee who has vast knowledge and practical professional experience in the fields of corporate and others law. The Company Secretary is the Secretary of this Committee.

The NRC assist the board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence among others of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive. The NRC members nominated and appointed by the Board and also responsible to the Board of Directors for its role and responsibilities that are clearly set forth by the Company and time to time issued notifications by the regulators. During the year 1(one) NRC Meeting was held.

NOMINATION & REMUNERATION POLICY

This Nomination, Remuneration Policy (the "Policy") applies to the Board of Directors (the "Board") and the Top Level Executive (TLE) of Shepherd Industries Limited (the "Company").

The expression "Top Level executive" means executive of the Company who are members of its core management team excluding Board of Directors, comprising all members of management, including the functional heads.

This Policy is in compliance with Clause 6 of the Corporate Governance Code, 2018 read along with the applicable rules and regulation of applicable laws thereto. Sub-clause (b) of Clause 6 of the Corporate Governance Code, 2018 states that the Nomination and Remuneration Committee 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;

Role of the NRC

The roles and responsibilities of the NRC have been clearly mentioned in the Terms and References (ToR) of the Committee as approved by the Board of Directors of Shepherd Industries Limited. The committee discharged its responsibility by holding a meeting and provide the Board, management based on its observation considering current situation and suggest what need to be adopt/insert/amend by the company. In the meeting the committee assist/recommended the Board to determine the qualifications, attributes, experiences etc. of directors and top level executives and determine their remuneration and as well.

EVALUATION CRITERIA OF DIRECTORS/TOP LEVEL EXECUTIVE OF THE COMPANY:

The evaluation/assessment of the Directors and the Top Level Executive of the Company is to be conducted as and when required and to satisfy the requirements of the Corporate Governance Code and as well as company's policy.

The following criteria may assist in determining how effective the performances of the Directors/TLE have been:

- i. Leadership & stewardship abilities;
- ii. Contributing to clearly define corporate objectives & plans;
- iii. Communication of expectations & concerns clearly with subordinates;
- iv. Obtain adequate, relevant & timely information from external sources;
- v. Review & approval achievement of strategic and operational plans, objectives, budgets;
- vi. Regular monitoring of corporate results against projections;
- vii. Identify, monitor & mitigate significant corporate risks;
- viii. Assess policies, structures & procedures;
- ix. Direct, monitor & evaluate KMPs, senior officials;
- x. Review management's succession plan;
- xi. Effective meetings;
- xii. Assuring appropriate board size, composition, independence, structure;
- xiii. Clearly defining roles & monitoring activities of committees;
- xiv. Review of corporation's ethical conduct;

ACTIVITIES OF NRC DURING THE YEAR:

During the year the NRC accomplished the following activities:

- i. Reviews the status of the Board composition along with their qualification, experience, attributes, independence of board members made recommendation thereof;
- ii. Reviewed the top level executives of the company and placed at different levels and determine their selection criteria, remuneration based on performance among others etc.
- iii. Putting recommendation on the draft code of conduct of the Chairperson, other Board members & Chief Executive Officer to Board.
- iv. Reviews the company's human resources policy and recommended on it.
- v. Overseen other issues within the Code of Conduct of the NRC.

REPORTING BY THE NRC TO THE BOARD:

The NRC Committee regularly reports on its work to the Board and the report includes a summary of the matters addressed in the meeting. The NRC expressing its view to the Board that the nomination, retirement, re-election & remuneration of directors & top level executives are adequate for presetting true and fair view of the Administration & HR department and also expressed that the internal control of the company is quite well.



(Mohammed Abu Zafar)
Member Secretary of NRC &
Company Secretary



(Md. Monzur Alam Khan)
Chairman, Nomination &
Remuneration Committee &
Independent Director

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 2019.

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 2019 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 2019 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)

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 2019. 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: 12 November 2019



Aftab Ahmed & Co.
Chartered Accountants

Reporting and Compliance of Corporate Governance

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

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
1	Board of Directors:			
1.1	Size of the Board of the Directors: The total number of members of a Company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty);	✓		
1(2)	Independent Directors:			
1.2(a)	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);	✓		
1.2(b)	Independent Director means a Director:			
1.2(b) (i)	who either does not hold any share in the company or holds not 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 share holder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	✓		
1.2(b) (iii)	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 other wise, 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;	✓		
1.2(b) (vii)	Who is not a partner or 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 shall 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 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			No vacancy occurred
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.	✓		
1.3	Qualification of Independent Director:			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
1.3(a)	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 business;	✓		
1.3(b)(i)	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			N/A
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 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			N/A
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 Studies or Law; or			N/A
1.3(b)(iv)	University teacher who has educational background in Economics or Commerce or Business Studies or Law; or			N/A
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 experience in any filed 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.			N/A
1.4	Duality of Chairperson of the Board of Directors and Managing Directors or Chief Executive Officer:			
1.4(a)	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	The Directors' Report to Shareholders:			
1.5(i)	An industry outlook & possible future development 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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
1.5(v)	A discussion on continuity of any Extraordinary activities and their implication (gain or loss);			N/A
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.;			N/A
1.5(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;			N/A
1.5(x)	A statement of Remuneration paid to directors including independent directors;	✓		Independent Director didn't receive 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;			N/A
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 report on the pattern of shareholding disclosing the aggregate number of shares (along name-wise details where stated below) held by:			
1.5(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (Name wise details);	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
1.5(xxiii)(b)	Directors, Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) 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);	✓		
1.5(xxiv)(a)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders: A brief resume of the Director;	✓		
1.5(xxiv)(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 that Board;	✓		
1.5(xxv)(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 immediate preceding five years explaining reasons thereof;	✓		
1.5(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;			Data not available
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	✓		
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 shareholders 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 meeting and record the minutes of the meeting as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code;	✓		
1.7	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:			
1.7(a)	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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
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;		✓	shall be posted on the website immediately
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 the affairs 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
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):			
3.1	Appointment:			
3.1(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Chief Financial Officer (CFO), a Head of Internal Audit and Compliance (HIAC) and a Company Secretary (CS);	✓		
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	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):			
3.3(a)(i)	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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
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	Board of Directors' Committee:			
4.i	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.	✓		
5	Audit Committee:			
5.1	Responsibility to the Board of Directors:			
5.1(a)	The Company shall have an Audit Committee as a subcommittee of the Board;	✓		
5.1(b)	The Audit Committee shall assist the BOD 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 responsible to the Board: The duties of the Audit Committee shall be clearly set forth in writing.	✓		
5.2	Constitution of the Audit Committee:			
5.2(a)	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 exception 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 10 (ten) years of such experience;	✓		
5.2(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			N/A
5.2(e)	The Company Secretary shall act as the Secretary of the Audit 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;	✓		
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;			N/A
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;	✓		shall be invited to remain present

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
5.4	Meeting of the Audit Committee:			
5.4(a)	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	Role of Audit Committee (the Audit Committee shall):			
5.5(a)	Oversee the financial reporting process;	✓		
5.5(b)	Monitor choice of accounting policies and principles;	✓		
5.5(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance plan and review of the Internal Audit and Compliance Report;	✓		
5.5(d)	Oversee hiring and performance of external auditors;	✓		
5.5(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5.5(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5.5(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5.5(h)	Review the adequacy of internal audit function;	✓		
5.5(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5.5(j)	Review statement of all related party transactions submitted by the management;	✓		
5.5(k)	Review Management Letters or Letter of Internal Control Weakness issued by statutory auditors;	✓		
5.5(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; 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	Reporting of the Audit Committee:			
5.6(a)	Reporting to the Board of Directors:			
5.6 (a) (i)	The Audit Committee shall report on its activities to the Board;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
5.6(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:			
5.6 (a) (ii)(a)	Report on conflicts of interests;			N/A
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;			N/A
5.6 (a) (ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			N/A
5.6 (a) (ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			N/A
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;			N/A
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.			N/A
6	Nomination and Remuneration Committee (NRC):			
6.1	Responsibility to the Board of Directors:			
6.1(a)	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	Constitution of the NRC:			
6.2(a)	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;			N/A
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;			N/A
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;	✓		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
6.2(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company;	√		
6.3	Chairperson of the NRC:			
6.3(a)	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;			N/A
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.	√		
6.4	Meeting of the NRC:			
6.4(a)	The NRC shall conduct at least one meeting in a financial year;	√		
6.4(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			N/A
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	Role of the NRC:			
6.5(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6.5(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6.5(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6.5(b)(i)(a)	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;	√		
6.5(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6.5(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6.5(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	√		
6.5(b)(vi)	Developing, recommending and reviewing annually the Company's human resources and training policies;	√		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
6.5(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
7.1	External / Statutory Auditors:			
7.1(i)	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);	✓		
7.1(ix)	Any other service that creates conflict of interest.	✓		
7.2	No partner or employees of the external audit firms shall possess any share of the Company they audit at least during the tenure of their audit assignment of that Company; his or her family members also shall not hold any shares in the said Company: 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;			Shall be invited to remain present
8	Maintaining a website by the Company:			
8.1	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 of listing;	✓		
8.3	The Company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchanges;	✓		
9	Reporting and Compliance of Corporate Governance:			
9.1	The Company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report;	✓		
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the Annual General Meeting.	✓		
9.3	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.	✓		



67, MOTIJHEEL COMMERCIAL AREA
(1ST FLOOR), DHAKA-1000, BANGLADESH
TEL: OFF: 880-2-9560933, 9560716
FAX: 880-2-9567351, MOBILE: 01819-228521
Email: maqbul.ahmed@yahoo.com
Website: www.atakhanca.com

Independent Auditors' Report TO THE SHAREHOLDERS OF SHEPHERD INDUSTRIES LIMITED

Report on the Audit of the Financial Statements:

Opinion

We have audited the financial statements of **Shepherd Industries Limited** which comprise the statement of financial position as at 30 June 2019, 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, of the financial position of the **Shepherd Industries Limited** as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable rules and regulation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (IASs). Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the year ended 30 June 2019. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the basis for opinion section, each matter mentioned below our description of how our audit addressed the matter is provided in the context.

Key Audit Matter	How our audit addressed the audit matters
<p>Revenue</p> <p>The company has reported a revenue of Taka 2,867,534,079 for the year ended 30 June 2019.</p> <p>Refer to note no. 22.00 of the financial statements.</p> <p>All sales may not be legitimate and may not have occurred in the financial year</p> <p>Sales may not be complete and accounts receivable may not included all amounts owed by customers at the balance sheet date.</p>	<ul style="list-style-type: none"> Our procedures included obtaining an understanding of management's revenue recognition process. We tested a sample of transactions to verify whether the revenue was accounted for in accordance with the revenue accounting policy disclosed in notes to the financial statements. In addition, we assessed whether the disclosed revenue accounting policy was in accordance with relevant accounting standards Vouch entries in sales journal and subsidiary ledger to support documentation of sale (i.e. invoice and delivery note) Control tests for relevant controls Subsequent receipts review Confirmation of specific transactions with customers

Key Audit Matter	How our audit addressed the audit matters
<p>Revenue continued: Sales may not be correctly classified and major revenue categories may not be separately disclosed.</p> <p>Sales may not be recorded correctly and in the correct period.</p>	<ul style="list-style-type: none"> • Furthermore, we tested the sales transaction recognised shortly before and after the statement of financial position date, including the sales return recorded after that date, to test whether sales transaction were recorded in the correct reporting periods • Cut-off test (tests of sales transactions, sales returns and other sales adjustments at or near year-end) • Verify prices, quantity and computation on sales invoices, prices verified to master price list, quantity verified to shipping documentation • Ensure related party sales are adequately disclosed. • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
<p>Inventories As of the reporting date the company reports Stock and Stores amounting to Taka 1,605,369,223</p> <p>Refer to note no. 7.00 to the Financial Statements</p> <p>The company may not have good title to stock and work in progress</p> <p>All stock and work in progress may not exists</p> <p>Stock and work in progress may not have been valued correctly, consistently and in accordance with applicable accounting standards. Which is net realisable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.</p> <p>that full provision may not have been for all damaged, obsolete or slow moving stock and work in progress</p> <p>Cut-off procedure may not have been strictly applied.</p> <p>All necessary disclosures concerning stock and work-in-progress may not have been made and the information is may not yet have been appropriately presented and described.</p>	<ul style="list-style-type: none"> • Evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of, factory production house, warehouse and sales depot; • Evaluating internal controls to monitor or keep track of inventory movement; • Enquire whether any of the stock is held on behalf of third parties. • Consider whether any consignment stock has been accounted for. • Complete the stock take attendance program Trace all items selected at the stock take to the final stock sheets, internal stock records. • Select a sample of items from the final stock sheets and trace to the copies of the rough stock sheets taken during the stock take. • Review the historical accuracy of inventory provisioning and the level of inventory write-off during the year. • Test the additions and extensions of the final stock sheet. • Ascertain the method used for valuing stock and consider whether: <ul style="list-style-type: none"> (a) it has been correctly applied; (b) it is an acceptable basis of valuation under applicable accounting standards; (c) it is consistent with previous year's and with the company's accounting policy. • Challenging the completeness of inventory provision through assessing actual and forecast sells inventory lines to assess whether provisions for slow moving/obsolete stock are valid and complete. • Review all items of stock and work in progress and consider whether any further provision is necessary.

Key Audit Matter	How our audit addressed the audit matters
<p>Measurement of deferred tax Liability</p> <p>Company reported net deferred tax liability totaling Taka 127,619,916 as at 30 June 2019. Significant judgments are required in relation to deferred tax liability as their liability is dependent on forecast of future probability over a number of years.</p> <p>see note no. 15 to the financial statements</p>	<p>we obtained an understanding, evaluated the design and tested the operational effectiveness of the company's key controls over the recognition and measurement of Deferred Tax Assets and taxable expense of the company.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable expense. We evaluated the reasonableness of key assumptions, timing of reversal of temporary difference and expiration of tax loss carry forwards, recognition and measurement of deferred tax liability.</p> <p>We assessed the adequacy of the company's disclosures setting out the basis of deferred tax liability balances and the level of estimation involved.</p> <p>We also assessed, in evaluating the tax implications, the reasonableness of estimates and calculations determined by the management. Finally, we assessed the appropriateness and presentation of disclosure against IAS-12 Income Tax.</p>

Going Concern

We are required to report if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of the financial statements. We have nothing to report in these respects.

Other Information

Management is responsible for other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for those other information. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover these other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read these other information and, in doing so, consider whether these other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls:

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and other applicable rules and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, Supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements:

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

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 those books; and
- (c) the company's financial statements dealt with by the report are in agreement with the books of account.
- (d) the expenditure incurred was for the purpose of company's business for the year.

Dated: Dhaka;
24 October 2019


ATA KHAN & CO.
Chartered Accountants

SHEPHERD INDUSTRIES LIMITED

Statement of Financial Position

As on 30 June 2019

Particulars	Notes	Amount in Taka	
		30.06.2019	30.06.2018
ASSETS:			
Non-Current Assets		1,605,264,241	1,564,687,213
Property, Plant & Equipment	4	1,532,881,941	1,564,349,713
Capital Work-in-Progress	5	72,134,800	-
Intangible Asset	6	247,500	337,500
Current Assets		3,241,521,443	3,312,866,185
Inventories	7	1,605,369,223	1,481,453,005
Trade & other Receivables	8	1,503,641,370	1,633,566,392
Advance, Deposit & Prepayments	9	103,716,366	62,825,107
Cash and Cash Equivalents	10	28,794,484	135,021,681
		4,846,785,684	4,877,553,398
EQUITY AND LIABILITIES			
Shareholders' Equity		2,395,578,568	2,435,704,809
Share Capital	11	1,366,265,840	1,366,265,840
Revaluation Reserve	12	532,638,444	538,651,924
Retained Earnings	13	496,674,284	530,787,045
Non-Current Liabilities		127,904,351	131,481,214
Obligation under Finance Lease	14	284,435	2,424,934
Deferred Tax liabilities	15	127,619,916	129,056,280
Current Liabilities		2,323,302,765	2,310,367,375
Loan from Shareholders'	16	33,728,933	33,728,933
Current a/c with Related Entity	17	15,000,000	-
Trade & other Payables	18	593,503,360	1,059,899,778
Obligation under Finance Lease-Current Portion	14	2,160,461	4,550,319
Short Term Bank Loan	19	1,554,036,348	1,071,597,263
Outstanding IPO Subscription	20	64,750	74,750
Liabilities for Expenses & Provisions	21	124,808,913	140,516,332
		4,846,785,684	4,877,553,398
Net Asset Value (NAV) Per Share	31	17.53	17.83

The annexed notes form an integral part of these financial statements


 Chief Financial Officer


 Company Secretary


 Director


 Managing Director


 Chairman

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE


Dated: Dhaka
24 October 2019

ATA KHAN & CO.
 Chartered Accountants

SHEPHERD INDUSTRIES LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2019

Particulars	Notes	Amount in Taka	
		30.06.2019	30.06.2018
Revenue	22	2,867,534,079	2,767,374,859
Less: Cost of Sales	23	(2,486,725,163)	(2,402,730,555)
Gross Profit		380,808,916	364,644,304
Foreign Currency Gain/(Loss)	24	2,800,451	6,024,021
Add: Other income	25	14,082,967	13,544,740
Less: Operating Expenses		(72,296,256)	(69,432,524)
Selling & Distribution Expenses	26	(11,032,470)	(10,794,481)
Administrative Expenses	27	(61,263,786)	(58,638,043)
Profit from Operation		325,396,078	314,780,541
Less: Financial Expenses	28	(178,936,067)	(127,410,175)
Net Profit/ (Loss) before tax		146,460,011	187,370,366
Income Tax Expense:		(23,695,553)	(30,600,810)
Current Tax	29	(24,070,715)	(28,608,148)
Deferred Tax Income/(Expenses)	Annex-E	375,162	(1,992,662)
Net Profit/ (Loss) after Tax for the year		122,764,458	156,769,556
Basic & Diluted Earning Per share	30	0.90	1.15

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


Chief Financial Officer


Company Secretary


Director


Managing Director


Chairman

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE

Dated: Dhaka
24 October 2019


ATA KHAN & CO.
Chartered Accountants

SHEPHERD INDUSTRIES LIMITED

Statement of Changes in Equity For the year ended 30 June 2019

Particulars	Paid up Capital	Revaluation Reserve	Retained Earnings	Total Equity
Opening balance as on 01-07-2018	1,366,265,840	538,651,924	530,787,045	2,435,704,809
Less: Cash Dividend	-	-	(163,951,901)	(163,951,901)
Less: Depreciation on revaluation transfer to retained earnings	-	(7,074,682)	7,074,682	-
Add/(Less): Deferred Tax Income/(Expenses) during the year	-	1,061,202	-	1,061,202
Add: Net profit/(loss) for the year	-	-	122,764,458	122,764,458
Closing balance on 30 June 2019	1,366,265,840	532,638,444	496,674,284	2,395,578,568

Statement of Changes in Equity For the year ended 30 June 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	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

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


Chief Financial Officer


Company Secretary


Director


Managing Director


Chairman

Dated: Dhaka
24 October 2019

SHEPHERD INDUSTRIES LIMITED

Statement of Cash Flows

For the year ended 30 June 2019

Particulars	Notes	Amount in Taka	
		30.06.2019	30.06.2018
A. Cash Flows from Operating Activities			
Received from customers and others	32	3,026,840,205	2,510,709,948
Payment to Creditors, Suppliers, Employees and Others	33	(3,088,448,045)	(1,842,960,463)
Cash inflow/(outflow) from operation		(61,607,840)	667,749,485
Income Tax Paid	34	(20,107,889)	(33,105,145)
Net cash used in Operating Activities	37	(81,715,729)	634,644,340
B. Cash Flows from Investing Activities			
Acquisition of Property, Plant & Equipments		(61,591,189)	(64,478,615)
Advance against building and civil construction		(64,100,000)	-
Payment for Capital Work-in-Progress	35	(50,009,646)	-
Current a/c with Related Entity		-	1,878,800
Net cash used in Investing Activities		(175,700,835)	(62,599,815)
C. Cash Flow from Financing Activities			
Current a/c with Related Entity		15,000,000	-
Outstanding IPO Subscription		(10,000)	(563,000)
Obligation under Finance Lease Received/(Paid)-Net		(4,530,357)	(2,410,465)
Short Term Loan Received/(Paid)-Net		483,084,284	(457,646,684)
Dividend Paid		(163,468,922)	-
Financial Expenses Paid		(178,936,067)	(127,410,175)
Net cash used in by Financing Activities		151,138,938	(588,030,324)
D. Net Increase/(Decrease) in cash and Cash Equivalent		(106,277,626)	(15,985,799)
E. Cash & Cash Equivalent at beginning at the Period		135,021,681	153,521,517
F. Unrealized Foreign Exchange Gain/(Loss)		50,429	(2,514,037)
G. Cash & Cash Equivalent at the end of the Period		28,794,484	135,021,681
Net Operating Cash Flows Per Share (NOCFPS)	36	(0.60)	4.65

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


 Chief Financial Officer


 Company Secretary


 Director


 Managing Director


 Chairman

 Dated: Dhaka
 24 October 2019

SHEPHERD INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 30 JUNE 2019

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, 2019;
- Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2019;
- Statement of Change in Equity for the year ended June 30, 2019;
- Statement of Cash Flows for the year ended June 30, 2019;
- Accounting Policies and explanatory notes to the Financial Statements for the year ended June 30, 2019.

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 year from July 01, 2018 to June 30, 2019.

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 Rules 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 year :

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 year under review which have no material effect on the financial statements;

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 sheet 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 24, 2019 at 4.00 p.m. has recommended 10% Stock dividend for the year ended June 30, 2019.

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%
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 debt or 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, aprovision for doubtful debt of Tk. 4,222,845 has been provided in the Financial Statements as described in note # 8.

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 infuture 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 : ২৭/০৫/২০১৫খ্রিঃ 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 represents 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.8).

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. 2,07,04,222 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 33,34,507 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 # 39.2.

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 in significant. 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	Amount in Taka
		30.06.2019	30.06.2018
4	Property, Plant & Equipment		
	A. Cost		
	Opening balance	2,206,430,747	2,098,930,661
	Add: Addition during the year	37,402,658	107,500,086
		2,243,833,405	2,206,430,747
	B. Accumulated Depreciation		
	Opening balance	642,081,034	573,218,037
	Add: Addition during the year	68,870,430	68,862,997
	Accumulated Depreciation	710,951,464	642,081,034
	Written Down Value (A - B)	1,532,881,941	1,564,349,713

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

5	Capital Work-in-Progress		
	Building-Factory	726,000	-
	Plant & Machineries	72,924,573	-
		73,650,573	-
	Less: Transfer to Property, Plant & Equipments	1,515,773	-
		72,134,800	-

The above represents the expenses against civil construction and imported machineries which are not available for use as on the reporting date. Such assets shall be transferred to Property, Plant & Equipments when they will be available for use as per management's intention.

6	Intangible Asset		
	Opening Balance	337,500	554,301
	Less: Write off during the year @ 20%	(90,000)	(216,801)
	Written Down Value	247,500	337,500

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

7 Inventories

Raw Materials	1,208,079,320	1,095,023,723
Dyes & Chemical	195,163,403	197,348,745
Work-in-Process	58,703,132	49,548,775
Finished Goods	127,856,088	121,525,455
Packing Materials	6,426,912	8,015,488
Stores & Spares	9,140,368	9,990,819
	1,605,369,223	1,481,453,005

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

8 Trade & other Receivables

This has been arrived as under;

Accounts receivable	1,503,054,905	1,630,718,332
Other Receivable	586,465	2,848,060
	1,503,641,370	1,633,566,392

A detailed schedule of Accounts and Other Receivables is given in **Annexure - C**.

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	1,503,054,905	1,630,718,332
ii) Accounts Receivable considered good in respect of which the company holds no security other than the debtor's personal security	586,465	2,848,060
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	361,440	132,056,460
vi) The maximum amount of receivable due by any director or other officer of the company	-	-

The aging of trade and other receivables is as follows:

Ageing Schedule:	Accounts Receivable	Other Receivable	Total	Total
Within Three Months	539,621,517	586,465	540,207,982	644,207,445
Three to Six Months	706,422,818	-	706,422,818	709,372,015
More than Six Months	257,010,570	-	257,010,570	279,986,932
	1,503,054,905	586,465	1,503,641,370	1,633,566,392

9 Advance, Deposits & Prepayments

The Break-up of the Amount is given below:

Advances	85,506,298	45,849,285
Deposits	18,210,068	16,975,822
	103,716,366	62,825,107

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

10. Cash and Cash Equivalents

The Break-up of the Amount is given below:

Cash in Hand	1,578,289	1,860,481
Cash at Banks (Note - 10.1)	27,216,195	133,161,200
	28,794,484	135,021,681

10.1 Cash at Bank**Bank Name & Account Number**

Bank Alfalah CD-070201701321	23,895	25,045
Eastern Bank CD # 1131060206101	2,121,236	3,845,362
Eastern Bank Margin	507,801	1,016,345
IFIC Bank CD # 1002-535257001	1,445,754	239,968
IFIC Bank CD # 1002-535257071	55,737	47,832
Southeast Bank FBPA/C # 0060	-	1,087
Southeast Bank DAD (\$) # 15400000019	5,827,577	2,529,488
National Bank A/C. # 0043-33017514	4,418	9,430
DBBL-CD A/C # 117-110-037216	9,614	-
IFIC A/C # 0170231013001	3,831,637	-
IFIC A/C # 1002-535257-836 (USD A/c)	9,567,955	1,778,894
IFIC A/C # 1002-063136-041 (Taka A/c)	87,388	99,649,448
IFIC A/C # 1002-063136-051 (USD A/c)	65,226	173,280
IFIC A/C # 1002-063136-052 (GBP A/c)	4,618	48,456
IFIC A/C # 1002-063136-053 (EURO A/c)	-	47,614
NBL FC A/C-0043-84004808 (USD A/c)	167,513	166,026
Trust Bank A/C # 5025000416 (USD A/c)	654,343	6,286,732
Trust Bank FC Margin # 016-5025003584 (USD A/C)	-	16,088,271
Pubali Bank CD # 4465901009224	1,166,567	494,610
Southeast Bank CD # 111-17190	13,928	71,237
Southeast Bank # 0094	1,156,268	-
Trust Bank CD # 9820	504,720	642,075
	27,216,195	133,161,200

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**1,366,265,840**

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	124,205,980
136, 626,584 Ordinary Shares	1,366,265,840	1,366,265,840

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	27,774,840	10.00	277,748,400	20.33%
Institution	22,233,294	10.00	222,332,940	16.27%
General Public	16,282,390	10.00	162,823,900	11.92%
	136,626,584		1,366,265,840	100.00%

Pattern of Shareholding and No. of Shareholding as on 30 June 2019

Share Holding Range	Number of Share Holders	No. of Share	Percentage of Share Holding
Up to 499 Shares	922	117,413	0.09%
500 to 5000 Shares	1279	1,767,832	1.29%
5001 to 10000 Shares	136	997,529	0.73%
10001 to 20000 Shares	89	1,308,172	0.96%
20001 to 30000 Shares	33	831,683	0.61%
30001 to 40000 Shares	9	319,200	0.23%
40001 to 50000 Shares	12	551,743	0.40%
50001 to 100000 Shares	22	1,655,355	1.21%
100001 to 1000000 Shares	47	14,570,190	10.66%
1000001 to Above Shares	22	114,507,467	83.81%
Total	2571	136,626,584	100.00%

12 Revaluation Reserve

This has been arrived as under;

Opening Balance

538,651,924

545,300,632

Less: Depreciation on revaluation transferred to retained

(7,074,682)

(7,822,010)

Add/(Less): Deferred Tax Income/(Expenses) during the year

1,061,202

1,173,302

532,638,444**538,651,924**

13 Retained Earnings

This has been arrived as under;

Opening balance	530,787,045	490,401,459
Less: Stock Dividend	-	(124,205,980)
Less: Cash Dividend	(163,951,901)	-
Add: Net profit (Loss) for the year	122,764,458	156,769,556
Add: Depreciation transferred from revaluation reserve	7,074,682	7,822,010
	496,674,284	530,787,045

14 Obligation under finance lease

This consist of the following;

Lease Liability-IDLC	20,240	1,954,839
Lease Liability-MFIL	2,424,656	5,020,414
	2,444,896	6,975,253
Less: Current portion	2,160,461	4,550,319
Non-Current portion	284,435	2,424,934

14.1 Aging Schedule for lease finance

Within One year	2,160,461	4,550,319
Witing two to four years	284,435	2,424,934
	2,444,896	6,975,253

Particulars	IDLC	MFIL
Nature:	Lease Finance	Lease Finance
Purpose:	Acquisition of vehicle	Acquisition of vehicle
Tenure:	4 years	3 Years
Repayment:	48 monthly equal installment	36 monthly equal installment
Rate of Interest:	15.00%	14.50%
Security:	2 months installment	1 months installment

15 Deferred Tax liabilities

This has been arrived as under;

Opening Balance	129,056,280	128,236,920
Add/(Less): Deferred Tax Expenses/(Income) recognized in Statement of Profit or Loss and other comprehensive income	(375,162)	1,992,662
Add/(Less): Deferred Tax Expenses/(Income) recognized directly in Statement of Changes in Equity	(1,061,202)	(1,173,302)
	127,619,916	129,056,280

The details have been shown in **Annexure-E****16 Loan from Shareholders'**

	33,728,933	33,728,933
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The above represents share money deposit received from shareholders against which no allotment has been made and transferred to loan account as per decision of the Board.

17 Current Accounts with Related Entity

This has been arrived as under;
 Party Wise break down given below:
 Shepherd Jeans Ltd.

15,000,000	-
15,000,000	-

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

18 Trade & Other Payables

This has been arrived as under;

Trade Payable	578,582,512	1,043,425,749
Other Payable	14,920,848	16,474,029
	593,503,360	1,059,899,778

All the trade payables disclosed here are arisen from purchasing yarn, dyes & chemical, packing materials, providing of services etc. from both foreign & local suppliers and service providers.

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

Ageing Schedule:	Trade Payable	Other Payable	Total	Total
Within Three Months	335,123,272	10,860,524	345,983,796	497,963,937
Three months to six months	227,663,777	3,414,522	231,078,299	501,805,969
More than six months	15,795,463	645,802	16,441,265	60,129,872
	578,582,512	14,920,848	593,503,360	1,059,899,778

19 Short Term Bank Loan

This consist of the following;

Demand Loan	IFIC Bank Limited	255,597,610	61,582,801
LDBP Loan	Eastern Bank Ltd	20,409,623	90,352,683
LDBP Loan	IFIC Bank Limited	276,437,000	237,556,450
LDBP Loan	Southeast Bank Limited	318,333,737	255,285,774
LDBP Loan	Trust Bank Limited	13,380,295	7,390,044
Force Loan	IFIC Bank Limited	78,137,656	-
EDF Loan	Southeast Bank Limited	43,655,304	90,488,398
SOD - IFIC Bank	IFIC Bank Limited	37,457,038	43,918,496
SOD-Southeast Bank	Southeast Bank Limited	50,959,758	51,173,031
Loan Against Trust Receipts	Southeast Bank Limited	459,668,327	233,849,586
		1,554,036,348	1,071,597,263

Particulars	IFIC	EBL	SBL	TRUST
Nature:	Short term loan	Short term loan	Short term loan	Short term loan
Purpose:	Working capital	Working capital	Working capital	Working capital
Tenure:	One year	One year	One year	One year
Repayment:	From Export Proceed	From Export Proceed	From Export Proceed	From Export Proceed

Rate of Interest:	6.00%~16.00%	6.00%~9.00%	6.00%~14.50%	6.00%~12.00%
Security:	Mortgage of 432 Decimals of land with factory premises, 673 decimals land with two pre-fabricated and three semi pacca building, measuring 103164 sft at valuka. 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.	Hypothecation of machineries, raw materials, work in process & finished goods duly insured covering the risk of fire.	Mortgage of 655.75 decimals at Bhaluka and Hypothecation of machineries, raw materials, work in process & finished goods duly insured covering the risk of fire and personal guarantee of all directors.	Hypothecation of machineries, raw materials, work in process & finished goods duly insured covering the risk of fire and 171 decimals of land under paragaon mouza, Bhaluka and Corporate guarantee of Shepherd Textile (BD) Ltd and Taiwan Food Processing & Industries Ltd and personal guarantee of all directors.

20 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)		60,500	70,500
IFIC A/C # 1002-063136-052 (GBP A/c)		4,250	4,250
		64,750	74,750
21	Liabilities for Expenses & provisions		
This consist of the following;			
Salary & Allowance-Payable		15,014,438	15,829,016
Dividend Payable		482,979	-
Tax Deduction at Source		5,642,153	5,823,834
Gas, Electric Bill & Internet Bill Payable		16,465,288	20,055,740
Audit & Professional Fees Payable		449,750	449,750
Employees CPF Payable		1,488,430	1,096,828
Provision for Employees' Gratuity Fund		41,141,343	35,998,621
Provision for Income Tax		44,124,532	61,262,543
		124,808,913	140,516,332
21.1	Provision for Income Tax		
Opening Balance		61,262,543	103,527,981
Add: Provided during the year		24,070,715	28,608,148
		85,333,258	132,136,129

Note- 21.1

	Less: Paid during the year		(6,441,146)	(14,477,420)
	Less: Adjusted during the year		(34,767,580)	(56,396,166)
			44,124,532	61,262,543
22	Revenue			
		Quantity (Lbs)	Average Rate	
	Export Sales	14,411,134	198.98	
			2,867,534,079	2,767,374,859
			2,867,534,079	2,767,374,859
23	Cost of Sales			
	This has been arrived as under;			
	Work in process (Opening)		49,548,775	45,547,439
	Add: Raw Material Consumed	Note-23.1	2,109,238,640	2,055,342,525
	Add: Factory Overhead	Note-23.2	392,971,513	368,404,305
	Less: Work in Process (Closing)		(58,703,132)	(49,548,775)
	Cost of Production		2,493,055,796	2,419,745,494
	Add: Finished Goods (Opening)		121,525,455	104,510,516
	Finished Goods Available for sale		2,614,581,251	2,524,256,010
	Less: Finished Goods (Closing)		(127,856,088)	(121,525,455)
	Cost of Sales		2,486,725,163	2,402,730,555
23.1	Raw Material Consumed			
	Opening 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
	Add: Cost of Materials Purchased		2,218,520,319	2,081,607,999
	Raw materials		1,847,592,850	1,702,046,103
	Dyes & chemicals		295,369,695	307,616,594
	Packing materials		29,240,172	30,026,989
	Carrying inward		21,014,550	23,482,930
	Insurance		5,334,509	5,836,816
	Clearing & forwarding expenses		19,968,543	12,598,567
	Raw Materials available for Consumption		3,518,908,275	3,355,730,481
	Less : Closing Stock		1,409,669,635	1,300,387,956
	Raw Materials		1,208,079,320	1,095,023,723
	Dyes & Chemicals		195,163,403	197,348,745
	Packing Materials		6,426,912	8,015,488
	Raw Materials Consumed		2,109,238,640	2,055,342,525
23.2	Factory Overheads			
	This has been arrived as under;			
	Ansar Guard Expenses		68,400	65,400
	Conveyance		1,000,395	912,355
	Contribution to Gratuity Fund		4,663,821	4,693,478
	Contribution to Provident Fund		2,698,891	1,893,151
	Crockeries & Cutleries		42,634	14,280
	Depreciation		60,094,444	59,523,465

	Electricity Bill	7,520,815	6,183,516
	ETP Expenses	2,249,299	1,614,256
	Fire Fighting Expenses	299,838	555,170
	Forms, Stamps, Documents etc.	253,810	304,680
	Fuel, Oil & Lubricants	2,994,158	2,097,097
	Gas Bill	106,424,921	112,720,172
	Gas Bill-Factory Residence	69,890	66,384
	Hangs, Twisting & Winding Expenses	1,409,681	1,138,602
	Insurance-Fire	1,814,804	1,852,563
	Loading & Unloading Charge	1,488,536	985,900
	Medical Expenses	378,675	216,321
	Printing- Factory	831,743	559,295
	Rates & Taxes	642,644	1,260,725
	Repair & Maintenance of Building, Machineries etc.	18,934,749	16,299,373
	Stationeries	1,171,405	1,401,832
	Sundry Expenses	2,485,755	2,316,832
	Testing Charge	264,109	48,457
	Tiffin, Refreshment & Entertainment	965,835	1,109,029
	Uniform & Liveries	252,816	259,515
	Wages, Salaries & Allowances	173,766,982	150,064,772
	Washing & Cleaning Expenses	182,463	247,685
		392,971,513	368,404,305
24	Foreign Currency Gain/(Loss)		
	Realized Foreign Exchange Gain/(Loss)	(666,980)	2,700,300
	Unrealized Foreign Exchange Gain/(Loss)	3,467,431	3,323,721
		2,800,451	6,024,021
25	Other Income:		
	<i>This consist of the followings;</i>		
	Land and House Rent	8,708,250	7,497,187
	Interest Received from IPO Bank A/C	1,304,765	3,328,753
	Sundry Income	4,069,952	2,718,800
		14,082,967	13,544,740
26	Selling & Distribution Expenses		
	<i>This consist of the followings;</i>		
	Salary and Allowances	8,908,339	8,024,364
	Travelling & Conveyance	916,016	1,667,839
	Stationeries	124,488	80,865
	Mobile Bill	100,610	99,800
	Contribution to Gratuity Fund	442,911	445,291
	Contribution to Provident Fund	540,106	476,322
		11,032,470	10,794,481
27	Administrative Expenses		
	<i>This has been arrived as under;</i>		
	Advertising Expenses	445,777	527,452
	Amortization of Intangible Assets	90,000	216,801
	Audit Fees	402,500	402,500
	AGM Expenses	572,790	814,019
	Board Meeting Fees	-	77,000

Professional Fees	575,250	739,815
Automobile Expenses	4,013,079	3,799,991
Contribution to Gratuity Fund	1,035,990	995,231
Contribution to Provident Fund	967,462	830,866
Depreciation-Administrative	8,775,986	9,339,532
Electricity Bill	1,574,812	1,451,390
Employees' Group Insurance	778,813	583,523
Forms, Stamps, Documents etc.	2,516,994	1,999,011
Gas Bill	77,829	78,885
Generator Expenses	117,235	33,550
Insurance-Motor	567,965	439,228
Internet Expenses	487,753	484,495
Licence & Renewal Fees	1,538,383	1,971,806
Director,s Remuneration	1,507,020	1,480,512
Office Maintenance Expenses	543,956	548,958
Papers & Periodicals	81,217	14,318
Postage & Courier	168,437	94,706
Printing & Photocopy	130,136	66,757
Salary & Allowances	30,245,345	28,041,418
Satellite Cable Rent	4,950	9,350
Stationeries	473,452	466,317
Sundry Expenses	1,369,116	1,036,153
Telephone & Mobile Expenses	422,416	477,115
Tiffin, Refreshment & Entertainment	760,578	687,440
Training Expenses	14,000	-
Travelling & Conveyance	848,694	769,037
Water Bill	155,851	160,867
	61,263,786	58,638,043
28 Financial Expenses		
This consist of the followings;		
Bank Charges & Commission	7,049,789	4,726,612
Bank Charges on Proceeds Realization	10,548,304	5,817,409
Interest on Short Term Loan	160,641,015	115,757,553
Interest on Obligation under Finance Lease	696,959	1,108,601
	178,936,067	127,410,175
29 Current tax:		
Minimum Tax	12,899,568	18,072,405
Regular Tax	24,070,715	28,608,148
Higher One	24,070,715	28,608,148
A) Minimum Tax		
Turnover	2,867,534,079	2,767,374,859
Other income	14,082,967	13,544,740
	2,881,617,046	2,780,919,599
Minimum Tax on turnover & other income (0.6%/25%)*15%	10,373,821	10,011,311
Deducted tax at source	12,899,568	18,072,405
Higher One	12,899,568	18,072,405

B) Regular Tax

The above balance is made up as follows:

Income tax on business income	(Note-29.1)	20,549,973	25,221,963
Income tax on other income	(Note-29.2)	3,520,742	3,386,185

Total		24,070,715	28,608,148
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29.1 Income tax on business income:

Profit before tax	146,460,011	187,370,366
Add: Accounting depreciation	68,870,430	68,862,997
Add: Contribution to Employees' Gratuity Fund	6,142,722	6,134,000
Less: Tax depreciation	(69,390,375)	(79,676,202)
Less: Payment to Employees' Gratuity Fund	(1,000,000)	(1,000,000)
Less: Other income	(14,082,967)	(13,544,740)
Taxable business income	136,999,821	168,146,421
Tax rate	15%	15%
Income tax on business income	20,549,973	25,221,963

29.2 Income tax on other income:

Other Income	14,082,967	13,544,740
Tax rate	25%	25%
Income tax on other income	3,520,742	3,386,185

30 Basic & Diluted Earnings per share

Net profit after tax attributable to ordinary shareholders of the company	122,764,458	156,769,556
Weighted average number of share (Note-30.1)	136,626,584	136,626,584
Basic EPS for the year	0.90	1.15
Diluted Earnings Per Share	0.90	1.15

As there are no shares under option, Basic & Diluted earning per share are same for the year.

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	124,205,986
12,420,598 No. of Stock Dividend for 365 days	12,420,598	12,420,598
	136,626,584	136,626,584

31 Net Assets Value per Share

Net asset value per share has been calculated as under;

Total Assets	4,846,785,684	4,877,553,398
Less: Outside liability	(2,451,207,116)	(2,441,848,589)
Non-Current Liability	(127,904,351)	(131,481,214)
Current Liability	(2,323,302,765)	(2,310,367,375)
Net Asset Value	2,395,578,568	2,435,704,809
Shares outstanding at the end of the year	136,626,584	136,626,584
Net Asset Value per share	17.53	17.83

32 Received from Customers & Others

Revenue during the year	2,867,534,079	2,767,374,859
Adjustment for Foreign Exchange Gain/(Loss) for		
Trade Receivable	15,298,137	32,023,348
Other Income	14,082,967	13,544,740
Opening Accounts & Other Receivable	1,633,566,392	1,331,333,393
Closing Accounts & Other Receivable	(1,503,641,370)	(1,633,566,392)
	3,026,840,205	2,510,709,948

33 Payment to Creditors, Suppliers, Employees and Others

Cost of goods Sold	(2,486,725,163)	(2,402,730,555)
Selling & Distribution Expenses	(11,032,470)	(10,794,481)
Administrative Expenses	(61,263,786)	(58,638,043)
Adjustment for Depreciation	68,870,430	68,862,997
Adjustment for Write off of Intangible Assets	90,000	216,801
(Increase)/Decrease in Inventory	(123,916,218)	(42,083,183)
(Increase)/Decrease Advance Deposits & Prepayments		
excluding Advance Income Tax	2,107,904	12,306,115
Increase/(Decrease) in Trade and Other Payables	(464,333,041)	602,000,119
Increase/(Decrease) in Liabilities for Expenses	947,613	11,385,057
Adjustment for Foreign Exchange Gain / (Loss) for Trade Payable	(13,193,314)	(23,485,290)
	(3,088,448,045)	(1,842,960,463)

34 Income Tax Paid

Opening Advance Income Tax	40,599,368	78,367,809
Closing Advance Income Tax	(19,498,531)	(40,599,368)
Closing Income Tax Provision	44,124,532	61,262,543
Opening Income Tax Provision	(61,262,543)	(103,527,981)
Current Tax during the period	(24,070,715)	(28,608,148)
	(20,107,889)	(33,105,145)

35 Payment for Capital Work-in-Progress

Opening Capital Work-in-Progress	-	-
Closing Capital Work-in-Progress	(73,650,573)	-
Transfer to Property, Plant & Equipments	1,515,773	-
Payable for imported Machineries Included in trade & other payable	22,125,154	-
	(50,009,646)	-

36 Net operating cash flow per share (NOCFPS)

Net cash from operating activities	(81,715,729)	634,644,340
Number of shares outstanding	136,626,584	136,626,584
NOCFPS	(0.60)	4.65

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

Net Profit/(Loss) before tax	145,814,812	187,370,366
Opening Accounts & Other Receivable	1,633,566,392	1,331,333,393
Closing Accounts & Other Receivable	(1,503,641,370)	(1,633,566,392)
Adjustment for Depreciation	68,870,430	68,862,997
Adjustment for Write off of Intangible Assets	90,000	216,801
(Increase)/Decrease in Inventory	(123,916,218)	(42,083,183)
(Increase)/Decrease Advance Deposits & Prepayments excluding Advance Income Tax	2,107,904	12,306,115
Increase/(Decrease) in Trade and Other Payables	(464,333,041)	602,000,119
Increase/(Decrease) in Liabilities for Expenses	947,613	11,385,057
Income Tax Paid	(20,107,889)	(33,105,145)
Adjustment Finance expenses	178,936,067	127,410,175
Foreign Currency gain loss arising for cash and cash equivalents	(50,429)	2,514,037
	(81,715,729)	634,644,340

38 Additional disclosure

(a) The major reason for decrease in Net Asset Value per share by Tk. 0.29 per share was due to payment of cash dividend by Tk. 16.40 crore which is in excess of Tk. 4.12 crore net profit made during the year amounting Tk. 12.28 crore.

(b) Though Profit from operation increased by Tk. 1.06 crore due to increased revenue, earning per share decreased due to increased financial expenses by Tk. 5.15 crore with compared to corresponding previous year. The company had to pay a substantial amount of trade payable and discounted export bills by availing short term loan to cope with the working capital requirement due to which financial expenses increased substantially. The company is trying and hope to overcome the situation within a very short period of time.

(C) During the year ended June 30, 2019 Net Operating Cash Flow per share of the company is Tk. (0.60) (Negative) with compared to corresponding previous year of Tk. 4.65 (Positive). The major reason of which were payment to creditors, suppliers, employees and others increased by Tk. 124.51 Crore and collection from customers and others increased with compared to increased sales. Sales increased by Tk. 10.15 crore but collection increased by 51.61 crore.

39 Disclosure as per requirement of schedule XI, Part-II of companies Act 1994**39.1 Commission, Brokerage or Discount against sales:**

- There was no brokerage or discount against sales during the year.
- No commission was paid to sales against during the year.

39.2 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 30.06.2019 are as follows:

Name of Related Party	Common Management	Nature of Transaction	Opening Balance as on July 01, 2018	Transaction during the year Dr./(Cr.)	Closing Balance as on June 30, 2019
Shepherd Textile (BD.) Limited	"	Office & Land Rent	302,712	(10,100)	292,612
Shepherd Textile (BD.) Limited	"	Trade Receivable	129,812,500	(129,812,500)	-
Taiwan Food & Processing Industries Ltd.	"	Office & Land Rent	1,941,248	(1,872,420)	68,828
Shepherd Jeans Ltd.	"	Received as Loan	-	(15,000,000)	(15,000,000)
Kao Wen Fu	Managing Director	Loan from Shareholder's	(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)

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	01.07.2018 to 30.06.2019	01.07.2017 to 30.06.2018
(a)	Managerial Remuneration paid or payable during the period to the directors, including managing directors, a managing agent or manager	1,507,020	1,480,512
(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	694,645	643,082
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	840,724	704,316
(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	15,833,797	14,316,393
(b) Post-employee benefits	1,535,369	1,347,398
(c) Other long term benefits	-	-
(d) termination benefits and	-	-
(e) share- based payment	-	-
Total:	17,369,166	15,663,791

39.3 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 (2018-2019)	80,000 Lbs/Day	55,478 Lbs/Day	69.35%
Different Count of Yarn Dyeing (2017-2018)	80,000 Lbs/Day	55,687 Lbs/Day	69.61%

39.4 Value of Import at CIF basis:

During the period from July 01, 2018 to June 30, 2019 total value of import in respect of raw yarn, dyes & chemical, spare parts and machineries stands at equivalent 25.99 Millions USD on CIF basis. Details are given below:

	30.06.2019	30.06.2018
Particulars	Amount in Taka	Amount in Taka
Raw Yarn	1,847,592,850	1,702,046,103
Dyes & Chemicals	235,458,181	268,538,566
Machineries	92,068,903	76,849,137
Total:	2,175,119,934	2,047,433,806

39.5 Percentage of Materials consumed of the total consumption**Material consumed**

	30.06.2019		30.06.2018	
	Amount in Taka	Percentage (%)	Amount in Taka	Percentage (%)
Raw Materials	1,734,537,253	84.08%	1,696,458,855	84.26%
Dyes & Chemicals	297,555,037	14.42%	289,855,934	14.40%
Packing Materials	30,828,748	1.49%	27,109,423	1.35%
	2,062,921,038	100.00%	2,013,424,212	100.00%

39.6 Payment in foreign currency:

	30.06.2019	30.06.2018
	Amount in USD	Amount in USD
Raw Yarn	26,912,850	13,037,674
Dyes & Chemicals	3,552,722	2,424,071
Machineries, Tools & Equipments	1,120,966	731,738

39.7 Export Sales on FOB Basis

	30.06.2019	30.06.2018
	Amount in USD	Amount in USD
Export	\$34,163,602.53	\$33,760,820.21

40 Number of Employees

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

Number of permanent staff	323
Number of permanent workers	670
Number of temporary staff/worker	-
Total:	993

SHEPHERD INDUSTRIES LIMITED

Annexure-A

Schedule of Property, Plant & Equipment
as on 30 June 2019

Amount in Taka

Particulars	Cost				Depreciation				Written Down Value as on 30-06-19
	Opening Balance as on 01-07-18	Addition	Disposal/ Adjustment	Closing Balance as on 30-06-19	Rate (%)	Opening Balance as on 01-07-18	Charged during the year	Disposal/ Adjustment	Closing Balance as on 30-06-19
	1	2	3	4=(1+2-3)	5	6	7=(4-6)×5	8	9=(6+7-8)
									10=4-9
Building - Factory	175,130,264	-	-	175,130,264	10%	80,580,232	9,033,465	-	89,613,697
Land & Land Development	319,694,324	-	-	319,694,324	0%	-	-	-	-
Plant & Machinery	703,104,236	30,659,845	-	733,764,081	10%	354,522,072	34,331,719	-	388,853,791
ETP	73,844,334	-	-	73,844,334	15%	40,008,032	4,740,645	-	44,748,677
Electric Equipment & Line Installation	37,533,204	2,611,734	-	40,144,938	10%	22,611,313	1,586,994	-	24,198,307
Fire Fighting Equipment	1,606,194	244,200	-	1,850,394	10%	787,163	82,518	-	869,681
Tools & Equipments	21,851,470	2,225,399	-	24,076,869	20%	6,547,590	3,057,500	-	9,605,090
Gas Line Installation	6,755,553	-	-	6,755,553	10%	4,799,131	186,921	-	4,986,052
Building - Head Office	88,993,500	-	-	88,993,500	5%	18,727,462	3,433,895	-	22,161,357
Office Equipment	15,018,896	771,686	-	15,790,582	10%	8,231,884	694,285	-	8,926,169
Air Conditioner & Electric Appliance	3,243,221	358,430	-	3,601,651	10%	872,244	258,090	-	1,130,334
Lift - Head Office, Uttara	2,085,948	-	-	2,085,948	10%	899,297	113,375	-	1,012,672
Furniture & Fixture	5,631,628	465,875	-	6,097,503	10%	2,425,119	327,692	-	2,752,811
Office Decoration	2,879,388	-	-	2,879,388	10%	1,255,730	155,127	-	1,410,857
Car & Vehicles	38,790,723	-	-	38,790,723	15%	12,891,356	3,628,639	-	16,519,995
Telephone Equipments	3,837,120	65,489	-	3,902,609	10%	2,145,745	164,883	-	2,310,628
Sub Total	1,500,000,003	37,402,658	-	1,537,402,661		557,304,370	61,795,748	-	619,100,118
REVALUATION PART									
Land & land Development	547,605,914	-	-	547,605,914	-	-	-	-	-
Building	158,824,830	-	-	158,824,830	10%	84,776,664	7,074,682	-	91,851,346
Sub Total	706,430,744	-	-	706,430,744		84,776,664	7,074,682	-	91,851,346
Total as on 30.06.2019	2,206,430,747	37,402,658	-	2,243,833,405		642,081,034	68,870,430	-	710,951,464
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

SHEPHERD INDUSTRIES LIMITED
Schedule of Closing Inventory
as on 30 June 2019

Annexure-B

Name of Items	30.06.2019			30.06.2018		
	Qty in Lbs/Kg	Average Rate	Total Tk	Qty in Lbs/Kg	Average Rate	Total Tk
A) RAW MATERIALS:						
Raw Yarn	10,192,043	118.53	1,208,079,320	9,465,934	115.68	1,095,023,723
B) DYES & CHEMICALS:						
Dyes	149,798	876.21	131,254,865	149,077	875.17	130,467,475
Chemicals	463,744	137.81	63,908,538	486,728	137.41	66,881,270
	613,542	318.09	195,163,403	635,805	310.39	197,348,745
C) Work in Process:	438,353	133.92	58,703,132	382,309	129.60	49,548,775
D) Finished Goods:						
Dyed Yarn	740,955	172.56	127,856,088	727,754	166.99	121,525,455
E) Packing Materials			6,426,912			8,015,488
F) Store & Spares			9,140,368			9,990,819
Grand total (A+B+C+D+E+F):			1,605,369,223			1,481,453,005

SHEPHERD INDUSTRIES LIMITED
Schedule of Accounts & Other Receivables
as on June 30, 2019

Annexure-C

S.L	Particulars	Amount in Taka	Amount in Taka
		30.06.2019	30.06.2018
Trade Receivable			
1	A & A Fashion Ltd.	-	5,963,268
2	AB Apparels Ltd	-	3,160,364
3	Aman Knitters Ltd.	-	263,349
4	Ananta Huaxiang Ltd	2,556,049	1,943,191
5	Anma Sweater Ltd.	-	1,535,508
6	Annanta Huazin Ltd.	-	5,138,364
7	Apparel Wet Processing Ltd	2,225,468	-
8	April Fashion Ltd	-	8,209,459
9	Arna Tex Sweater Ltd	-	1,045,070
10	Asif Apparels Ltd	-	3,464,093
11	Asif Fashion Ind. Ltd	-	1,247,109
12	A & S International Ltd.	3,709,791	-
13	ASR Sweater Ltd	1,527,658	-
14	Atashi Fashion Ltd.	1,204,541	-
15	Aurum Sweater Ltd	-	2,542,453
16	Best Wool Sweater Ltd.	228,339,218	299,044,211
17	BHML Industries Ltd.	-	7,470,741
18	Bhuyan Warm Tex Ltd.	4,176,794	10,678,343
19	BKC Sweater Ltd.	-	1,261,731
20	Body Fashion (PVT) Ltd	1,981,600	18,848,644
21	Civic Apparels Ltd	-	11,216,560
22	Cold Asia Sweater Ltd	4,221,482	1,935,557
23	Colour & Fashion Ind. Ltd	-	5,075,198
24	Cosmic Sweater Ltd	2,293,480	-
25	Creative Wool Wear Limited	8,433,741	-
26	Crosswear Industires Ltd	-	298,066
27	Crown Knit Wear Ltd	-	1,463,171
28	Crystal Industries Ltd	-	432,736
29	Daeyu Bangladesh Ltd.	4,680,527	8,011,001
30	Danny Dhaka Ltd.	-	1,148,653
31	Denim Asia Ltd.	-	3,814,013
32	Denim Fashion Ltd	-	437,929
33	Desh Sweater Ltd	-	4,108,414
34	"Designer Fashion Ltd.	-	1,961,186
35	Devor Industries Ltd	4,904,828	-
36	Dhaka Pullover Ltd.	6,923,329	1,613,070
37	Diganta Sweater Ltd	11,663,668	49,769,001
38	Din Apparels Ltd.	-	631,978
39	Disney Sweater Ltd	54,629,278	10,405,962
40	Ducati Appeaarls Ltd	-	5,062,181

SHEPHERD INDUSTRIES LIMITED
Schedule of Accounts & Other Receivables
as on June 30, 2019

Annexure-C

S.L	Particulars	Amount in Taka	Amount in Taka
		30.06.2019	30.06.2018
41	Dynamic Sweater Ltd	1,709,741	4,892,847
42	Dynasty Sweater Ltd.	12,191,231	563,169
43	Eh Fabrics Ltd	7,120,243	6,373,180
44	Ekram Sweater Ltd.	1,180,952	1,538,027
45	En Rich Ltd.	2,222,161	352,378
46	Eva Sweater Ltd.	2,037,509	-
47	Everbright Sweater Ltd	719,011	1,904,492
48	Fabulous Fashion Ltd	2,707,062	1,785,630
49	Faiza Industries Ltd	1,884,474	-
50	FB Fashion (Pvt) Ltd.	8,417,695	2,107,774
51	Garib & Garib Sweater	10,375,965	2,288,636
52	Global Knitwear Ltd.	6,130,785	23,154,333
53	Golden Times Sweater Ltd.	8,779,138	-
54	Green Arrow Sweater Ltd.	10,855,935	3,231,523
55	Green Sweater Ltd	18,702,317	-
56	GS Sweater Ltd.	1,495,287	4,912,902
57	Haesong Korea Ltd.	-	11,517,716
58	Hamid Sweater Ltd	1,750,552	-
59	Helicon Ltd.	-	350,026
60	Hera Sweater Ltd.	4,039,699	-
61	Hydroxide Knitwear Ltd	1,328,657	-
62	Indesore Sweater Ltd.	5,949,008	17,718,365
63	Irish Fashion Ltd.	40,659,772	7,848,404
64	Ixora Apprales Ltd	1,723,893	4,456,442
65	Jams Knit Wear (Pvt) Ltd	3,690,426	858,438
66	Jazz Sweater Ltd	-	1,055,840
67	J F K Fashion Ltd	1,064,983	-
68	Kaptex Sweater Ltd	-	8,568,511
69	Knit Asia Ltd	-	190,542
70	Lebaz Sweater Ltd	-	796,245
71	Leeu Fashion Ltd	346,028	-
72	Lumbini Ltd	4,423,275	10,698,288
73	Lusine Fashion Ltd.	40,924,525	46,132,563
74	Maccoy Sweater Ltd.	-	2,687,119
75	Madina Apple Fashion Ltd.	2,365,749	294,073
76	Magpie Knitwear Ltd.	37,329,952	943,979
77	Mahdeen Sweater Ltd.	-	12,561,191
78	Mark Sweater Ltd.	5,080,915	4,361,416
79	Masihata Sweater Ltd	4,703,229	4,279,189
80	Matrix Sweater	11,699,141	715,478
81	Max Sweater	105,690,735	32,909,470

SHEPHERD INDUSTRIES LIMITED
Schedule of Accounts & Other Receivables
as on June 30, 2019

Annexure-C

S.L	Particulars	Amount in Taka	Amount in Taka
		30.06.2019	30.06.2018
82	Meditex Industries Ltd	19,495,680	22,761,730
83	Meditex Knitwear Ltd	34,776,382	16,251,550
84	Meditex Sweater Ltd.	-	1,944,736
85	Meek Sweater Ltd	3,060,452	-
86	M.G. Knit Fiars Ltd	2,279,514	9,116,871
87	Midline Fashion Ltd	-	209,139
88	Midline Sweater Ltd	642,626	-
89	M I Knit Wear Ltd	-	1,822,113
90	Mim Design Limited	17,273,947	850,434
91	Mistia Sweater Ltd.	-	893,780
92	MK Sweater	439,231	-
93	MNR Sweater Ltd	22,959,277	23,009,468
94	M Nur Sweater Ltd	-	1,675,604
95	Modinaple Fashion	-	1,312,610
96	M & S Sweater Ltd.	-	301,353
97	Natural Sweater Village	3,491,259	-
98	New Horizon (BD) Ltd.	4,222,845	4,222,845
99	New Light Sweaters Ltd	-	4,733,790
100	Nexus Sweater	1,949,763	16,319,986
101	Nurani Deying	-	828,894
102	Oasis Fashions Ltd	792,339	1,560,758
103	Ocean Sweater Ltd	13,974,993	15,460,233
104	Odessa Fashion Ltd.	4,497,478	-
105	One Up Sweater Ltd.	-	1,354,740
106	Orchid Sweater Ltd	3,668,200	-
107	Orient Allure Knit Wear Ltd	1,491,786	5,767,528
108	Orpat Sweater Ltd	1,214,079	7,133,168
109	Pacific Sweater Ltd	3,171,879	5,551,379
110	Panache Knitted Creation	7,441,919	6,767,595
111	Pandora Fashion Ltd	-	4,760,015
112	Pandora Sweater Ltd	5,699,198	8,645,310
113	Pioneer Knitwear (BD) Ltd	101,447,756	75,789,347
114	Pioneer Sweater Ltd.	48,339,353	78,404,926
115	Posmi Sweater Ltd	12,266,902	6,994,435
116	Prime Sweater Ltd.	2,894,881	718,575
117	Probridhi Apparels Ltd	1,872,151	8,223,258
118	Prostar Apparels Ltd	847,915	-
119	Purba Apparels Ltd	5,679,717	-
120	Raidha Collections Ltd	105,625	-
121	Raozan Sweater Ltd.	919,761	486,882
122	RGR Sweater Ltd	23,695,849	61,112,975

SHEPHERD INDUSTRIES LIMITED
Schedule of Accounts & Other Receivables
as on June 30, 2019

Annexure-C

S.L	Particulars	Amount in Taka	Amount in Taka
		30.06.2019	30.06.2018
123	Riverside Sweater Ltd	518,493	588,930
124	Rmm Knit Clothing Ltd	2,484,611	21,159,463
125	R M M Sweater Ltd	-	5,974,528
126	Rose Sweater Ltd.	10,431,296	3,727,591
127	RSS Sweater Ltd.	1,130,490	-
128	R S Sweater Ltd	2,823,293	-
129	Rupa Knitwear Ltd	752,373	2,502,061
130	Saadatia Sweater Ltd.	4,547,300	4,266,107
131	Sailor Moon Sweater Ltd	-	5,656,687
132	Salek Textile Ltd. (Receivable)	-	6,168,962
133	Sami Apparels Ltd	-	161,583
134	Samson Winter Wear	989,149	-
135	Samy Tex Industries Ltd.	-	3,089,416
136	Santo Maria Fashion Ltd	-	503,706
137	Santo Mariam Sweater	-	1,325,098
138	Seowan Bangladesh Ltd.	133,717,322	135,428,051
139	Shams Jacquard Ltd	4,377,069	-
140	Shanto Mariam Fashion Ltd	-	3,028,694
141	Shepherd Textile (BD) Ltd	-	129,812,500
142	Shinest Apprales Ltd	245,261	-
143	Shomahar Sweater	-	5,321,172
144	Sky Apparels Ltd	-	5,753,035
145	SMH New Generation	1,472,412	2,391,456
146	Smung Sweater Ltd	13,319,815	22,550,471
147	Sonali Fabrics & Textile Mills Ltd	-	1,789,926
148	Sonia & Sweater Ltd.	9,699,216	2,745,970
149	Southeast Sweater Ltd	-	6,817,150
150	Southend Sweater Ltd	2,107,581	5,215,834
151	Southern Clothing Ltd.	3,438,427	10,338,504
152	Space Sweater Ltd	5,556,352	14,285,723
153	Spectra Sweater Ltd.	-	3,547,562
154	SRP Sweater Ltd.	1,804,185	-
155	SS Sweater Ltd.	462,879	-
156	Sung Kwang Apparels	36,864,451	18,881,666
157	Supreme Knitwear Ltd	753,782	-
158	Supti Sweater Ltd	20,750,209	-
159	Sweater Tech. Ltd	28,227,531	-
160	Tandem Sweater Ltd	-	1,458,787
161	Target Denim & Casual	546,187	221,358
162	Target Fine Knit Industries Ltd.	23,819,495	14,113,188
163	T. Design Sweater Ltd	3,344,589	1,994,490

SHEPHERD INDUSTRIES LIMITED
Schedule of Accounts & Other Receivables
as on June 30, 2019

Annexure-C

S.L	Particulars	Amount in Taka	Amount in Taka
		30.06.2019	30.06.2018
164	Titas Sweater Ind. Ltd	801,740	4,182,977
165	TJ Sweater Ltd	857,084	-
166	Ultimate Fashion Ltd	20,669,050	13,652,126
167	Waltz Fashions Ltd.	-	473,397
168	Warm Fashion Ltd	1,460,179	-
169	Welldone Apparels Ltd	72,981,698	63,897,000
170	Winter Dress	3,638,260	-
171	Woolen Wear Ltd	-	636,249
172	Woolen & Wool Ltd	1,125,329	-
173	Your Fashion Ltd	-	9,256,894
174	Zahintex Ind. Ltd	1,753,375	-
175	Z.A. Sweater Ltd	336,801	1,603,657
176	Zemtex Linkage Industries Ltd	-	3,910,648
177	Zon Ron Sweater Ltd.	25,423,563	-
178	Zoom Sweaters Ltd	662,649	273,779
Total Trade Receivable		1,507,277,750	1,634,941,177
Less: Provision for Doubtful Debts- New Horizon (BD) Ltd.		4,222,845	4,222,845
Total Receivable Considered as Good		1,503,054,905	1,630,718,332
Other Receivable			
	Office Rent	586,465	2,848,060
Total Other Receivable		586,465	2,848,060

SHEPHERD INDUSTRIES LIMITED
Schedule of Advance, Deposit & Prepayments
as on June 30, 2019

Annexure-D

S.L	Particulars	Amount in Taka	Amount in Taka
		30.06.2019	30.06.2018
A)	ADVANCES:		
1	Advance Tax Paid	19,498,531	40,599,368
2	Alamgir Enterprise	-	50,000
3	Artistic Properties Ltd	64,100,000	-
4	Asaduzzaman (Driver)	-	6,000
5	Auto Elcetrices	-	196,910
6	Ataur Rahman, GM & CFO	14,700	-
7	Bappai Kumar Shaha	-	1,000
8	Mohammed Rasel Miah	47,500	-
9	Nilufer Zakir	45,000	-
10	Tofazzal Hossain, Dy. Manager	14,700	-
11	B K Hardware and Tools	1,753	-
12	Everfirst	-	1,856,570
13	Global Compliance Initiative	65,000	200,000
14	Guraba Telecom Bangladesh Ltd	-	300,000
15	Hosna Akter	500	11,500
16	International Office Machines Ltd	-	336
17	Joy Enterprise	226,120	276,687
18	M/S Shejuly Tiles Gallery	-	4,350
19	M/S. Yasin Traders	30,000	-
20	Mark Trade International	-	982,477
21	Md. Jahirul Islam	-	1,000
22	Md. Shopon Miah (Peon)	-	2,000
23	Nikunja Model Service Centre	-	13,550
24	Pre-Paid Insurance	1,447,494	1,105,037
25	Prime Gas Services	-	200,000
26	Sreeeman Mithun Chandra Barmon	15,000	42,500
	Sub Total:	85,506,298	45,849,285
B)	DEPOSITS:		
1	Anser and VDP	185,532	185,532
2	Bank Guarantee Margin	3,334,507	3,247,707
3	Israil Talukder	50,000	50,000
4	L/C Margin- Southeast	4,109,200	3,446,417
5	Lease Deposit	198,349	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
8	Security Deposit- DESCO	144,000	144,000
9	Titas Gas T&D Co. Ltd.	8,614,980	7,716,097
	Sub Total:	18,210,068	16,975,822
	Grand Total:	103,716,366	62,825,107

SHEPHERD INDUSTRIES LIMITED
Calculation of Deferred Tax
For the Year ended 30 June 2019

Annexure-E

Particulars	01.07.2018 To 30.06.2019	01.07.2017 To 30.06.2018
A. D.Tax (income) / expenses recognized in profit and loss and other comprehensive income:		
Cost:		
Carrying amount:		
Property , Plant and Equipment	598,608,219	623,001,309
Intangible Assets	247,500	337,500
Provision for Doubtful Debt	(4,222,845)	(4,222,845)
Provision for gratuity	(41,141,343)	(35,998,621)
	<u>553,491,531</u>	<u>583,117,343</u>
Tax base:		
Property , Plant and Equipment	317,265,629	344,145,347
Intangible Assets	5,864	250,876
	<u>317,271,493</u>	<u>344,396,223</u>
Taxable /(Deductible) temporary difference	236,220,038	238,721,120
Income Tax rate	15.00%	15.00%
Deferred Tax Liabilities/(Assets) at the end of the year/period	35,433,006	35,808,168
Closing Deferred Tax Liabilities/(Assets)	35,433,006	35,808,168
Opening Deferred Tax Liabilities/(Assets)	(35,808,168)	(33,815,506)
D.Tax (income) / expenses recognized in profit and loss and other comprehensive income	(375,162)	1,992,662
B. D.Tax (income) / expenses recognized in Revaluation Reserve:		
Revaluation:		
Carrying Amount:		
Land and Land Development	547,605,914	547,605,914
Building	66,973,484	74,048,166
	<u>614,579,398</u>	<u>621,654,080</u>
Tax base:		
Land and Land Development	-	-
Building	-	-
	<u>-</u>	<u>-</u>
Taxable /(Deductible) temporary difference	614,579,398	621,654,080
Tax rate	15.00%	15.00%
Deferred tax liability end of the year/period	92,186,910	93,248,112
Closing Deferred Tax Liabilities/(Assets)	92,186,910	93,248,112
Opening Deferred Tax Liabilities/(Assets)	93,248,112	94,421,414
D.Tax (income) / expenses recognized in Revaluation Reserve:	(1,061,202)	(1,173,302)
C. Total Deferred tax liability at end of the year/period as shown in the Statement of Financial Position (A+B)	127,619,916	129,056,280

SHEPHERD INDUSTRIES LIMITED
Schedule of Trade & Other Payables
as on June 30, 2019

Annexure-F

S.L	Particulars	Amount in Taka	Amount in Taka
		30.06.2019	30.06.2018
A: Accounts Payables for Trade			
1	Badsha Textiles Ltd	1,050,179	4,789,043
2	Ben Tech Co. Ltd.	75,056,435	202,173,133
3	Cheng Chin Transcend Enterprise Corporation	86,578,033	366,786,154
4	Chung Wan Corp. Ltd	8,166,502	-
5	Crystal Cardars Co. Ltd.	111,769,234	130,224,551
6	Everlight Chemical Industrial Corporation	794,300	-
7	Foshan Shunde Aolaimei Fine Chemicals Co.Ltd	2,833,211	-
8	Garg Acrylic Ltd	29,300,177	13,840,285
9	Guangzhou Chemicals Import & Export Co. Ltd	-	6,503,188
10	Hwa Tai Industries Co. Ltd.	735,150	1,485,617
11	Jiangsu GTIG ESEN Co. Ltd	35,766,050	-
12	Kung Keng Textile (BD) Ltd.	-	2,680,000
13	MPI Polyester Industries Sbn.Bhd	-	9,631,431
14	Novel Pioneer Ltd	67,115,064	102,195,853
15	Novel Vantage Investment Ltd. India	45,107,978	56,893,838
16	RN Spinning Mills	31,492,727	-
17	Shanghai Xietong (Group) Co. Ltd.	-	1,954,725
18	Transfar (Hongkong) Ltd.	1,437,608	-
19	Transfer International Group (Hong Kong) Limited	-	1,267,142
20	Uttara Spinning Mills Ltd	592,409	-
21	Wolfson Ltd	67,170,307	134,128,946
22	ASM Chemical Industries Ltd.	1,220,081	2,227,310
23	Appearance	99,600	-
24	Bismillah Paper Cone & Tube	1,843,704	1,014,591
25	Everfirst Technology Ltd.	333,230	-
26	Denim Solutions Ltd	-	60,858
27	G Q Industries Ltd.	851,030	481,424
28	Green Will Ltd.	279,301	31,001
29	Jafar Traders	1,553,839	750,219
30	LLANO (BANGLADESH) LTD.	316,642	-
31	Lucy Enterprise	48,020	-
32	M K Electronics	-	238,000
33	MM International	240	-
34	M/S J. R Enterprise	41,650	-
35	Nabila Enterprise	33,340	48,508
36	Nikunja Model Service Centre	297,408	-
37	On Tex Bangladesh Co.	10,976	-
38	R F Trading Corporation	-	39,500
39	R S Plastic Enterprise	-	20,610

SHEPHERD INDUSTRIES LIMITED
Schedule of Trade & Other Payables
as on June 30, 2019

Annexure-F

S.L	Particulars	Amount in Taka	Amount in Taka
		30.06.2019	30.06.2018
40	R S S Trade International	-	21,120
41	SAF Chemicals	211,151	165,000
42	Setu Enterprise	3,668,109	80,179
43	SJM Enterprise	164,885	541,724
44	Sparrow Corporation	609,210	271,250
45	Speed Trade Bd	-	1,495,000
46	Talha Enterprise	42,680	141,984
47	United Chemical	1,688,616	669,756
48	UTC Universal Tech Co	70,496	17,542
49	Victori Bangla	190,605	480,220
50	Water World Engineering	42,336	76,048
		578,582,512	1,043,425,749
B: Accounts Payables for others			
1	Abdul Khaleq	-	525,000
2	Md. Aminul Islam (Peon)	-	1,000
3	Al Hera Design & Printers	254,955	95,260
4	Al- Noor Secientific Co.	53,712	-
5	Alo Bitan	101,171	-
6	Alu Bazar Traders	280,588	1,015,293
7	Aman Hardware Store	34,169	9,028
8	Amber IT Limited	-	8,396
9	Apparel Solution Ltd.	-	200,000
10	Asif Screw House	358	-
11	Bangladesh Lift Industries Ltd	22,800	-
12	Bagerhat International	289,871	85,568
13	Bangla Trac Ltd.	-	37,992
14	Bhander Sharif Trading Corporation	3,404,739	476,537
15	Banglalink Digital Communications Ltd	31,671	-
16	Bhuiyan Sewing	17,021	140,549
17	Bilal Trading PTE Ltd	91,240	-
18	Bizli Cables		485,922
19	B K Hardware and Tools	-	7,370
20	B. Tex Colour Touch	262,062	-
21	Build Asia	-	174,659
22	Codeware Ltd.	2,250	-
23	Daniel Corporation Ltd	2,100	-
24	Dubai Trade International	23,959	-
25	DYK Associates	-	140,686
26	Dysin- Chem Limited	420,616	66,106
27	Easy Soft	20,000	10,000
28	Fellow Trading & Marketing Company	78,784	-

SHEPHERD INDUSTRIES LIMITED
Schedule of Trade & Other Payables
as on June 30, 2019

Annexure-F

S.L	Particulars	Amount in Taka	Amount in Taka
		30.06.2019	30.06.2018
29	E-Cool International Ltd	-	107,800
30	Faisal Enterprise & Refrigeration Co.	-	69,000
31	Gazi Tanks	323,792	-
32	Garib & Garib Fabric Care	20,628	-
33	Genetic Power & Engineering Ltd	20,000	-
34	Global Brand Private Limited	34,500	13,132
35	Gofront Dyeing & Finishing Machinery Manufacturer -		26,132
36	Golden State	-	300,000
37	Gani & Associates	-	10,950
38	Guangzhou Panyu Gofront Dyeing & Finishing Machinery	-	63,307
39	Hellmann Worldwide Logistics Ltd.	-	37,367
40	Hoque Chemicals Works	90,000	-
41	IT Vista	91,882	176,437
42	Jamuna Thai Aluminium	-	43,300
43	Japan Hardware	-	750
44	Jharna Agency C&F Ltd	4,363	6,571
45	Jhon Stitch Textile	18,870	-
46	Janani Automobiles	93,783	-
47	K.S. Enterprise (C&F)	54,540	11,448
48	Khan Enterprise	1,574,894	3,387,038
49	Khan Global	691	-
50	Lube House	506,417	380,851
51	Maan Bangladesh Ltd.	2,350	-
52	Mark Trade International	395,760	-
53	M. R. Enterprise	-	659,963
54	M/s Alam Store	27,190	23,130
55	M/S Forhad Enterprise	-	40,000
56	M/s Shree Shree Krisna Bhandar	-	18,500
57	M/s Tamanna Traders	-	1,564
58	M/S Himel Electric Works	600	-
59	M/S Nishat Traders	33,751	-
60	M/s S.N. Enterprise	378,985	-
61	Ma Traders & Variety Store	37,321	27,636
62	Milnars Pumps Ltd.	-	202,394
63	MKS Trade Corporation	186,753	150,312
64	Modern Tex	-	503,304
65	Motaleb Hossain (Tiles Fitter)	-	24,420
66	Naher Chem	-	47,960
67	Navana Poly Packaging Ltd 116,643	180,000	
68	Navana Toyota Service Center Ltd (Uttara)	92,027	4,000
69	Nazia Books & Stationery	1,158	73,959

Annexure-F

S.L	Particulars	Amount in Taka	Amount in Taka
		30.06.2019	30.06.2018
70	New Star Communication	-	9,600
71	Nilufer Akter	133,150	49,272
72	Nitol Motors Ltd	34,035	-
73	Olympic Accessories Ltd	-	126,910
74	Optimal IT Ltd	-	2,500
75	Orient Plastic & Packaging Industries Ltd.	25,024	384,314
76	OTS (Pvt.) Limited	-	50,000
77	R.R. Enterprise	-	349,300
78	Rifat Enterprise	2,065,976	485,750
79	Royal Machinery Corporation Ltd.	-	53,900
80	Saudia Electric Co.	18,860	112,097
81	Shanghai Acc-U Group	-	300,000
82	Sharif Bearing & Machineries	105,619	79,333
83	Shajahan Engineering Works	63,750	-
84	SQ Wire & Cables Co. Ltd	253,103	34,324
85	Super Tex Cone	735,970	326,500
86	Standard Hardware & Tools	70	-
87	Taipai International Ltd	-	384,485
88	The Moon Engineering Works	-	84,000
89	The National Carrier	1,882,948	3,547,267
90	The New Khan Tyre & Battery Shop	16,745	23,886
91	Vai Mending Work	86,634	-
Sub Total		14,920,848	16,474,029
Grand Total (A+B)		593,503,360	1,059,899,778





গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
পরিবেশ অধিদপ্তর
ময়মনসিংহ জেলা কার্যালয়
৫৭, কাজী নজরুল ইসলাম রোড, ময়মনসিংহ।
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ছাড়পত্র নবায়ন

ছাড়পত্র নং: ১৯-২৬৬৮৭

পরিবেশগত ব্যবস্থাপনা নিশ্চিতকরণ সাপেক্ষে সংযুক্ত শর্তে নিম্নবর্ণিত প্রতিষ্ঠান/প্রকল্পের অনুকূলে ছাড়পত্র নবায়ন প্রদান করা হলো :

প্রতিষ্ঠান/প্রকল্পের নাম	: Shepherd Industries Ltd.
উদ্যোক্তার নাম	: Kao Wen Fu
সনাক্তকরণ নং	: ৭৮৭১৯
প্রতিষ্ঠান/প্রকল্পের কার্যক্রম	: Other
প্রতিষ্ঠান/প্রকল্পের শ্রেণী	: Red
প্রতিষ্ঠান/প্রকল্পের ঠিকানা	: Kathali, Bhaluka, Mymensingh.
প্রদানের তারিখ	: 28/07/2019
মেয়াদ উত্তীর্ণের তারিখ	: 22/06/2020



এ ছাড়পত্র সনদের সাথে পৃথকভাবে সংযুক্ত প্রদত্ত শর্তাবলী যথাযথভাবে প্রতিপালন করতে হবে,
অন্যথায় ছাড়পত্র বাতিল/ক্ষতিপূরণ আদায়সহ যে কোন অহীনানুগ ব্যবস্থা গ্রহণ করা হবে।

বিঃদ্রঃ এটি একটি সিস্টেম জেনারেটেড ছাড়পত্র এবং এতে কোনোরূপ স্বাক্ষরের প্রয়োজন নেই।



CU Inspections & Certifications India Pvt. Ltd.
22nd Floor, Arihant Aura, TTC Industrial Area, Turbhe MIDC, Opposite Turbhe Station,, 400705, Navi Mumbai,
Maharashtra, India
+91 22 61294200
www.petersoncontrolunion.com

CERTIFICATE OF COMPLIANCE

(Scope Certificate)

Certificate No: CU809244GOTS-2019-00014754
Registration No: 809244

Control Union Certifications declares that

Shepherd Industries Ltd.
Kathalia, Bhaluka ,
2240 Mymensing
Bangladesh

has been inspected and assessed in accordance with the
Global Organic Textile (GOTS) 5.0

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:

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

This certificate is valid until:
2020-08-19

This certificate is valid from:
2019-08-20

Place and date of issue:

Stamp of the issuing body

Standard's Logo







2019-08-20, Navi Mumbai

Logo of the accreditation body

Name of authorised person:

On behalf of the Managing Director
Zinat Jui | Certifier



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 83

 **CONTROLUNION**

This electronically issued document is the valid original version.

CU Inspections & Certifications India Pvt. Ltd.
POST - 22nd Floor, Arihant Aura, TTC Industrial Area, Turbhe MIDC, Opposite Turbhe
T - +91 22 61294200 - F - - cuc@controlunion.in - www.petersoncontrolunion.com

90 | Shepherd Industries Limited

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

OEKO-TEX®
INSPIRING CONFIDENCE

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 156141.1

for the following articles:

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

The results of the inspection made according to STANDARD 100 by OEKO-TEX®, Annex 6, **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 Annex 6 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 15.08.2020

Zurich, 23.08.2019

Matz Bachmann
Managing Director

Mary Rose Egloff
Customer Service Ecology Manager

OEKO-TEX® Association | Genferstrasse 23 | P.O. Box 2006 | CH-8027 Zurich





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 18th Annual General Meeting of the Company to be held on Thursday, December 26, 2019 at 10.30 a.m. 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 _____ 2019.

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 18th Annual General Meeting of **Shepherd Industries Limited** held today Thursday, December 26, 2019 at 10.30 a.m. at the DOHS Baridhara Convention Centre, Baridhara DOHS Parishad, DOHS Baridhara, Dhaka Cantonment, Dhaka-1206.

Full Name of the Member : _____

BO ID No.

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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

Phone: +88-02-48963340-2, Fax: +88-02-48963353

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