



ANNUAL REPORT 2019-2020



Shepherd Industries Limited



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Transmittal Letter

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

Subject: Annual Report for the year ended June 30, 2020.

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, 2020 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 19th Annual General Meeting

Meeting Notice is hereby given that the 19th Annual General Meeting (AGM) to the shareholders of Shepherd Industries Limited will be held on Wednesday, December 30, 2020 at 10.30 a.m. through digital platform at the link <https://shepherd.bdvirtualagm.com> to transact the following business.

Agenda

01. To consider and adopt the Audited Financial Statements of the company for the year ended on June 30, 2020, together with the reports of Directors and the Auditors thereon.
02. To declare dividend for the year ended on June 30, 2020 as recommended by Board of Directors.
03. To appoint Auditors and fix their remuneration.
04. To elect of Directors and Managing Director as per the Company Act 1994.
05. To appoint Compliance Auditor 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 15, 2020

Notes:

01. The Record Date is November 29, 2020.
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 19th 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 (through digital platform) by filling Proxy Form. The Proxy Form must be affixed with requisite revenue stamp of Tk. 20/= and must be sent through email to the Share Department of the Company at share@shepherdbd.com at least 48 hours before the day and time fixed for 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. Shareholders attendance will consider as login virtual meeting through company's provided link and password and virtual meeting room will open before 24 hours of the meeting.
06. As per condition no. 9(1) & (2) of the BSEC/CMRRCD/2006-158/Admin/81 dated 20 June 2018, the soft copy of the Annual Report for the year ended on June 30, 2020 to be sent through the email address of the shareholders and also be available to the website www.shepherdbd.com of the company.

Corporate Directory

BOARD OF DIRECTORS

Chung Wen Kuei	Chairman
Kao Wen Fu	Managing Director
Yang Ming Te	Nominee Director (Representative of Eternal Flame Int'l Co. Inc.)
Kao Chen Tsai	Nominee 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. & 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	Ahmed Zaker & Co., Chartered Accountants Green City Edge (10th Floor), 89 Kakrail, Dhaka-1000
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 20 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 626 people and 309 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 & 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.

Vision & Mission



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 31 years working experience in dyeing industry he made significant contribution to the development of Shepherd Industries Limited. 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 dyeing 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 38 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 Md. 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 2019







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 19th 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, 2020.

Dear shareholders, you know very well, not only RMG and Textile, all the sectors are passing hardship during pandemic situation all over the world caused by the COVID-19. RMG is the biggest foreign currency earning source in Bangladesh which is affected very worse way. A remarkable number of garments factories already been closed and others are working with utilizing reducing capacity. As a backward linkage industry of RMG we are also affected same way. During pandemic, many buyers have been canceled their orders, some buyers reduced price and order quantity and some buyers held up their order and observing the consequence of second wave of COVID-19.

Dear shareholders, whatever situation is going it is totally beyond the human control. However, we are always aware and we are observing local as well as international market of RMG and raw materials as well. Dear shareholders, in this crucial situation we have no alternative to run the factory with utilizing reduced capacity rather than shut down. We hope and pray to almighty; this situation will be no-longer and bright days will come again.

However, I want to give thanks again to all of shareholders, board of directors, management team, executives and all of our workers whose tireless working 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 prosperous of our future.

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

On behalf of the Board of Directors of Shepherd Industries Ltd., I have the pleasure of welcoming you all to 19th 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 2019-2020, 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 garments sector popularly known as the Ready-Made Garments (RMG) is the largest industrial sector in Bangladesh which contributes most in GDP, foreign exchange, employment generation etc. It generally creates employment of about 4.4 million people where mostly are women which are from the disadvantaged part of the society most. This sector is the second largest RMG exporters next to China. Bangladesh has the inefficiency of producing cotton in domestic, that's why it has the huge demand of Chinese cotton as for easy access with fair price. To achieve the vision 2021, with the improvement of technological, social and economic development, it has set the mission to earn about US\$ 50 billion from RMG export.

Bangladesh Apparel factories accounted for some 84% of the total country's export but for the pandemic situation caused by COVID 19, major buyers from different countries have been either canceled their order or reduced order quantity and price. In only the month May 2020, the profit goes negatively 55.7%. From March to June, US\$ 3.18 billion with 982 million pieces orders has been canceled and 2.28 million workers have been affected in Bangladesh whose jobs are in threatened. According to Meckengi, the revenue of Bangladesh from garments sector will decrease about US\$10 billion which means 30% for the hit of Covid-19 in 2020.

Research from over 3300 buyer and supplier over the 118 countries shows, corona virus has hit the production of garments industry brutally where only 38% respondents concluded their customers are supportive with them. On the first four month of 2020, the global trade has been dropped by 3% and expecting trade volume will decrease between 13% and 32% in this year and global growth will go in negatively by 3% due to Covid-19 (Teodoro et. al., 2020; WTO, 2020; IMF, 2020). In the last month (February, 2020), cotton yarn has lost 2 to 3% trade and synthetic yarn also lost 4 to 5% (Business Standard, 2020).

The world's attention is now on the vaccine of corona virus. USA, China and others European countries will launch their vaccination program against COVID 19 from December 2020. If the vaccination program done effectively and successfully towards the world, hopefully the world's economy will turnback immediately and all the sectors including RMG will get back soul as well.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

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

RISK EXPOSURE

Interest rate risk

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

Management perception

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

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.

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.

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.

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.

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.

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	30-06-2020	30-06-2019	30-06-2018	30-06-2017	30-06-2016 (3 Months)
Cost of goods sold	2,296,231,926	2,486,725,163	2,402,730,555	2,263,558,771	669,410,501
Gross Profit	260,925,935	380,808,916	364,644,304	315,409,707	87,451,424
Net Profit after Tax	(23,026,200)	122,764,458	156,769,556	127,992,497	48,199,648

DISCUSSION ON CONTINUITY OF ANY EXTRA-ORDINARY GAIN OR LOSS

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

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 30.06.2020 are as follows:

Name of Related Party	Common Management	Nature of Transaction	Opening Balance as on July, 01, 2019	Transaction during the period Dr./ (Cr.)	Closing Balance as on June, 30, 2020
Shepherd Textile (BD.) Limited	"	Office & Land Rent	292,612	(273,826)	18,786
Taiwan Food & Processing Industries Ltd.	"	Office & Land Rent	68,828	6,042	74,870
Shepherd Textile (BD.) Limited	"	Received as Loan	-	(45,425,645)	(45,425,645)
Shepherd Jeans Ltd.	"	Received as Loan	(15,000,000)	(54,846,750)	(69,846,750)
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 proceeds has been completed during the month of March 2019. The Utilization of IPO proceed has been audited by Ahmed Zaker & Co, Chartered Accountants.

EXPLANATION ON THE FINANCIAL RESULTS DETERIORATE AFTER IPO

Not Applicable.

SIGNIFICANT VARIANCE BETWEEN QUARTERLY FINANCIAL PERFORMANCE AND ANNUAL FINANCIAL STATEMENTS

Significant variations have been disclosed in the financial statements as Note No- 38 as additional disclosur.

DIRECTOR'S REMUNERATION

Director's Remuneration has been paid during the year 2019 was Tk. 1,507,020 and Tk. 1,477,171 for the year 2020 which is shown in note no. 28 in the financial statements. The independent director didn't receive any remuneration during the year.

DIRECTORS RESPONSIBILITIES FOR FINANCIAL STATEMENTS

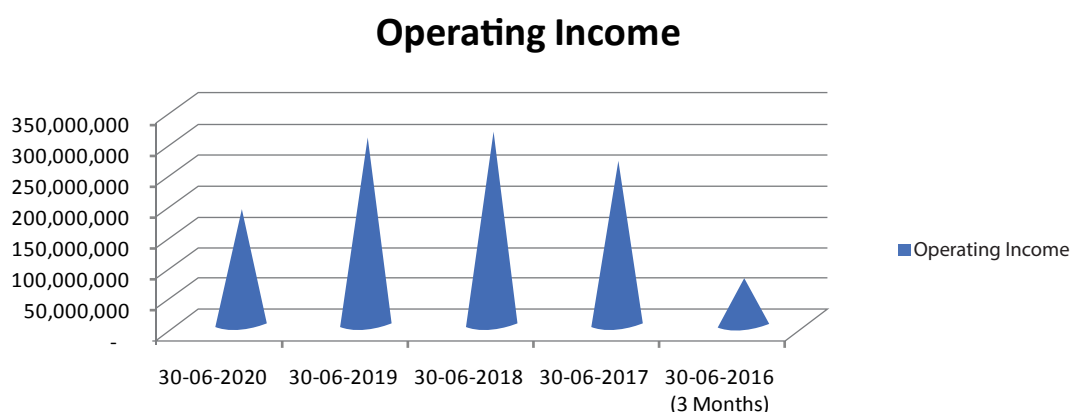
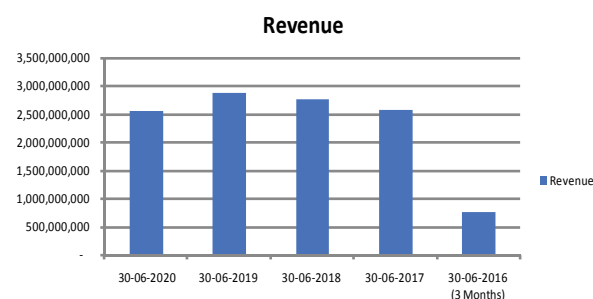
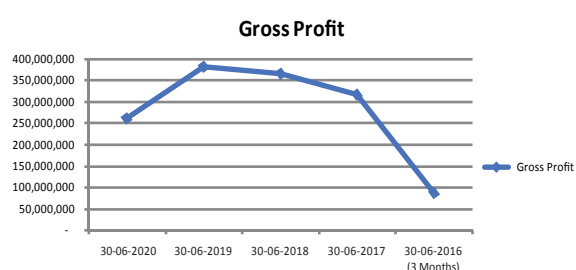
The financial statements together with notes thereon have been drawn up in conformity with the Companies Act 1994 and Securities and Exchange Rules 1987. These statements present fairly the company's state of affairs, the results of its operations, cash flow and changes in equity

Annual Report 2019-2020

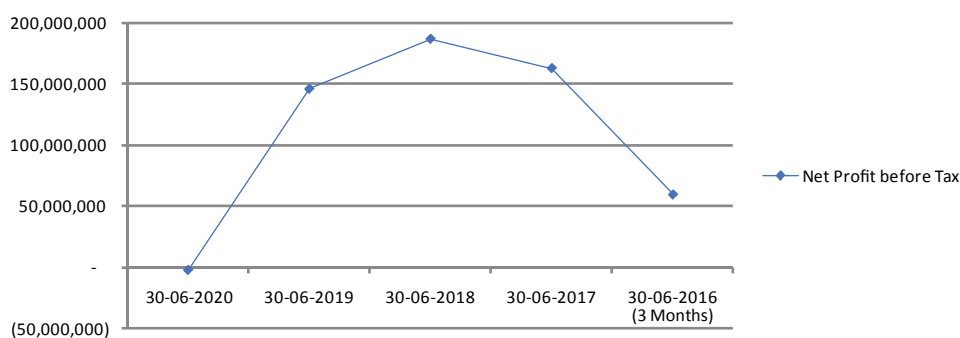
- Proper books of accounts of the company have been maintained.
- Appropriate accounting policies have been applied consistently in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.
- The international Financial Reporting Standards, as applicable in Bangladesh, have been followed in the preparation of the financial statements and any departure there from has 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

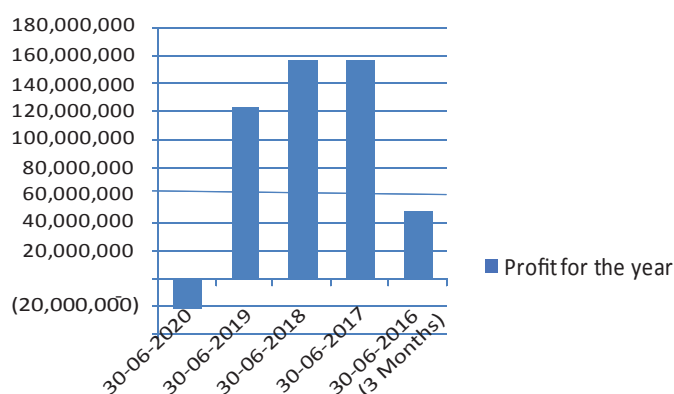
Operational Result	Amount in Taka				
	30 June 2020	30 June 2019	30 June 2018	30 June 2017	30 June 2016 (Three Months)
Revenue	2,557,157,861	2,867,534,079	2,767,374,859	2,578,968,478	756,861,925
Gross Profit	260,925,935	380,808,916	364,644,304	315,409,707	87,451,424
Operating Income	189,816,888	308,512,660	314,780,541	272,338,655	76,032,288
Net Profit before Tax	(1,868,047)	146,460,011	187,370,366	163,425,097	59,901,062
Profit for the year	(23,026,200)	122,764,458	156,769,556	127,992,497	48,199,648
Basic Earnings per Share	(0.15)	0.90	1.15	1.03	0.46



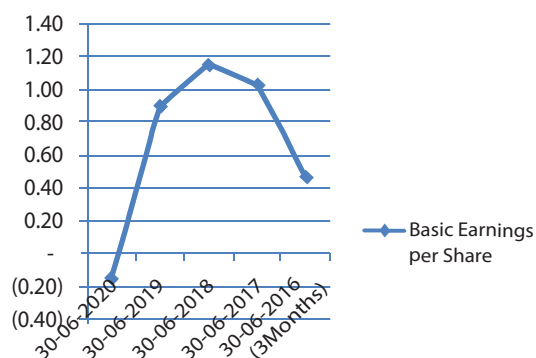
Net Profit before Tax



Profit for the year

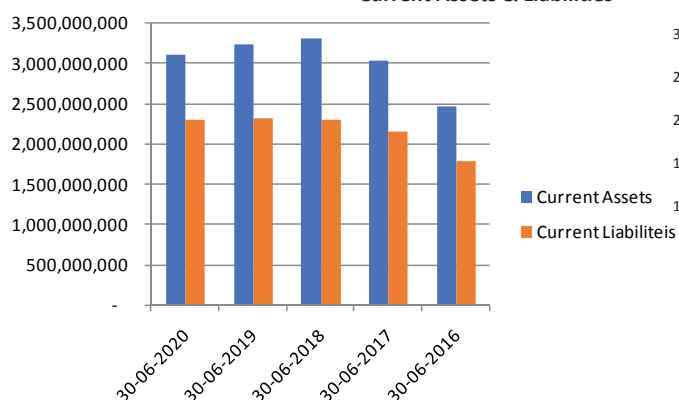


Basic Earnings per Share

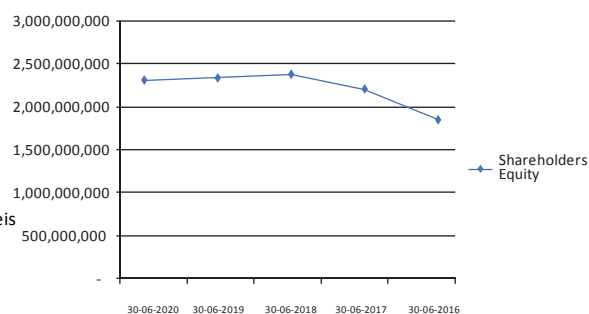


Operational Result	30 June 2020	30 June 2019	30 June 2018	30 June 2017	30 June 2016
Non-Current Assets	1,693,228,137	1,605,264,241	1,564,687,213	1,526,266,925	1,384,811,864
Current Assets	3,118,653,444	3,241,521,443	3,312,886,185	3,039,003,195	2,471,463,873
Shareholders' Equity	2,373,556,970	2,395,578,568	2,435,704,809	2,277,761,951	1,948,472,212
Non-Current Liabilities	132,336,031	127,904,351	131,481,214	132,726,294	123,185,570
Current Liabilities	2,305,988,580	2,323,302,765	2,310,367,375	2,154,781,875	1,784,617,955
Net Asset Value per Share	15.79	17.53	17.83	18.34	18.70

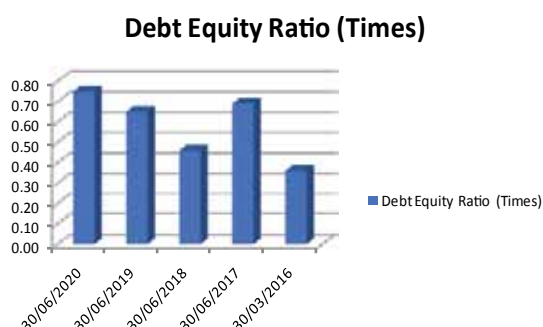
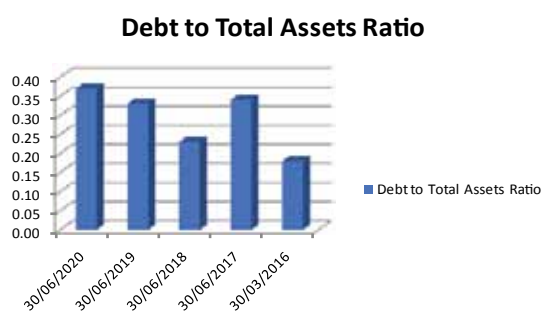
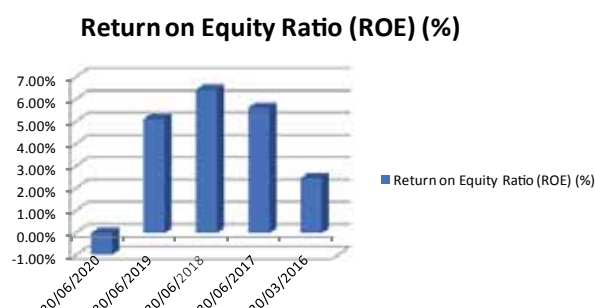
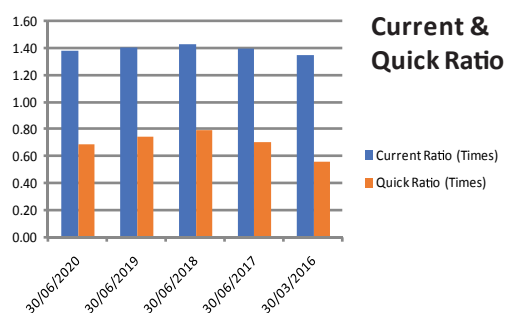
Current Assets & Liabilities



Shareholders Equity



Key Financial Ratio	30 June 2020	30 June 2019	30 June 2018	30 June 2017	30 June 2016
Liquidity Ratios:					
Current Ratio (Times)	1.35	1.40	1.43	1.41	1.38
Quick Ratio (Times)	0.56	0.70	0.79	0.74	0.69
Operating Efficiency Ratios:					
Accounts Receivables Turnover Ratio	1.86	1.83	1.87	2.13	0.75
Inventory Turnover Ratio (Times)	1.37	1.61	1.65	1.73	0.52
Assets Turnover Ratio (Times)	0.53	0.59	0.57	0.56	0.20
Profitability Ratios:					
Return on Capital Employed (ROCE) (%)	7.57%	12.23%	12.26%	11.30%	3.67%
Gross Margin Ratio (%)	10.20%	13.28%	13.18%	12.23%	11.55%
Operating Profit Ratio (%)	7.42%	10.76%	11.37%	10.56%	10.05%
Net Profit Ratio (%)	(0.90%)	4.28%	5.66%	4.96%	6.37%
Return on Assets Ratio (%)	(0.48%)	2.53%	3.21%	2.80%	1.25%
Return on Equity Ratio (ROE) (%)	(0.97%)	5.12%	6.44%	5.62%	2.47%
Earnings per Share (Basic EPS)	(0.15)	0.90	1.15	1.03	0.46
Solvency Ratios:					
Debt to Total Assets Ratio	0.37	0.33	0.23	0.34	0.18
Debt Equity Ratio (Times)	0.75	0.65	0.46	0.69	0.36
Time Interest Earned Ratio (Times)	(0.01)	2.02	2.69	4.00	5.73
Cash Flow Ratio:					
Net Operating Cash Flow per Share	(1.07)	(1.87)	4.65	(6.00)	0.08
Net Operating Cash Flow per Share/EPs	(7.13)	(2.08)	4.04	(5.83)	0.17



DIVIDEND

The Board of Directors has recommended 1% Cash Dividend for the all shareholders for the year ended on June 30, 2020 whose names appear in the Share Register of the Company and/or Depository Register of CDBL as on record date: November 29, 2020.

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

13 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	12
Kao Wen Fu, Managing Director	13
Kao Chen Tsai, Director (Representative of Ever Priority Ltd.)	6
Yang Ming Te, Director (Representative of Eternal Flame Int'l Co. Inc.)	7
Md. Monzur Alam Khan, Independent Director	4

REPORT ON THE PATTERN OF SHAREHOLDING

Parent or Subsidiary or Associated Companies:

Name of Company	Relation	No. of shares	Percentage
		Nil	Nil

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

Name	Designation/Relation	No. of shares	Percentage
Chung Wen Kuei	Chairman	3,946,311	2.63%
Kao Wen Fu	Managing Director	4,498,233	2.99%
Ever Priority Limited	Director	52,073,136	34.65%
Eternal Flame Int'l Co. Inc.	Director	13,172,761	8.76%

Executives:

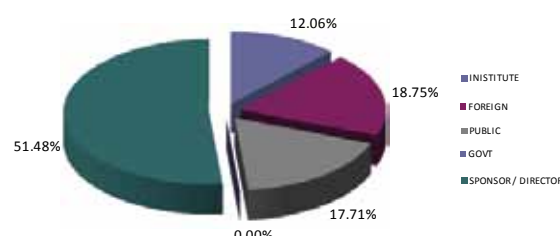
Name	Designation/Relation	No. of shares	Percentage
Md. Abdul Mannan	Deputy Managing Director	0	0.00%
Md. Ataur Rahman	Chief Financial Officer	0	0.00%
Mohammed Abu Zafar	Company Secretary	0	0.00%
Shahnaz Akther	Head of Internal Audit	0	0.00%

Shareholding 10% or more voting interest

Name of shareholder	No. of shares	Percentage
Ever Priority Limited	52,073,136	34.65%

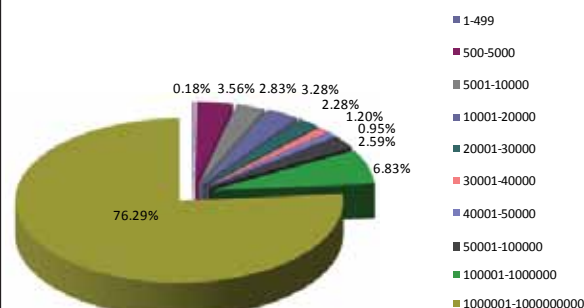
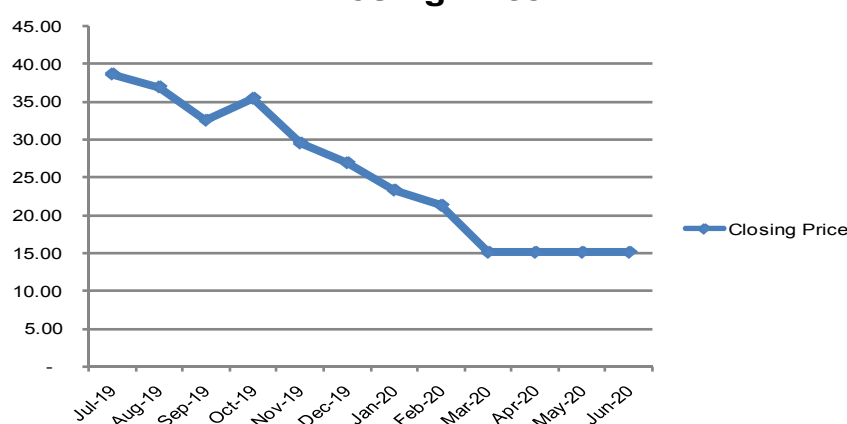
Shareholding Position as on 30.06.2020

Particulars	Percentage
INSTITUTE	12.06%
FOREIGN	18.75%
PUBLIC	17.71%
GOVT	0.00%
SPONSOR / DIRECTOR	51.48%
Total :	100.00%

Shareholding Position as on 30.06.2020

Shareholding Range as on 30.06.2020

Range	Percentage
1-499	0.18%
500-5000	3.56%
5001-10000	2.83%
10001-20000	3.28%
20001-30000	2.28%
30001-40000	1.20%
40001-50000	0.95%
50001-100000	2.59%
100001-1000000	6.83%
1000001-1000000000	76.29%
Total :	100.00%

Shareholding Range as on 30.06.2020**Closing Price (12 Months)****Closing Price****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 19th Annual General Meeting (AGM) of the company and the retiring Directors are eligible for re-election.

Office of the directors of Mr. Yang Ming TE, Nominee Director and Mr. Kao Chen Tsai, Nominee Director will be rotated by retiring and reelection as per provision mentioned under Section 91(2) of the Company Act 1994.

The office of the Managing Director will be expired on February 13, 2021 as per companies Act 1994, section 110 (1&3) and section 95 of company's Memorandum of Association. Mr. Kao Wen Fu, existing Managing Director shall retire voluntarily and be re-elected as Managing Director for the next five years effect with from February 14, 2021.

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 Chen 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 Chen 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 18th Annual General Meeting of the company was appointed M/S Ahmed Zaker & Co., Chartered Accountants for the year ended on June 30, 2020. 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 20 June 2018, they are eligible for re-appointment for year ended on June 30, 2021.

APPOINTMENT OF COMPLAINTS AUDITOR FOR CORPORATE GOVERNANCE CODE

Mahfel Huq & Co., Chartered Accountants expressed their interest to report and provide certificate on compliance of Corporate Governance Code for year ended on June 30, 2021 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 appointment for year ended on June 30, 2021.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I took 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 Limited, Chittagong Stock Exchange Limited, 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 2019-2020 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 19th 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, 2020 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. (0.15) which was Tk. 0.90 in last year, revenue Tk. 255.71 crore which was Tk. 286.75 crore in last year, NOCFPS is Tk. (1.07) which was Tk. (1.87) in last year and NAV is Tk. 15.79 which was Tk. 17.53 in last year. Proceeding five year's financial performance or result and financial position as follows:

Operational Result/Position	30 June 2020	30 June 2019	30 June 2018	30 June 2017	30 June 2016 (Three Months)
Basic Earnings per Share	(0.15)	0.90	1.15	1.03	0.46
Net Operating Cash Flow per Share	(1.07)	(1.87)	4.65	(6.00)	0.08
Net Asset Value per Share	15.79	17.53	17.83	18.34	18.70

Our business result for the year 2019-2020 couldn't make us happy as the result was not according to our desired target due to the pandemic situation caused by COVID 19. During the year our revenue has been reduced Taka 31 crore, accordingly Gross Profit and Net Profit after Tax reduced Taka 11.98 crore and 14.57 crore respectively compare to last year.

Many buyers canceled their order, some revised price and order quantity during pandemic situation, moreover due to government restriction a couple of months we could not run our factory but have to pay salary, wages and other monthly fixed expenses. Due to closing of business for Covid-19 pandemic, company had to bear all the expenses without generating any revenue. This cost solely negatively affected in the consolidated revenue of the company.

On the other hand, cost of raw material imports like transportation, labor etc. cost was increased excessively which were beyond our control. After pandemic, the buyers of the company reduced the order price of the yarn. Our company didn't have any other alternative without accepting their revised price. Considering the overall situation, it showed that overall situation of the company was not good.

Company took a policy to continue its production and sales with a minimum profit margin to achieve buyers' confidence in such unfavorable situation. We expect our endeavor and commitment to the buyers will bring better to us in the coming days. Already explained the risk and concerned mitigation plans of the company in financial statements' note no. 3.01 to 3.06.

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 2020

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 Co. 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 ended on 30 June 2020. 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 2019 -2020 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 2019-2020

The Committee carried out its duties in accordance with the terms of reference of the Audit Committee. During the year ended on 30 June 2020. 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 2020.
- 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 2020.

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 2020 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 2020 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



Md. 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 2020. 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 2020



Aftab Ahmed & Co.
Chartered Accountants

Reporting and Compliance of Corporate Governance

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange 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 shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		
1.2(b) (iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1.2(b) (iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1.2(b) (v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
1.2(b) (vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
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) (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);	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
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:			
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)	Independent director shall have following qualifications:			
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			
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 field mentioned in clause (b);	✓		
1.3(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			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;			N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
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;	✓		
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 any remuneration
1.5(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1.5(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1.5(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1.5(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1.5(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1.5(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
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);	✓		
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 Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1.5(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	✓		
1.5(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		
1.5(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;			Data not available
1.5(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
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;	✓		
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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
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)	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;	✓		
3.3(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3.3(a)	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;	✓		
3.3(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3.3 (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board or its members;	✓		
3.3 (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
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	Chairperson of the Audit Committee:			
5.3 (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5.3 (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No.5(4)(b) 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.	✓		



AHMED ZAKER & Co.
CHARTERED ACCOUNTANTS

Head Office:

89 Kakrail, Green City Edge (Level 10), Dhaka 1000, Bangladesh
Website: www.ahmed-zaker.com E-mail: azcbangladesh@ahmed-zaker.com
Phone: +88-02-8300501-8, Fax: +88-02-8300509

Independent Auditors' Report To the shareholders of Shepherd Industries Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Shepherd Industries Limited which comprise the Statement of Financial Position as at 30 June 2020, 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 and other explanatory information.

In our opinion, except for the effects of the matters described in the basis for Qualified Opinion section of our report, the accompanying financial statements give true and fair view, in all material respects, of the financial position of Shepherd Industries Limited as at 30 June 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Qualified Opinion:

1. While testing existence and subsequent realization of trade receivables of BDT 1,245,861,582 (Note#08.00) recognized in the statement of financial position, we received bank confirmation of BDT 1,029,717,955. We found BDT 216,143,627 remained unreconciled and not traceable with L/C documents.
2. The company reported BDT 196,710,065 (Note#19.00) as trade payables against imports. The above amount was not traceable with the supporting evidence from banks and L/C documents.
3. As disclosed in (Note#04.00) to the financial statements, property, plant and equipment of BDT 1,690,573,060 was reported in the statement of financial position. We could not verify the fixed assets in absence of fixed assets register, identification number, Purchase date, cost, accumulated depreciation, WDV etc. against individual assets. The company also did not carry out any fixed assets physical inventory at the year end.
4. As referred in Note# 07.00 in the financial statements, closing inventories were carried at BDT 1,755,307,408 in the statement of financial position at the reporting date. The valuation and existence of the said amount were not completely traceable as no physical inventory count was attended by the auditor due to pandemic "Covid-19". Besides, inventories comprised obsolete and damaged items held for long period of time against which management did not recognize required provision. As a result, this would have overstated both net profit and net assets in the financial statements. We could not verify valuation of inventory for want of supporting documents.

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 our Qualified 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 2020. These matters were addressed in the context of the audit of the financial statements as a whole and in forming the auditors' opinion thereon and we do not provide a separate opinion on these matters.

In addition to the matter described in the basis for qualified opinion section each matter mentioned below our description of how our audit addressed the matter is provided in the context.

We have fulfilled the responsibilities described in the auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements, the results of our audit procedures, including the procedures performed to address the matters below:

Key Audit Matters	How our audit addressed the key audit matters
Revenue	
<p>Revenue is the most financially significant item in the statement of profit and loss and other comprehensive income. The company has reported revenue of BDT2,557,157,861 for the year ended 30 June 2020.</p> <p>Revenue (from export of goods) is recognized at fair value of the consideration received or receivable in the period during which the goods or services are provided.</p> <p>See Note- 23 to the financial statements.</p>	<p>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 as disclosed in Note- 23 of the financial statements. In addition, we assessed whether the disclosed revenue accounting policy was in accordance with relevant accounting standards.</p> <p>For the revenue recognized throughout the year, we tested selected key controls, including results reviews by management, for their operating effectiveness and performed procedures to gain sufficient audit evidence on the accuracy of the accounting for customer contracts and related financial statement captions.</p> <p>Our audit procedures on implementation of IFRS 15 - Revenue from contracts with Customers, we verified management's conclusion from assessing different types of contracts and the accuracy of the revised accounting policies in light of the industry specific circumstances and our understanding of the business. We tested the appropriateness of the accounting treatment on a sample basis. In addition, we verified the accuracy of IFRS 15 related disclosures.</p> <p>These procedures included reading significant new contracts to understand the terms and conditions and their impact on revenue recognition. We performed enquiries with management to understand their risk assessments and inspected meeting minutes to identify relevant changes in their assessments and estimates.</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the various revenue streams and nature of sales contracts entered into by the Company. • Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. • Tested of revenue recorded over the year using sampling techniques by examining the relevant supporting documents including proforma invoice and commercial invoices, LC documents relating

	<p>bill of exchange, bank acceptance letter, bank statement and also, we confirmed selected customers' receivable balances at the statement of financial position date, selected on a sample basis by considering the amount outstanding with those customers.</p> <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to identification of performance obligations and determining timing of revenue recognition. • Selected a sample of contracts and reassessed contractual terms to determine adherence to the requirements of the new accounting standard. • We specifically put emphasis on those transactions occurring close before or after the statement of financial position date to obtain sufficient evidence over the accuracy of cut-off. <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</p>
Valuation of Inventory	
<p>The Company had inventory of BDT1,755,307,408 at 30 June 2020 held in its warehouses and across multiple production lines.</p> <p>Inventories consisting of raw materials, work in progress, finished goods and stock in transit are valued at lower of cost and net realizable value. Cost of inventories include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.</p> <p>The company determines cost of inventories using weighted average method. Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying amounts of inventories to the lower of cost and net realizable value.</p> <p>Net realizable 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>See note no 7.00 to the financial statements</p>	<p>As part of our audit testing against closing inventories, we performed the following audit procedures in response to the assessed risk of material misstatements:</p> <ul style="list-style-type: none"> • Evaluating the design and implementation of key inventory controls operated across the company, including those at a sample of, factory production house, warehouse; • Evaluating internal controls to monitor or keep track of inventory movement; • Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories; • Reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year; • Reassessing reasonableness and adequacy of provision required to write down the cost of inventories recognized to net realizable value against slow moving, obsolete and damaged items to test both accuracy and valuation of reported amount.
Carrying value (CV) of Property, Plant and Equipment	
<p>Property, plant and equipment (PPE) was recognized at carrying value aggregating to BDT 1,690,573,060 representing over 35% of total assets of the company as on 30 June 2020.</p> <p>Since PPE comprised a significant portion of the company's total assets, it also involves management judgment to determine estimated useful lives to charge depreciation. Besides, PPE is also subject to</p>	<p>Our audit procedures performed during the audit to address the risks identified consist of the following:</p> <ul style="list-style-type: none"> • Obtaining and documenting detailed understanding regarding procurement process of PPE and identified relevant control points and their implementation. • Reviewing recognition, measurement and valuation basis of PPE in compliance with requirement of IAS 16: Property, plant and equipment.

<p>impairment when any possible indicators exist warranting their impairment review.</p> <p>See note no 4.00 to the financial statements</p>	<ul style="list-style-type: none"> • Performing test of details against sampled population with supporting evidence as maintained by the company to test the accuracy, valuation of capitalized amount and ownership of the assets. • Assessing the appropriateness and presentation of disclosures notes to the financial statements with the requirement of IAS 16 and other relevant IFRSs.
Bank Loan	
<p>In the financial statements the company reported short term bank loans of BDT 1,764,237,748 at the reporting date.</p> <p>This element was considered as key audit matter because this external form of credit facilities availed by the company require fulfillment of several terms and conditions as mentioned in loan sanction letter issued by lending bank. Hence, there is potential risk that not all such terms and conditions are adequately disclosed in the financial statements.</p> <p>See note no 20.00 to the financial statements.</p>	<p>Our substantive audit procedures adopted during the audit includes the following test or details.</p> <ul style="list-style-type: none"> • Inspecting relevant board minutes in support of bank loans sanctioned and reported during the year in the financial statements. • Testing the existence of outstanding balances with confirmation letter issued against the said loans by the company. • Recalculating and testing accuracy and completeness of finance costs recognized during the year with loan statements provided by banks. • Assessing the adequacy and appropriateness of disclosures made by the company for the loans availed in accordance with relevant IFRS.

Other Matter

Due to the outbreak of global pandemic "Covid-19" declared by the World Health Organization (WHO) and subsequent spread of the virus resulting in deteriorating situation in Bangladesh during the conduct of audit at the company, our audit procedures were mainly tailored to the material areas of the financial statements with more emphasis placed on obtaining documentary evidence from the company and testing their accuracy using the online platforms and limited physical verification to avoid the risk of getting contacted the virus and safety of audit team members.

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 the other information.

Our opinion on the financial statements does not cover the 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 the other information and, in doing so, consider whether the 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 report that fact. We have nothing to report in this regard.

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 IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The companies Act, 1994 requires the management to ensure effective internal audit, internal control and risk management functions of the company.

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 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.

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 statement of financial position, statement of profit or loss and other comprehensive income, of the company dealt with by the report are in agreement with the books of account and returns;
- (d) the expenditure incurred was for the purpose of company's business.

Place: Dhaka,
Dated: November 08, 2020


Ahmed Zaker & Co.
Chartered Accountants

SHEPHERD INDUSTRIES LIMITED
Statement of Financial Position
As on 30 June 2020

Particulars	Notes	Amount in Taka	Amount in Taka
		30.06.2020	30.06.2019
ASSETS:			
Non-Current Assets		1,693,228,137	1,605,264,241
Property, Plant & Equipment	4.00	1,690,573,060	1,532,881,941
Capital Work-in-Progress	5.00	2,497,577	72,134,800
Intangible Asset	6.00	157,500	247,500
Current Assets		3,118,653,444	3,241,521,443
Inventories	7.00	1,755,307,408	1,605,369,223
Trade & other Receivables	8.00	1,245,861,582	1,503,641,370
Investment	9.00	9,720,250	-
Advance, Deposit & Prepayments	10.00	52,047,818	103,716,366
Cash and Cash Equivalents	11.00	55,716,386	28,794,484
		4,811,881,581	4,846,785,684
EQUITY AND LIABILITIES			
Shareholders' Equity		2,373,556,970	2,395,578,568
Share Capital	12.00	1,502,892,420	1,366,265,840
Revaluation Reserve	13.00	526,945,698	532,638,444
Retained Earnings	14.00	343,718,852	496,674,284
Non-Current Liabilities		132,336,031	127,904,351
Obligation under Finance Lease	15.00	-	284,435
Deferred Tax liabilities	16.00	132,336,031	127,619,916
Current Liabilities		2,305,988,580	2,323,302,765
Loan from Shareholders'	17.00	33,728,933	33,728,933
Current a/c with Related Entity	18.00	115,272,395	15,000,000
Trade & other Payables	19.00	233,328,888	593,503,360
Obligation under Finance Lease-Current Portion	15.00	291,979	2,160,461
Short Term Bank Loan	20.00	1,764,237,748	1,554,036,348
Outstanding IPO Subscription	21.00	64,750	64,750
Liabilities for Expenses & Provisions	22.00	159,063,887	124,808,913
		4,811,881,581	4,846,785,684
Net Asset Value (NAV) Per Share	32.00	15.79	17.53

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


Chief Financial Officer



Company Secretary


Director


Managing Director


Chairman

Place: Dhaka
Date: November 08, 2020


Ahmed Zaker & Co.
Chartered Accountants

SHEPHERD INDUSTRIES LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2020

Particulars	Notes	Amount in Taka	Amount in Taka
		30.06.2020	30.06.2019
Revenue	23.00	2,557,157,861	2,867,534,079
Less: Cost of Sales	24.00	(2,296,231,926)	(2,486,725,163)
Gross Profit		260,925,935	380,808,916
Less: Operating Expenses		(71,109,047)	(72,296,256)
Selling & Distribution Expenses	27.00	(10,818,596)	(11,032,470)
Administrative Expenses	28.00	(60,290,451)	(61,263,786)
Profit from Operation		189,816,888	308,512,660
Foreign Currency Gain/(Loss)	25.00	(8,039,261)	2,800,451
Add: Other income	26.00	15,748,166	14,082,967
Less: Financial Expenses	29.00	(199,393,840)	(178,936,067)
Net Profit/ (Loss) before tax		(1,868,047)	146,460,011
Income Tax Expense:		(21,158,153)	(23,695,553)
Current Tax	30.00	(15,437,436)	(24,070,715)
Deferred Tax Income/(Expenses)	Annex-B	(5,720,717)	375,162
Net Profit/ (Loss) after Tax for the period		(23,026,200)	122,764,458
Earning Per share (Adjustment)	31.00	(0.15)	0.82
Earning Per share (Basic)	31.00	(0.15)	0.90
Earnings Per Share (Diluted)	31.00	(0.15)	0.82

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


Chief Financial Officer



Company Secretary


Director


Managing Director


Chairman

Place: Dhaka
Date: November 08, 2020


Ahmed Zaker & Co.
Chartered Accountants

SHEPHERD INDUSTRIES LIMITED

Statement of Changes in Equity
For the year ended June 30, 2020

Particulars	Paid up Capital	Revaluation Reserve	Retained Earnings	Total Equity
Opening balance as on 01-07-2019	1,366,265,840	532,638,444	496,674,284	2,395,578,568
Less: Stock Dividend	136,626,580	-	(136,626,580)	-
Less: Depreciation on revaluation transfer to retained earnings	-	(6,697,348)	6,697,348	-
Add/(Less): Deferred Tax Income/ (Expenses) during the year	-	1,004,602	-	1,004,602
Add: Net profit/(loss) for the year	-	-	(23,026,200)	(23,026,200)
Closing balance on 30 June 2020	1,502,892,420	526,945,698	343,718,852	2,373,556,970

SHEPHERD INDUSTRIES LIMITED

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


Chief Financial Officer


Company Secretary


Director


Managing Director


Chairman

Place: Dhaka

Dated: November 08, 2020

SHEPHERD INDUSTRIES LIMITED
Statement of Cash Flows
For the year ended June 30, 2020

Particulars	Notes	Amount in Taka 30.06.2020	Amount in Taka 30.06.2019
A. Cash Flows from Operating Activities			
Received from customers and others	33.00	2,819,728,714	3,026,840,205
Payment to Creditors, Suppliers, Employees and Others	34.00	(2,761,633,706)	(3,083,399,214)
Cash inflow/(outflow) from operation		58,095,008	(56,559,009)
Income Tax Paid	35.00	(20,140,708)	(20,107,889)
Financial Expenses		(199,393,840)	(178,936,067)
Net cash used in Operating Activities	37.00	(161,439,540)	(255,602,965)
B. Cash Flows from Investing Activities			
Acquisition of Property, Plant & Equipments		(80,062,559)	(61,591,189)
Advance against building and civil construction		-	(64,100,000)
Payment for Capital Work-in-Progress		(30,111,597)	(50,009,646)
Investment on FDR		(9,720,250)	-
Net cash used in Investing Activities		(119,894,406)	(175,700,835)
C. Cash Flow from Financing Activities			
Current a/c with Related Entity		100,272,395	15,000,000
Outstanding IPO Subscription		-	(10,000)
Obligation under Finance Lease Received/(Paid)-Net		(2,152,917)	(4,530,357)
Short Term Loan Received/(Paid)-Net		210,301,501	483,084,284
Dividend Paid		(116,435)	(163,468,922)
Net cash used in by Financing Activities		308,304,544	330,075,005
D. Net Increase/(Decrease) in cash and Cash Equivalent		26,970,598	(101,228,795)
E. Cash & Cash Equivalent at beginning at the year		28,794,484	129,972,850
F. Unrealized Foreign Exchange Gain/(Loss)		(48,696)	50,429
G. Cash & Cash Equivalent at the end of the Year		55,716,386	28,794,484
Net Operating Cash Flows Per Share (NOCFPS)	36.00	(1.07)	(1.87)

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


Chief Financial Officer


Company Secretary


Director


Managing Director


Chairman

Place: Dhaka
Date: November 08, 2020

SHEPHERD INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE PERIOD ENDED 30 JUNE 2020

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, 2020;
- Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2020;
- Statement of Change in Equity for the year ended June 30, 2020;
- Statement of Cash Flows for the year ended June 30, 2020;
- Accounting Policies and explanatory notes to the Financial Statements for the year ended June 30, 2020.

2.03 Functional and presentation currency

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

2.04 Comparative Information

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

2.05 Going Concern

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

2.06 Foreign Currency Transaction:

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

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

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

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

2.07 Reporting Period

The financial statements covers twelve months from July 01, 2019 to June 30, 2020.

2.08 Fundamental Accounting Concepts/ Assumption

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

2.09 Use of estimates and judgments

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

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

2.10 Regulatory Compliance

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

The Companies Act, 1994

The Bangladesh Securities and Exchange Rule 1987

The Bangladesh Securities and Exchange Commission Act 1993.

The Income Tax Ordinance, 1984

The Income Tax Rules, 1984

The Value Added Tax (VAT) Act, 1991

The Custom Act 1969

Dhaka Stock Exchange Listing Regulation 2015

2.11 Compliance with IAS & IFRS

The following IAS have been applied in preparation of the financial statements for the year :

Name of the accounting standerds	Ref. No	Status of Application
Presentation of Financial Statements	IAS 1	Applied
Inventories	IAS 2	Applied
Statement of Cash Flows	IAS 7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors.	IAS 8	Applied
Events after the Reporting Period	IAS 10	Applied
Income Taxes	IAS 12	Applied
Property, Plant and Equipment	IAS 16	Applied
Employee Benefits	IAS 19	Applied
The Effects of Changes in Foreign Exchange Rates	IAS 21	Applied

Borrowing Cost	IAS 23	Applied
Related Party Disclosures	IAS 24	Applied
Financial Instruments : Presentation	IAS 32	Applied
Earnings Per Share	IAS 33	Applied
Impairment of Assets	IAS 36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS 37	Applied
Intangible Assets	IAS 38	Applied
Financial Instruments: Recognition and Measurement	IAS 39	Applied
Investment Property	IAS 40	Applied
Financial Instruments : Disclosures	IFRS 7	Applied
Financial Instruments	IFRS 9	Applied
Revenue from contracts with customers	IFRS 15	Applied
Leases	IFRS 16	Not Applied

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 November 08, 2020 at 4.00 p.m. has recommended 1% Cash dividend for the year ended June 30, 2020.

2.13 Recognition and Measurement of Tangible Fixed Assets

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

2.14 Revaluation of Property, Plant & Equipment (PPE)

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

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

2.15 Depreciation of Tangible Fixed Assets

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

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

	Rate (%)
Building - Factory	10%
Land & Land Development	0%
Plant & Machinery	10%
ETP	15%
Electric Equipment & Line Installation	10%
Fire Fighting Equipment	10%
Tools & Equipments	20%
Deep Tube well	10%
Gas Line Installation	10%
Building - Head Office	5%

Office Equipment	10%
Air Conditioner & Electric Appliance	10%
Lift - Head Office, Uttara	10%
Furniture & Fixture	10%
Office Decoration	10%
Car & Vehicles	15%
Telephone Equipments	10%

2.16 Impairment of assets

I) Financial Assets

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

II) Non-Financial assets

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

2.17 Inventories

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

2.18 Trade and Other Receivables

Trade receivables are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. All the receivables are fully secured by LC.

2.19 Cash & Cash Equivalents

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

2.20 Income Tax

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

2.21 Leased Assets

We didn't compliance with IFRS 16 instead of IAS 17, Lease in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance leases and all other leases are classified as operating lease.

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

2.22 Revenue Recognition

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

2.23 Employee Benefits

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

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

The company got recognition from National Board of Revenue its gratuity fund vide order no: নথি নং - ০৮.০১.০০০০.০৩৫.০২.০০১৬.২০১৫/১৭৮ তারিখ : ০১/০৭/২০১৫ খ্রিঃ for employees of the company eligible to be members of the fund in accordance with the rules of the gratuity fund constituted under an irrevocable trust.

2.24 Borrowing Cost

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

2.25 Financial expenses

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

2.26 Statement of Cash Flows

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

2.27 Earnings Per Share (EPS)

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

Basic Earnings per share (Numerator /Denominator)

Earnings (Numerator)

*This represents earning for the period attributable to ordinary shareholders

No. of ordinary shares (Denominator)

This 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.

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. 74,165,730 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 2,913,843 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 insignificant. Considering the global economy and inflection of overseas financing, financial institutions in Bangladesh reducing lending rate creating an opportunity for saving in financial cost.

3.02 Exchange rate risk

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

Management perception

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

3.03 Industry risks

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

Management perception

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

3.04 Market risks

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

Management perception

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

3.05 Operational risks

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

Management perception

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

3.06 Liquidity risk

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

Management perception

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

	Amount in Taka 30.06.2020	Amount in Taka 30.06.2019
4.00 Property, Plant & Equipment		
A. Cost		
Opening balance	2,243,833,405	2,206,430,747
Add: Addition during the Period	227,914,425	37,402,658
	2,471,747,830	2,243,833,405
B. Accumulated Depreciation		
Opening balance	710,951,464	642,081,034
Add: Addition during the Period	70,223,306	68,870,430
Accumulated Depreciation	781,174,770	710,951,464
Written Down Value (A - B)	1,690,573,060	1,532,881,941

We could not verify the fixed assets in absence of fixed assets register, identification number, purchase date, cost, accumulated depreciation, WDV etc. against individual assets. The company also did not carry out any fixed assets physical inventory at the year end.

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

5.00 Capital Work-in-Progress		
Building-Factory	776,000	726,000
Plant & Machineries	80,806,383	72,924,573
	81,582,383	73,650,573
Less: Transfer to Property, Plant & Equipments	79,084,806	1,515,773
	2,497,577	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.

6.00 Intangible Asset		
Opening Balance	247,500	337,500
Less: Write off during the Period @ 20%	(90,000)	(90,000)
Written Down Value	157,500	247,500

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

7.00 Inventories		
Raw Materials	1,265,830,207	1,208,079,320
Dyes & Chemical	267,685,540	195,163,403
Work-in-Process	68,597,406	58,703,132
Finished Goods	139,897,846	127,856,088
Packing Materials	5,463,361	6,426,912
Stores & Spares	7,833,048	9,140,368
	1,755,307,408	1,605,369,223

The valuation and existence of the said amount were not completely traceable as no physical inventory count was attended by the auditor due to pandemic "Covid-19". Besides, inventories comprised obsolete and damaged items held for long period of time against which management did not recognize required provision. As a result, this would have overstated both net profit and net assets in the financial statements. We could not test appropriateness of the valuation of closing inventories reported due to lack of adequate records.

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

8.00 Trade & other Receivables		
This has been arrived as under;		
Accounts receivable	1,245,459,773	1,503,054,905
Other Receivable	401,809	586,465
	1,245,861,582	1,503,641,370

We received bank confirmation of BDT 1,029,717,955. We found BDT 216,143,627 remained unreconciled and not traceable with L/C documents.

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

Amount in Taka	Amount in Taka
30.06.2020	30.06.2019

The company had 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 for which a provision for doubtful debts of Tk. 42,22,845/ provided in the earlier financial statements. During the period the matter is mutually settled at Tk. 3,802,500 which has been shown under the head Other Income of Statement of Profit or Loss and Other Comprehensive Income.

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	1,245,459,773	1,503,054,905
ii) Accounts Receivable considered good in respect of which the company holds no security other than the debtor's personal security	401,809	586,465
iii) Accounts Receivable considered doubtful or bad	-	-
iv) Accounts Receivable due by any director or other officer of the company	-	-
v) Accounts Receivable due by Common management	93,656	361,440
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	381,930,196	322,757	382,252,953	540,207,982
Three to Six Months	642,545,205	79,052	642,624,257	706,422,818
More than Six Months	220,984,372	-	220,984,372	257,010,570
	1,245,459,773	401,809	1,245,861,582	1,503,641,370

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

9.00 Investment

This has been arrived as under;
Investment in FDR

9,720,250	-
9,720,250	-

10.00 Advance, Deposits & Prepayments

This has been arrived as under;

Advances

Deposits

38,271,500	85,506,298
13,776,318	18,210,068
52,047,818	103,716,366

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

11.00 Cash and Cash Equivalents

The Break-up of the Amount is given below:

Cash in Hand

Cash at Banks (Note -11.01)

751,861	1,578,289
54,964,525	27,216,195
55,716,386	28,794,484

11.01 Cash at Bank

Bank Name & Account Number

Bank Alfalah CD-070201701321
Eastern Bank CD # 1131060206101
Eastern Bank Margin
IFIC Bank CD # 1002-535257001
IFIC Bank CD # 1002-535257071
Southeast Bank DAD (\$) # 15400000019

22,975	23,895
2,060,256	2,121,236
424,251	507,801
427,622	1,445,754
21,540	55,737
31,688,708	5,827,577

	Amount in Taka	Amount in Taka
	30.06.2020	30.06.2019
National Bank A/C # 0043-3301714	3,728	4,418
DBBL-CD A/C # 117-110-037216	17,801	9,614
IFIC A/C # 0170231013001	301,311	3,831,637
IFIC A/C # 0170330270001	5,712	-
IFIC A/C # 1002-535257-836 (USD A/c)	8,887,816	9,567,955
IFIC A/C # 1002-063136-041 (Taka A/c)	63,994	87,388
IFIC A/C # 1002-063136-051 (USD A/c)	65,496	65,226
IFIC A/C # 1002-063136-052 (GBP A/c)	4,512	4,618
NBL FC A/C-0043-84004808 (USD A/c)	168,207	167,513
Trust Bank A/C # 5025000416 (USD A/c)	5,207	654,343
Pubali Bank CD # 4465901009224	303,777	1,166,567
Southeast Bank CD # 111-17190	1,969,590	13,928
Southeast Bank # 0094	8,514,429	1,156,268
Shahjalal Islami Bank CD A/C # 400811100010420	3,850	-
Trust Bank CD # 9820	3,743	504,720
	54,964,525	27,216,195

12.00 Share Capital**Authorized Capital:**

190,000,000 ordinary shares of Tk. 10/- each.

1,900,000,000**1,900,000,000****Paid up Capital:**

150,289,242 ordinary shares @ Tk.10/- each.

1,502,892,420**1,366,265,840**

Particulars	Amount in Taka	Amount in Taka
136,626,584 Ordinary Shares @ Tk. 10 each fully paid up in cash	1,366,265,840	1,366,265,840
13,662,658 Stock Dividend @ Tk. 10 each	136,626,580	-
150,289,242 Ordinary Shares	1,502,892,420	1,366,265,840

History of Share Capital

Allotment	Date of Allotment	Consideration in Cash	Bonus	Total	Cumulative Paid-up Capital	Amount of Cumulative Paid-up Capital (Tk.)
Subscription	8/1/2000	60,600		60,600	60,600	606,000
Fresh Issue	7/1/2002	7,939,400		7,939,400	7,939,400	79,394,000
Fresh Issue	11/12/2011	857,400		857,400	857,400	8,574,000
Fresh Issue	4/1/2015	10,262,000		10,262,000	10,262,000	102,620,000
Fresh Issue	2/14/2016	85,086,586		85,086,586	85,086,586	850,865,860
IPO Issued	11/21/2017	-	20,000,000	20,000,000	20,000,000	200,000,000
Bonus Issue	11/21/2017	-	12,420,598	12,420,598	12,420,598	124,205,980
Bonus Issue	12/26/2019	-	13,662,658	13,662,658	13,662,658	136,626,580
Total		104,205,986	46,083,256	150,289,242	150,289,242	1,502,892,420

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

Particulars	No of Share	Value per Share	Amount	% of Holding
Sponsors/Directors	77,369,663	10.00	773,696,630	51.48%
Foreign	28,180,292	10.00	281,802,920	18.75%
Institution	18,124,468	10.00	181,244,680	12.06%
General Public	26,614,819	10.00	266,148,190	17.71%
	150,289,242		1,502,892,420	100.00%

Amount in Taka	Amount in Taka
30.06.2020	30.06.2019

The company raised paid capital of from Tk.1,042,059,860 to Tk. 1,242,059,860 by issuing 2,00,00,000 ordinary shares at Tk.10 each through initial public offering with due permission from Bangladesh Securities and Exchange Commission vide letter dated 8 December 2016 and listed with Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd from 25 February 2017 and 27 February 2017 respectively.

Pattern of Shareholding and No. of Shareholding as on 30 June 2020

Share Holding Range	Number of Share Holders	No. of Share	Percentage of Share Holding
Up tp 499 Shares	1586	265,322	0.18%
500 to 5000 Shares	2918	5,356,707	3.56%
5001 to 10000 Shares	563	4,259,043	2.83%
10001 to 20000 Shares	337	4,922,360	3.28%
20001 to 30000 Shares	139	3,426,666	2.28%
30001 to 40000 Shares	51	1,808,089	1.20%
40001 to 50000 Shares	30	1,426,793	0.95%
50001 to 100000 Shares	56	3,889,976	2.59%
100001 to 1000000 Shares	31	10,271,410	6.83%
1000001 to Above Shares	19	114,662,876	76.29%
Total	5730	150,289,242	100.00%

13.00 Revaluation Reserve

This has been arrived as under;

Opening Balance

Less: Depreciation on revaluation transferred to retained earnings

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

532,638,444	538,651,924
(6,697,348)	(7,074,682)
1,004,602	1,061,202
526,945,698	532,638,444

14.00 Retained Earnings

This has been arrived as under;

Opening balance

Less: Stock Dividend

Less: Cash Dividend

Add: Net profit (Loss) for the year

Add: Depreciation transferred from revaluation reserve

496,674,284	530,787,045
(136,626,580)	-
-	(163,951,901)
(23,026,200)	122,764,458
6,697,348	7,074,682
343,718,852	496,674,284

15.00 Obligation under finance lease

This consist of the following;

Lease Liability-IDLC

Lease Liability-MFIL

-	20,240
291,979	2,424,656
291,979	2,444,896
291,979	2,160,461
-	284,435

Less: Current portion

Non-Current portion

15.01 Aging Schedule for lease finance

Within One year

Witing two to four years

	2,160,461
-	284,435
-	2,444,896

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

	Amount in Taka 30.06.2020	Amount in Taka 30.06.2019
16.00 Deferred Tax liabilities		
This has been arrived as under;		
Opening Balance	127,619,916	129,056,280
Add/(Less): Deferred Tax Expenses/(Income) recognized in Statement of Profit or Loss and other comprehensive income	5,720,717	(375,162)
Add/(Less): Deferred Tax Expenses/(Income) recognized directly in Statement of Changes in Equity	(1,004,602)	(1,061,202)
	132,336,031	127,619,916
The details have been shown in Annexure-F		
17.00 Loan from Shareholders'	33,728,933	33,728,933

The above represents share money deposit received from shareholders against which no allotment has been made as per instruction BSEC Letter ref. no. BSEC/CI/CPLC-519/2015/582 dated November 24, 2015 and transferred to loan account as per decision of the Board.

18.00 Current Accounts with Related Entity		
This has been arrived as under;		
Party Wise break down given below:		
Shepherd Textile (BD) Ltd	45,425,645	-
Shepherd Jeans Ltd.	69,846,750	15,000,000
	115,272,395	15,000,000

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

19.00 Trade & Other Payables		
This has been arrived as under;		
Trade Payable	196,710,065	578,582,512
Other Payable	36,618,823	14,920,848
	233,328,888	593,503,360

The above amount was not traceable with the supporting evidence from banks and L/C documents.

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 -G**

Ageing Schedule	Trade Payable	Other Payable	Total	Total
Within Three Months	123,086,979	30,586,004	153,672,983	345,983,796
Three months to six months	72,854,300	4,877,969	77,732,269	231,078,299
More than six months	768,786	1,154,850	1,923,636	16,441,265
	196,710,065	36,618,823	233,328,888	593,503,360

20.00	Short Term Bank Loan			
	This consist of the following;			
	Demand Loan	IFIC Bank Limited	259,651,736	255,597,610
	LDBP Loan	Eastern Bank Ltd	5,160,713	20,409,623
	LDBP Loan	IFIC Bank Limited	32,717,000	276,437,000
	LDBP Loan	Southeast Bank Limited	278,437,415	318,333,737
	LDBP Loan	Trust Bank Limited	-	13,380,295
	Force Loan	Southeast Bank Limited	327,720,922	-
	Force Loan	IFIC Bank Limited	-	78,137,656
	EDF Loan	Southeast Bank Limited	285,765,129	43,655,304
	SOD - IFIC Bank	IFIC Bank Limited	50,897,087	37,457,038
	SOD-Southeast Bank	Southeast Bank Limited	83,037,147	50,959,758
	Loan Against Trust Receipts	Southeast Bank Limited	440,850,599	459,668,327
			1,764,237,748	1,554,036,348

Amount in Taka	Amount in Taka
30.06.2020	30.06.2019

Particulars	IFIC	EBL	SBL
Nature:	Short term loan	Short term loan	Short term loan
Purpose:	Working capital	Working capital	Working capital
Tenure:	One year	One year	One year
Repayment:	From Export Proceed	From Export Proceed	From Export Proceed
Rate of Interest:	6.00%~11.00%	6.00%~9.00%	6.00%~11.00%
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.

21.00 Outstanding IPO Subscription

The break-up of the amount is given below:

Bank Name & Account Number

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

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

60,500	60,500
4,250	4,250
64,750	64,750

22.00 Liabilities for Expenses & provisions

This consist of the following;

Salary & Allowance-Payable

Dividend Payable

Tax Deduction at Source

Gas, Electric Bill & Internet Bill Payable

Audit & Professional Fees Payable

Employees CPF Payable

Provision for Employees' Gratuity Fund

Provision for Income Tax (Note-22.01)

12,182,712	15,014,438
366,544	482,979
11,723,170	5,642,153
33,760,623	16,465,288
402,500	449,750
2,960,200	1,488,430
44,660,694	41,141,343
53,007,444	44,124,532
159,063,887	124,808,913

22.01 Provision for Income Tax

Opening Balance

Add: Provided during the year/period

Less: Paid during the year/Period

Less: Adjusted during the year/period

44,124,532	61,262,543
15,437,436	24,070,715
59,561,968	85,333,258
(6,554,524)	(6,441,146)
-	(34,767,580)
53,007,444	44,124,532

		Amount in Taka	
		30.06.2020	30.06.2019
23	Revenue		
	Export Sales	2,557,157,861	2,867,534,079
		2,557,157,861	2,867,534,079
24	Cost of Sales		
	This has been arrived as under;		
	Work in process (Opening)	58,703,132	49,548,775
	Add: Raw Material Consumed	1,928,648,609	2,109,238,640
	Add: Factory Overhead	389,519,349	392,971,513
	Less: Work in Process (Closing)	(68,597,406)	(58,703,132)
	Cost of Production	2,308,273,684	2,493,055,796
	Add: Finished Goods (Opening)	127,856,088	121,525,455
	Finished Goods Available for sale	2,436,129,772	2,614,581,251
	Less: Finished Goods (Closing)	(139,897,846)	(127,856,088)
	Cost of Sales	2,296,231,926	2,486,725,163
24.01	Raw Material Consumed		
	Opening 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
	Add: Cost of Materials Purchased	2,057,958,082	2,218,520,319
	Raw materials	1,653,194,282	1,847,592,850
	Dyes & chemicals	349,079,085	295,369,695
	Packing materials	21,718,069	29,240,172
	Carrying inward	17,785,660	21,014,550
	Insurance	3,829,163	5,334,509
	Clearing & forwarding expenses	12,351,823	19,968,543
	Raw Materials available for Consumption	3,467,627,717	3,518,908,275
	Less : Closing Stock	1,538,979,108	1,409,669,635
	Raw Materials	1,265,830,207	1,208,079,320
	Dyes & Chemicals	267,685,540	195,163,403
	Packing Materials	5,463,361	6,426,912
	Raw Materials Consumed	1,928,648,609	2,109,238,640
24.02	Factory Overheads		
	This has been arrived as under;		
	Ansar Guard Expenses	64,800	68,400
	Conveyance	741,925	1,000,395
	Contribution to Gratuity Fund	4,435,405	4,663,821
	Contribution to Provident Fund	2,935,482	2,698,891
	Crockeries & Cutleries	3,050	42,634
	Depreciation	61,810,101	60,094,444
	Electricity Bill	6,492,784	7,520,815
	ETP Expenses	252,100	2,249,299
	Fire Fighting Expenses	186,565	299,838
	Forms, Stamps, Documents etc.	237,751	253,810
	Fuel, Oil & Lubricants	2,662,939	2,994,158
	Gas Bill	132,022,238	106,424,921
	Gas Bill-Factory Residence	265,614	69,890
	Hangs, Twisting & Winding Expenses	2,728,892	1,409,681
	Insurance-Fire	2,489,148	1,814,804
	Loading & Unloading Charge	1,320,298	1,488,536
	Medical Expenses	129,517	378,675

		Amount in Taka	
		30.06.2020	30.06.2019
	Printing- Factory	740,018	831,743
	Rates & Taxes	80,812	642,644
	Repair & Maintenance of Building, Machineries etc.	12,280,465	18,934,749
	Stationeries	883,568	1,171,405
	Sundry Expenses	3,169,869	2,485,755
	Testing Charge	1,671,733	264,109
	Tiffin, Refreshment & Entertainment	820,316	965,835
	Uniform & Liveries	132,420	252,816
	Wages, Salaries & Allowances	150,891,173	173,766,982
	Washing & Cleaning Expenses	70,366	182,463
		389,519,349	392,971,513
25	Foreign Currency Gain/(Loss)		
	Realized Foreign Exchange Gain/(Loss)	(6,843,428)	(666,980)
	Unrealized Foreign Exchange Gain/(Loss)	(1,195,833)	3,467,431
		(8,039,261)	2,800,451
26	Other Income:		
	This consist of the followings;		
	Land and House Rent	8,004,782	8,708,250
	Interest Received from IPO Bank A/C	3,063	1,304,765
	Provision for Doubtful Debts written back	3,802,500	-
	FDR Interest	247,500	-
	Sundry Income	3,690,321	4,069,952
		15,748,166	14,082,967
27	Selling & Distribution Expenses		
	This consist of the followings;		
	Salary and Allowances	9,101,548	8,908,339
	Travelling & Conveyance	476,155	916,016
	Stationeries	30,450	124,488
	Mobile Bill	96,798	100,610
	Contribution to Gratuity Fund	523,015	442,911
	Contribution to Provident Fund	590,630	540,106
		10,818,596	11,032,470
28	Administrative Expenses		
	This has been arrived as under;		
	Advertising Expenses	287,950	445,777
	Amortization of Intangible Assets	90,000	90,000
	Audit Fees	402,500	402,500
	AGM Expenses	604,887	572,790
	Professional Fees	876,942	575,250
	Automobile Expenses	5,208,991	4,013,079
	Contribution to Gratuity Fund	1,060,931	1,035,990
	Contribution to Provident Fund	997,710	967,462
	Depreciation-Administrative	8,413,205	8,775,986
	Electricity Bill	1,179,630	1,574,812
	Employees' Group Insurance	533,436	778,813
	Forms, Stamps, Documents etc.	1,370,027	2,516,994
	Gas Bill	104,734	77,829
	Generator Expenses	-	117,235
	Insurance-Motor	292,906	567,965
	Internet Expenses	391,581	487,753

		Amount in Taka	
		30.06.2020	30.06.2019
	Licence & Renewal Fees	2,431,010	1,538,383
	Director,s Remuneration	1,477,171	1,507,020
	Office Maintenance Expenses	463,222	543,956
	Papers & Periodicals	24,500	81,217
	Postage & Courier	116,657	168,437
	Printing & Photocopy	13,032	130,136
	Salary & Allowances	29,393,907	30,245,345
	Satellite Cable Rent	3,600	4,950
	Stationeries	315,564	473,452
	Sundry Expenses	2,306,407	1,369,116
	Telephone & Mobile Expenses	339,083	422,416
	Tiffin, Refreshment & Entertainment	780,133	760,578
	Training Expenses	-	14,000
	Travelling & Conveyance	626,251	848,694
	Water Bill	184,484	155,851
		60,290,451	61,263,786
29	Financial Expenses		
	This consist of the followings;		
	Bank Charges & Commission	7,352,849	7,049,789
	Bank Charges on Proceeds Realization	7,462,298	10,548,304
	Interest on Short Term Loan	184,403,974	160,641,015
	Interest on Obligation under Finance Lease	174,719	696,959
		199,393,840	178,936,067
30	Current tax:		
	Minimum Tax	15,437,436	12,899,568
	Regular Tax	2,986,417	24,070,715
	Higher One	15,437,436	24,070,715
	A) Minimum Tax		
	Turnover	2,557,157,861	2,867,534,079
	Other income	15,748,166	14,082,967
		2,572,906,027	2,881,617,046
	Minimum Tax on turnover & other income	15,437,436	10,373,821
	Deducted Tax at source	13,033,702	12,899,568
	Higher One	15,437,436	12,899,568
	B) Regular Tax		
	The above balance is made up as follows:		
	Income tax on business income (Note-30.01)	-	20,549,973
	Income tax on other income (Note-30.02)	2,986,417	3,520,742
	Total	2,986,417	24,070,715
30.01	Income tax on business income:		
	Profit before tax	(1,868,047)	146,460,011
	Add: Accounting depreciation	70,223,306	68,870,430
	Add: Contribution to Employees' Gratuity Fund	6,019,351	6,142,722
	Less: Tax depreciation	(101,050,582)	(69,390,375)
	Less: Payment to Employees' Gratuity Fund	(2,500,000)	(1,000,000)
	Less: Other income	(15,748,166)	(14,082,967)
	Taxable business income	(44,924,138)	136,999,821
	Tax rate	15%	15%
	Income tax on business income	-	20,549,973

		Amount in Taka	
		30.06.2020	30.06.2019
30.02	Income tax on other income:		
	Other Income	11,945,666	14,082,967
	Tax rate	25%	25%
	Income tax on other income	2,986,417	3,520,742
31	Basic Earnings per share		
	Net profit after tax attributable to ordinary shareholders of the company	(23,026,200.16)	122,764,458.00
	Weighted average number of share	150,289,242	136,626,584
		(0.15)	0.90
	Adjustment Earnings per share		
	Net profit after tax attributable to ordinary shareholders of the company	(23,026,200)	122,764,458
	Weighted average number of share (Note-31.01)	150,289,242	150,289,242
	Basic EPS for the year	(0.15)	0.82
	Earnings Per Share (Diluted)	(0.15)	0.82

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

Disclosure

(b) During the corresponding year ended on June 30, 2020, revenue has been decreased Tk. 310,376,218 (10.82%) and financial expenses increased Tk. 20,457,773 (10.26%) compare to the same year in 2019. Both the parameters are impacted on Earning Per Share (EPS) desperately. COVID-19's impact on the RMG industry in Bangladesh and many international buyers are cancelling or postponing confirmed procurement orders. Competitive global apparels markets are the reason for decreasing revenue.

31.01 Weighted average number of share

Particulars	Number of share	Number of share
136,626,584 No. of Ordinary Shares for 365 days	136,626,584	136,626,584
13,662,658 No. of Stock Dividend Shares for 365 days	13,662,658	
	150,289,242	136,626,584

32 Net Assets Value per Share

Net asset value per share has been calculated as under;

Total Assets	4,811,881,581	4,846,785,684
Less: Outside liability	(2,438,324,611)	(2,451,207,116)
Non-Current Liability	(132,336,031)	(127,904,351)
Current Liability	(2,305,988,580)	(2,323,302,765)
Net Asset Value	2,373,556,970	2,395,578,568

Shares outstanding at the end on the year

150,289,242	136,626,584
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Net Asset Value per share

15.79	17.53
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Disclosure

(a) The major reason for decrease in Net Asset Value per share by Tk. 1.74 per share was due to 10% Stock dividend by Tk. 13.66 crore which is in excess of Tk. 15.97 crore, net loss made during the year amounting Tk. -2.30 crore.

33 Received from Customers & Others

Revenue during the year	2,557,157,861	2,867,534,079
Adjustment for Foreign Exchange Gain/(Loss) for Trade Receivable	(10,957,101)	15,298,137
Other Income	15,748,166	14,082,967
Opening Accounts & Other Receivable	1,503,641,370	1,633,566,392
Closing Accounts & Other Receivable	(1,245,861,582)	(1,503,641,370)
	2,819,728,714	3,026,840,205

		Amount in Taka	
		30.06.2020	30.06.2019
34	Payment to Creditors, Suppliers, Employees and Others		
	Cost of goods Sold	(2,296,231,926)	(2,486,725,163)
	Selling & Distribution Expenses	(10,818,596)	(11,032,470)
	Administrative Expenses	(60,290,451)	(61,263,786)
	Adjustment for Depreciation	70,223,306	68,870,430
	Adjustment for Write off of Intangible Assets	90,000	90,000
	(Increase)/Decrease in Inventory	(149,938,185)	(123,916,218)
	(Increase)/Decrease Advance Deposits & Prepayments excluding Advance Income Tax	1,154,732	2,107,904
	Increase/(Decrease) in Trade and Other Payables	(344,177,518)	(459,284,210)
	Increase/(Decrease) in Liabilities for Expenses	25,488,497	947,613
	Adjustment for Foreign Exchange Gain / (Loss) for Trade Payable	2,866,435	(13,193,314)
		(2,761,633,706)	(3,083,399,214)
35	Income Tax Paid		
	Opening Advance Income Tax	19,498,531	40,599,368
	Closing Advance Income Tax	(33,084,715)	(19,498,531)
	Closing Income Tax Provision	53,007,444	44,124,532
	Opening Income Tax Provision	(44,124,532)	(61,262,543)
	Current Tax during the period	(15,437,436)	(24,070,715)
		(20,140,708)	(20,107,889)
36	Net operating cash flow per share (NOCFPS)		
	Net cash from operating activities	(161,439,540)	(255,602,965)
	Number of shares outstanding	150,289,242	136,626,584
	NOCFPS	(1.07)	(1.87)

Disclosure

(c) During the period ended June 30, 2020, Net Operating Cash Flow per share of the company improved due to less payment made to Creditors, Suppliers, Employees and Others with compared to corresponding previous year.

37	Reconciliation of net Profit/Loss before tax with cash flows from operating activities		
	Net Profit/(Loss) before tax	(1,968,148)	145,814,812
	Opening Accounts & Other Receivable	1,503,641,370	1,633,566,392
	Closing Accounts & Other Receivable	(1,245,861,582)	(1,503,641,370)
	Adjustment for Depreciation	70,223,306	68,870,430
	Adjustment for Write off of Intangible Assets	90,000	90,000
	(Increase)/Decrease in Inventory	(149,938,185)	(123,916,218)
	(Increase)/Decrease Advance Deposits & Prepayments excluding Advance Income Tax	1,154,732	2,107,904
	Increase/(Decrease) in Trade and Other Payables	(344,177,518)	(459,284,210)
	Increase/(Decrease) in Liabilities for Expenses	25,488,497	947,613
	Adjustment finance expenses	-	-
	Foreign Currency gain loss arising for cash and cash equivalents	48,696	(50,429)
		(161,439,540)	(255,602,965)
38	Additional disclosure		

(a) The major reason for decrease in Net Asset Value per share by Tk. 1.74 per share was due to 10% Stock dividend by Tk. 13.66 crore which is in excess of Tk. 15.97 crore, net loss made during the year amounting Tk. -2.30 crore.

(b) During the corresponding year ended on June 30, 2020, revenue has been decreased Tk. 310,376,218 (10.82%) and financial expenses increased Tk. 20,457,773 (10.26%) compare to the same year in 2019. Both the parameters are impacted on Earning Per Share (EPS) desperately. COVID-19's impact on the RMG industry in Bangladesh and many international buyers are cancelling or postponing confirmed procurement orders. Competitive global apparels markets are the reason for decreasing revenue.

Amount in Taka	
30.06.2020	30.06.2019

(c) During the period ended June 30, 2020, Net Operating Cash Flow per share of the company improved due to less payment made to Creditors, Suppliers, Employees and Others with compared to corresponding previous year.

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 Period.

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 30.06.2020 are as follows:

Name of Related Party	Common Management	Nature of Transaction	Opening Balance as on July, 01, 2019	Transaction during the year Dr./(Cr.)	Closing Balance as on June, 30, 2020
Shepherd Textile (BD.) Limited	"	Office & Land Rent	292,612	(273,826)	18,786
Taiwan Food & Processing Industries Ltd.	"	Office & Land Rent	68,828	6,042	74,870
Shepherd Textile (BD.) Limited	"	Received as Loan	-	(45,425,645)	(45,425,645)
Shepherd Jeans Ltd.	"	Received as Loan	(15,000,000)	(54,846,750)	(69,846,750)
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	01.07.2019 to 30.06.2020	01.07.2018 to 30.06.2019
(a)	Managerial Remuneration paid or payable during the period to the directors, including managing directors, a managing agent or manager	1,477,171	1,507,020
(b)	Expenses reimbursed to Managing Agent		-
(c)	Commission or Remuneration payable separately to a managing agent or his associate		-

		Amount in Taka	
		30.06.2020	30.06.2019
(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	746,208	694,645
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	908,480	840,724
(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	16,542,982	15,833,797
(b) Post-employee benefits	1,654,688	1,535,369
(c) Other long term benefits	-	-
(d) termination benefits and	-	-
(e) share- based payment	-	-
Total:	18,197,670	17,369,166

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 (2019-2020)	80,000 Lbs/Day	50,824 Lbs/Day	63.53%
Different Count of Yarn Dyeing (2018-2019)	80,000 Lbs/Day	55,478 Lbs/Day	69.35%

39.4 Value of Import at CIF basis:

During the period from July 01, 2019 to June 30, 2020 total value of import in respect of raw yarn, dyes & chemical, spare parts and machineries stands at equivalent 22.68 Millions USD on CIF basis. Details are given below:

Particulars	Amount in Taka	Amount in Taka
Raw Yarn	1,653,194,282	1,847,592,850
Dyes & Chemicals	305,522,004	235,458,181
Machineries	3,866,010	92,068,903
Total:	1,962,582,296	2,175,119,934

Amount in Taka	
30.06.2020	30.06.2019

39.5 Percentage of Materials consumed to the total consumption
Material consumed

	30.06.2020		30.06.2019	
	Amount in Taka	Percentage (%)	Amount in Taka	Percentage (%)
Raw Materials	1,595,443,395	84.21%	1,734,537,253	84.08%
Dyes & Chemicals	276,556,948	14.60%	297,555,037	14.42%
Packing Materials	22,681,620	1.20%	30,828,748	1.49%
	1,894,681,963	100.00%	2,013,424,212	100.00%

39.6 Payment in foreign currency:

	30.06.2020	30.06.2019
	Amount in USD	Amount in USD
Raw Yarn	22,882,151	26,912,850
Dyes & Chemicals	4,025,969	3,552,722
Machineries, Tools & Equipments	314,058	1,120,966

39.7 Export Sales on FOB Basis

	30.06.2020	30.06.2019
	Amount in USD	Amount in USD
Export	\$30,194,581.05	\$34,163,602.53

40 Number of Employees

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

Number of permanent staff	309
Number of permanent workers	626
Number of temporary staff/worker	-
Total:	935

SHEPHERD INDUSTRIES LIMITED
Schedule of Property, Plant & Equipment
As on 30 June 2020

Annexure-A

Amount in Taka

Particulars	Cost				Depreciation				Written Down Value as on 30-06-20
	Opening Balance as on 01-07-19	Addition	Disposal/ Adjustment	Closing Balance as on 30-06-20	Rate (%)	Opening Balance as on 01-07-19	Charged during the year	Disposal/ Adjustment	Closing Balance as on 30-06-20
	1	2	3	4=(1+2-3)	5	6	7=(4-6)×5	8	9=(6+7-8)
Building - Factory	175,130,264	140,664,028	-	315,794,292	10%	89,613,697	9,773,451	-	99,387,148
Land & Land Development	319,694,324	716,998	-	320,411,322	0%	-	-	-	320,411,322
Plant & Machinery	733,764,081	79,095,352	-	812,859,433	10%	388,853,791	35,889,381	-	424,743,172
ETP	73,844,334	-	-	73,844,334	15%	44,748,677	4,364,349	-	49,113,026
Electric Equipment & Line Installation	40,144,938	6,149,104	-	46,294,042	10%	24,198,307	1,836,224	-	26,034,531
Fire Fighting Equipment	1,850,394	33,400	-	1,883,794	10%	869,681	101,023	-	970,704
Tools & Equipments	24,076,869	498,091	-	24,574,960	20%	9,605,090	2,971,375	-	12,576,465
Gas Line Installation	6,755,553	-	-	6,755,553	10%	4,986,052	176,950	-	5,163,002
Building - Head Office	88,993,500	-	-	88,993,500	5%	22,161,357	3,341,607	-	25,502,964
Office Equipment	15,790,582	242,240	-	16,032,822	10%	8,926,169	704,941	-	9,631,110
Air Conditioner & Electric Appliance	3,601,651	210,700	-	3,812,351	10%	1,130,334	258,419	-	1,388,753
Lift - Head Office, Uttara	2,085,948	-	-	2,085,948	10%	1,012,672	107,328	-	1,120,000
Furniture & Fixture	6,097,503	255,409	-	6,352,912	10%	2,752,811	352,204	-	3,105,015
Office Decoration	2,879,388	-	-	2,879,388	10%	1,410,857	146,853	-	1,557,710
Car & Vehicles	38,790,723	-	-	38,790,723	15%	16,519,995	3,340,609	-	19,860,604
Telephone Equipments	3,902,609	49,103	-	3,951,712	10%	2,310,628	161,244	-	2,471,872
Sub Total	1,537,402,661	227,914,425	-	1,765,317,086		619,100,118	63,525,958	-	682,626,076
REVALUATION PART									
Land & land Development	547,605,914	-	-	547,605,914	-	-	-	-	-
Building	158,824,830	-	-	158,824,830	10%	91,851,346	6,697,348	-	98,548,694
Sub Total	706,430,744	-	-	706,430,744		91,851,346	6,697,348	-	98,548,694
Total as on 30.06.2020	2,243,833,405	227,914,425	-	2,471,747,830		710,951,464	70,223,306	-	1,690,573,060
Total as on 30.06.2019	2,206,430,747	37,402,658	-	2,243,833,405		642,081,034	68,870,430	-	1,532,881,941
Factory Overhead Exp	61,810,101								
Administrative Exp	8,413,205								

SHEPHERD INDUSTRIES LIMITED

Calculation of Deferred Tax
For the Year ended 30 June 2020

Annexure-B

Particulars	01.07.2019 To 30.06.2020	01.07.2018 To 30.06.2019
A. D.Tax (income) / expenses recognized in profit and loss and other comprehensive income:		
Cost:		
Carrying amount:		
Property , Plant and Equipment	762,279,688	598,608,219
Intangible Assets	157,500	247,500
Provision for Doubtful Debt	-	(4,222,845)
Provision for gratuity	(44,660,694)	(41,141,343)
	<u>717,776,494</u>	<u>553,491,531</u>
Tax base:		
Property , Plant and Equipment	443,415,406	317,265,629
Intangible Assets	2,932	5,864
Provision for Doubtful Debt	-	-
Provision for gratuity	-	-
	<u>443,418,338</u>	<u>317,271,493</u>
Taxable /(Deductible) temporary difference	274,358,156	236,220,038
Income Tax rate	15.00%	15.00%
Deferred Tax Liabilities/(Assets) at the end of the year/period	41,153,723	35,433,006
Closing Deferred Tax Liabilities/(Assets)	41,153,723	35,433,006
Opening Deferred Tax Liabilities/(Assets)	(35,433,006)	(35,808,168)
D.Tax (income) / expenses recognized in profit and loss and other comprehensive income	5,720,717	(375,162)
B. D.Tax (income) / expenses recognized in Revaluation Reserve:		
Revaluation:		
Carrying Amount:		
Land and Land Development	547,605,914	547,605,914
Building	60,276,136	66,973,484
	<u>607,882,050</u>	<u>614,579,398</u>
Tax base:		
Land and Land Development	-	-
Building	-	-
	<u>-</u>	<u>-</u>
Taxable /(Deductible) temporary difference	607,882,050	614,579,398
Tax rate	15.00%	15.00%
Deferred tax liability end of the year/period	91,182,308	92,186,910
Closing Deferred Tax Liabilities/(Assets)	91,182,308	92,186,910
Opening Deferred Tax Liabilities/(Assets)	92,186,910	93,248,112
D.Tax (income) / expenses recognized in Revaluation Reserve:	(1,004,602)	(1,061,202)
C. Total Deferred tax liability at end of the year/period as shown in the Statement of Financial Position (A+B)	132,336,031	127,619,916

SHEPHERD INDUSTRIES LIMITEDSchedule of Closing Inventory
as on 30 June 2020**Annexure-C**

Name of Items	30.06.2020			30.06.2019		
	Qty in Lbs/Kg	Average Rate	Total Tk	Qty in Lbs/Kg	Average Rate	Total Tk
A) RAW MATERIALS:						
Raw Yarn	10,651,376	118.84	1,265,830,207	10,192,043	118.53	1,208,079,320
B) DYES & CHEMICALS:						
Dyes	177,858	877.56	156,081,301	149,798	876.21	131,254,865
Chemicals	808,433	138.05	111,604,239	463,744	137.81	63,908,538
	986,292	271.41	267,685,540	613,542	318.09	195,163,403
C) Work in Process:	507,716	135.11	68,597,406	438,353	133.92	58,703,132
D) Finished Goods:						
Dyed Yarn	801,390	174.57	139,897,846	740,955	172.56	127,856,088
E) Packing Materials			5,463,361			6,426,912
F) Store & Spares			7,833,048			9,140,368
Grand total (A+B+C+D+E+F):			1,755,307,408			1,605,369,223

SHEPHERD INDUSTRIES LIMITED
Schedule of Accounts & Other Receivables
as on June 30, 2020

Annexure-D

S.L	Particulars	Amount in Taka	Amount in Taka
		30.06.2020	30.06.2019
Trade Receivable			
1	Ananta Huaxiang Ltd	-	2,556,049
2	Anzir Apparels Limited	21,351,115	-
3	Apparel Wet Processing Ltd	-	2,225,468
4	Aristo Fashion Ltd	200,330	-
5	A & S International Ltd.	-	3,709,791
6	ASR Sweater Ltd	11,497,646	1,527,658
7	Atashi Fashion Ltd.	-	1,204,541
8	Ats Auto Sweater Ltd	991,609	-
9	Best Wool Sweater Ltd.	118,206,289	228,339,219
10	BHML Industries Ltd.	1,713,323	-
11	Bhuyan Warm Tex Ltd.	15,361,188	4,176,793
12	Body Fashion (PVT) Ltd	-	1,981,600
13	CK Sweater Ltd	-	-
14	Cold Asia Sweater Ltd	-	4,221,482
15	Colour & Fashion Ind. Ltd	10,160,332	-
16	Cosmic Sweater Ltd	4,598,645	2,293,480
17	Creative Wool Wear Limited	1,146,497	8,433,741
18	Crown Cotton Limited	5,697,592	-
19	Daeyu Bangladesh Ltd.	7,442,923	4,680,527
20	Denim Asia Ltd.	2,790,613	-
21	Denim Fashion Ltd	634,654	-
22	Devor Industries Ltd	12,655,209	4,904,828
23	Dhaka Pullover Ltd.	8,416,239	6,923,329
24	Diganta Sweater Ltd	33,137,767	11,663,668
25	Disney Sweater Ltd	46,680,025	54,629,278
26	Dynamic Sweater Ltd	-	1,709,741
27	Dynasty Sweater Ltd.	12,511,541	12,191,231
28	Eh Fabrics Ltd	7,515,230	7,120,244
29	Ekram Sweater Ltd.	1,185,382	1,180,952
30	En Rich Ltd.	14,847,034	2,222,160
31	Eva Sweater Ltd.	1,447,401	2,037,509
32	Everbright Sweater Ltd	-	719,010
33	Fabulous Fashion Ltd	166,500	2,707,062
34	Faiza Industries Ltd	3,904,311	1,884,474
35	Faymax Sweater Ltd	626,193	-
36	FB Fashion (Pvt) Ltd.	12,199,596	8,417,695
37	Fyne Sweater Ltd.	3,615,412	-
38	Garib & Garib Sweater	-	10,375,965
39	Global Knitwear Ltd.	9,572,151	6,130,785
40	Golden Times Sweater Ltd.	-	8,779,138

SHEPHERD INDUSTRIES LIMITED
Schedule of Accounts & Other Receivables
as on June 30, 2020

Annexure-D

S.L	Particulars	Amount in Taka	Amount in Taka
		30.06.2020	30.06.2019
41	Green Arrow Sweater Ltd.	11,499,326	10,855,934
42	Green Sweater Ltd	-	18,702,317
43	GS Sweater Ltd.	-	1,495,287
44	Haesong Korea Ltd.	6,038,096	-
45	Hamid Sweater Ltd	-	1,750,552
46	Hera Sweater Ltd.	-	4,039,699
47	Hydroxide Knitwear Ltd	-	1,328,657
48	Indesore Sweater Ltd.	2,692,305	5,949,009
49	Irish Fashion Ltd.	15,082,263	40,659,772
50	Ixora Apprales Ltd	-	1,723,893
51	Jams Knit Wear (Pvt) Ltd	776,667	3,690,426
52	J F K Fashion Ltd	1,190,211	1,064,983
53	Koala Apparels Ltd.	989,393	-
54	Lebaz Sweater Ltd	1,815,832	-
55	Leeu Fashion Ltd	1,755,836	346,028
56	Lumbini Ltd	-	4,423,275
57	Lusine Fashion Ltd.	7,789,298	40,924,525
58	Madina Apple Fashion Ltd.	-	2,365,749
59	Magpie Knitwear Ltd.	22,827,157	37,329,953
60	Mark Sweater Ltd.	2,216,436	5,080,915
61	Masihata Sweater Ltd	15,822,566	4,703,230
62	Matrix Sweater	2,094,802	11,699,141
63	Max Sweater	92,739,826	105,690,735
64	Meditex Industries Ltd	25,779,255	19,495,680
65	Meditex Knitwear Ltd	11,137,111	34,776,382
66	Meek Sweater Ltd	883,911	3,060,452
67	M.G. Knit Fiairs Ltd	-	2,279,514
68	Midline Sweater Ltd	-	642,626
69	Mim Design Limited	859,032	17,273,946
70	MK Sweater	-	439,232
71	MNR Sweater Ltd	29,924,819	22,959,277
72	M T Sweaters Ltd.	1,904,670	-
73	Natural Sweater Ltd	6,104,036	-
74	Natural Sweater Village	-	3,491,259
75	New Horizon (BD) Ltd.	-	4,222,845
76	Next Export Zone Ltd	1,452,296	-
77	Nexus Sweater	-	1,949,763
78	Oasis Fashions Ltd	2,384,154	792,339
79	Ocean Sweater Ltd	13,388,668	13,974,993
80	Odessa Fashion Ltd.	-	4,497,477
81	Orchid Sweater Ltd	404,627	3,668,201

SHEPHERD INDUSTRIES LIMITED
Schedule of Accounts & Other Receivables
as on June 30, 2020

Annexure-D

S.L	Particulars	Amount in Taka 30.06.2020	Amount in Taka 30.06.2019
82	Orient Allure Knit Wear Ltd	-	1,491,787
83	Orpat Sweater Ltd	-	1,214,079
84	Pacific Sweater Ltd	-	3,171,879
85	Panache Knitted Creation	-	7,441,920
86	Pandora Sweater Ltd	20,850,140	5,699,199
87	Pigeon Sweater Ltd	958,116	-
88	Pioneer Knitwear (BD) Ltd	129,819,784	98,419,120
89	Pioneer Sweater Ltd.	-	51,367,989
90	PIOUS ATTIRES LTD	961,853	-
91	Posmi Sweater Ltd	3,678,576	12,266,902
92	Prime Sweater Ltd.	-	2,894,882
93	Probridhi Apparels Ltd	-	1,872,151
94	Prostar Apparels Ltd	-	847,916
95	Purba Apparels Ltd	4,369,884	5,679,717
96	Raidha Collections Ltd	4,215,867	105,626
97	Raozan Sweater Ltd.	5,270,757	919,761
98	RGR Sweater Ltd	55,442,940	23,695,849
99	Riverside Sweater Ltd	-	518,493
100	Rmm Knit Clothing Ltd	2,889,760	2,484,611
101	Rose Sweater Ltd.	-	10,431,296
102	RSS Sweater Ltd.	-	1,130,490
103	R S Sweater Ltd	-	2,823,293
104	Rupa Knitwear Ltd	-	752,373
105	Saadatia Sweater Ltd.	2,829,261	4,547,300
106	Sailor Moon Sweater Ltd	3,590,825	-
107	Samson Winter Wear	134,657	989,148
108	Seowan Bangladesh Ltd.	129,193,804	133,717,322
109	Shams Jacquard Ltd	2,188,277	4,377,069
110	Shinest Apprales Ltd	-	245,262
111	SMH New Generation	-	1,472,412
112	Smung Sweater Ltd	-	13,319,815
113	Sonia & Sweater Ltd.	-	9,699,216
114	SOULTEX FASHION LTD	7,536,297	-
115	Southeast Sweater Ltd	13,389,590	-
116	Southend Sweater Ltd	2,674,180	2,107,580
117	Southern Clothing Ltd.	7,923,634	3,438,427
118	Space Sweater Ltd	5,870,808	5,556,352
119	Spring Trade Ltd	23,956,791	-
120	SQ Celsius Ltd	18,164,956	-
121	SRP Sweater Ltd.	7,649,921	1,804,186
122	SS Sweater Ltd.	-	462,878

SHEPHERD INDUSTRIES LIMITED
Schedule of Accounts & Other Receivables
as on June 30, 2020

Annexure-D

S.L	Particulars	Amount in Taka	Amount in Taka
		30.06.2020	30.06.2019
123	Sung Kwang Apparels	27,311,321	36,864,451
124	Supreme Knitwear Ltd	-	753,782
125	Supti Sweater Ltd	-	20,750,209
126	Sweater Tech Ltd	16,359,864	28,227,531
127	SYNERGY FASHIONS LTD	621,084	-
128	Target Denim & Casual	3,375,822	546,187
129	Target Fine Knit Industries Ltd.	14,708,091	23,819,495
130	Target Fine Wear Ltd	18,857,888	-
131	T. Design Sweater Ltd	-	3,344,589
132	Titas Sweater Ind. Ltd	4,881,634	801,740
133	TJ Sweater Ltd	-	857,084
134	Ultimate Fashion Ltd	16,380,318	20,669,050
135	Virtual Bottoms Ltd.	727,944	-
136	Warm Fashion Ltd	-	1,460,179
137	Welldone Apparels Ltd	34,638,866	72,981,698
138	Winter Dress	-	3,638,260
139	Woolen & Wool Ltd	-	1,125,328
140	Zahintex Ind. Ltd	-	1,753,376
141	Z.A. Sweater Ltd	-	336,800
142	Zon Ron Sweater Ltd.	4,210,923	25,423,564
143	Zoom Sweaters Ltd	-	662,650
Total Trade Receivable		1,245,459,773	1,507,277,750
Less: Provision for Doubtful Debts- New Horizon (BD) Ltd.		-	4,222,845
Total Receivable Considered as Good		1,245,459,773	1,503,054,905
Other Receivable			
	Office Rent	401,809	586,465
Total Other Receivable		401,809	586,465

SHEPHERD INDUSTRIES LIMITED
Schedule of Advance, Deposit & Prepayments
as on June 30, 2020

Annexure-E

S.L	Particulars	Amount in Taka	Amount in Taka
		30.06.2020	30.06.2019
A)	ADVANCES:		
1	Advance Tax Paid	33,084,715	19,498,531
2	Artistic Properties Ltd	-	64,100,000
3	Akteruzzaman	4,671	-
4	Aminul Islam	20,000	-
5	Ataur Rahman, GM & CFO	-	14,700
6	Jacob Biswash	40,000	-
8	Jahidul Islam	9,545	-
9	Liakot Hossain	7,220	-
10	Md. Fakrul Alom	4,755	-
11	Md. Reshad Khan	1,500	-
12	Mizanur Rahman	36,291	-
13	Mohammed Rasel Miah	17,500	47,500
14	Nilufer Zakir	-	45,000
15	Shirajul Islam	86,840	-
16	Tofazzal Hossain, Dy. Manager	44,933	14,700
17	Al- Noor Secientific Co.	22,631	-
18	Alo Bitan	40,207	-
19	Alu Bazar Traders	307,607	-
20	B K Hardware and Tools	26,735	1,753
21	Bhander Sharif Trading Corporation	477,921	-
22	Bhuyan Sewing	10,210	-
23	Billal Tradeing PTE Ltd	14,743	-
24	Dysin International Ltd	77,542	-
25	Global Brand Private Limited	31,066	-
26	Global Compliance Initiative	-	65,000
27	Hosna Akter	-	500
28	ISN Printing & Packing	1,620	-
29	Joy Enterprise	-	226,120
30	M/S. Yasin Traders	-	30,000
31	Mark Trade International	1,548,423	-
32	M/S A.K Traders	1,350	-
33	M/S Aman Hardware Store	8,157	-
34	Overseas Markteting Corporation (Pvt) Ltd.	555	-
35	Nikunja Model Service Centre	13,550	-
36	Pre-Paid Insurance	2,315,555	1,447,494
38	Q Tex Bangladesh	12,005	-
39	Renu Enterprise	285	-
40	Saudia Electric Co.	3,317	-
41	SQ Wire & Cables Co. Ltd	51	-
42	Sreeeman Mithun Chandra Barmon	-	15,000
	Sub Total:	38,271,500	85,506,298
B)	DEPOSITS:		
1	Anser and VDP	185,532	185,532
2	Bank Guarantee Margin	2,913,843	3,334,507
3	Israil Talukder	-	50,000
4	L/C Margin- Southeast	146,114	4,109,200
5	Lease Deposit	198,349	198,349
6	PDB (Bhaluka)	1,043,500	1,043,500
7	RAK Security and Services (Pvt) Ltd.	30,000	30,000
8	Security Deposit- CDBL	500,000	500,000
9	Security Deposit- DESCO	144,000	144,000
10	Titas Gas T&D Co. Ltd.	8,614,980	8,614,980
	Sub Total:	13,776,318	18,210,068
	Grand Total:	52,047,818	103,716,366

SHEPHERD INDUSTRIES LIMITED
Schedule of Intangible Asset
as on 30 June 2020

Annexure-F

Particulars	Cost			Depreciation			Written Down Value as on 30-06-20
	Opening Balance as on 01-07-19	Addition	Closing Balance as on 30-06-20	Rate (%)	Opening Balance as on 01-07-19	Charged during the year	Closing Balance as on 30-06-20
Software & Software Development	450,000	-	450,000	20%	202,500	90,000	157,500
Total as on 30.06.2020	450,000	-	450,000			90,000	157,500

Amount in Taka

SHEPHERD INDUSTRIES LIMITED
Schedule of Trade & Other Payables
as on 30 June 2020

Annexure-G

S.L	Particulars	Amount in Taka	Amount in Taka
		30.06.2020	30.06.2019
A: Accounts Payables for Trade			
1	Badsha Textiles Ltd	-	1,050,179
2	Ben Tech Co. Ltd.	67,555,557	75,056,435
3	Cheng Chin Transcend Enterprise Corporation	14,301,628	86,578,033
4	Chung Wan Corp. Ltd	-	8,166,502
5	Crystal Cardars Co. Ltd.	41,058,858	111,769,234
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
9	Hwa Tai Industries Co. Ltd.	-	735,150
10	Jiangsu GTIG ESEN Co. Ltd	-	35,766,050
11	Le Merite Exports Ltd.	8,691,418	-
12	Novel Pioneer Ltd	9,893,258	67,115,064
13	Novel Vantage Investment Ltd. India	6,163,504	45,107,978
14	Oriental Giant Dyes & Chemical Ind. Corp.	1,813,245	-
15	RN Spinning Mills	-	31,492,727
16	Square Textiles Ltd.	45,597	-
17	Sri Bhagirath Textiles Ltd	4,554,399	-
18	Transfar (Hongkong) Ltd.	-	1,437,608
19	T&T Industries Corporation Ltd	5,235,585	-
20	Uttara Spinning Mills Ltd	-	592,409
21	Wolfson Ltd	27,201,170	67,170,307
22	ASM Chemical Industries Ltd.	661,212	1,220,081
23	Appearance	-	99,600
24	Bismillah Engineering Workshop	597,036	-
25	Bismillah Paper Cone & Tube	2,492,971	1,843,704
26	Everfirst Technology Ltd.	270,889	333,230
27	G Q Industries Ltd.	833,081	851,030
28	Green Will Ltd.	431,201	279,301
29	Jafar Traders	1,218,419	1,553,839
30	LLANO (BANGLADESH) LTD.	487,425	316,642
31	Lucy Enterprise	48,020	48,020
32	MM International	240	240
33	M/s. Joy Kali Traders	7,790	-
34	M/S J. R Enterprise	-	41,650
35	Nabila Enterprise	20,474	33,340
36	Nikunja Model Service Centre	-	297,408
37	On Tex Bangladesh Co.	-	10,976
38	Parbortto Enterprise	220,000	-
39	R S Plastic Enterprise	26,400	-
40	SAF Chemicals	-	211,151

SHEPHERD INDUSTRIES LIMITED
Schedule of Trade & Other Payables
as on 30 June 2020

Annexure-G

S.L	Particulars	Amount in Taka	Amount in Taka
		30.06.2020	30.06.2019
41	Setu Enterprise	1,453,484	3,668,109
42	SJM Enterprise	466,778	164,885
43	Sparrow Corporation	171,750	609,210
44	Talha Enterprise	-	42,680
45	TM International	118,200	-
46	United Chemical	669,756	1,688,616
47	UTC Universal Tech Co	720	70,496
48	Victori Bangla	-	190,605
49	Water World Engineering	-	42,336
		196,710,065	578,582,512
B: Accounts Payables for others			
1	Afsar Trading Corporation	146,753	-
2	Al Aksha Sweater Ltd.	68,429	-
3	Al Hera Design & Printers	168,679	254,955
4	Al- Noor Secientific Co.	-	53,712
5	Alo Bitan	-	101,171
6	Alu Bazar Traders	-	280,588
7	Aman Hardware Store	4,214	34,169
8	Ariful Bearing House	3,492	-
9	Artistic Properties Limited	23,500,000	-
10	Asia Pacific General Insurnace Co.Ltd.	60,042	-
11	Asif Screw House	-	358
12	Auto Electrics	52,000	-
13	Auto Power Controls	21,560	-
14	Bangladesh Lift Industries Ltd	33,440	22,800
15	Bagerhat International	-	289,871
16	Bangladesh Spring Workshop	3,430	-
17	Bhander Sharif Trading Corporation	-	3,404,739
18	Banglalink Digital Communications Ltd	-	31,671
19	Bhuiyan Sewing	-	17,021
20	Bilal Trading PTE Ltd	-	91,240
21	B. R Trading	8,560	-
22	B. Tex Colour Touch	-	262,062
23	Bureau Veritas Consumer Products Services	3,826	-
24	Central Depository Bangladesh Limited (CDBL)	50,537	-
25	Codeware Ltd.	-	2,250
26	Daniel Corporation Ltd	-	2,100
27	Dhaka Insulation Co. Ltd	33,000	-
28	D T M Fabrics	153,125	-
29	Dubai Trade International	7,372	23,959

SHEPHERD INDUSTRIES LIMITED
Schedule of Trade & Other Payables
as on 30 June 2020

Annexure-G

S.L	Particulars	Amount in Taka	Amount in Taka
		30.06.2020	30.06.2019
30	Dysin- Chem Limited	22,396	420,616
31	Easy Soft	10,000	20,000
32	Fellow Trading & Marketing Company	-	78,784
33	Gazi Tanks	-	323,792
34	Garib & Garib Fabric Care	716,559	20,628
35	Genetic Power & Engineering Ltd	-	20,000
36	Global Brand Private Limited	-	34,500
37	Hoque Chemicals Works	-	90,000
38	Israil Talukder	165,481	-
39	IT Vista	34,328	91,882
40	Jharna Agency C&F Ltd	-	4,363
41	Jhon Stitch Textile	-	18,870
42	Janani Automobles	-	93,783
43	K.S. Enterprise (C&F)	26,192	54,540
44	Khan Enterprise	1,621,528	1,574,894
45	Khan Global	68,428	691
46	Link Trade	7,000	-
47	Lube House	220,991	506,417
48	Maan Bangladesh Ltd.	9,400	2,350
49	Mark Trade International	-	395,760
50	Mahim Winding	259,060	-
51	Md. Maijuddin	72,198	-
52	M K Enterprise	28,600	-
53	M/S Afsar Trading Corporation	3,355	-
54	M/s Alam Store	-	27,190
55	M/S A.R Filling Station	65,300	-
56	M/S Forhad Enterprise	143,670	-
57	M/S Maa Surgical	5,200	-
58	M/S Himel Electric Works	-	600
59	M/S Nishat Traders	-	33,751
60	M/s S.N. Enterprise	538,221	378,985
61	M/S. Yasin Traders	160,930	-
62	Ma Traders & Variety Store	3,724	37,321
63	MKS Trade	47,497	186,753
64	Modern Tex	311,871	-
65	Mourin Enterprise	900	-
66	Navana Poly Packaging Ltd	-	116,643
67	Navana Toyota Service Center Ltd (Uttara)	63,590	92,027
68	Nazia Books & Stationery	97,873	1,158
69	New Star Communication	56,700	-
70	Nilufer Akter	12,415	133,150

SHEPHERD INDUSTRIES LIMITED
Schedule of Trade & Other Payables
as on 30 June 2020

Annexure-G

S.L	Particulars	Amount in Taka	Amount in Taka
		30.06.2020	30.06.2019
71	Nitol Motors Ltd	418	34,035
72	Orient Plastic & Packaging Industries Ltd.	-	25,024
73	Prisma Technologies Ltd	318,221	-
74	Puma Engineering	75,000	-
75	Rifat Enterprise	485,976	2,065,976
76	Saudia Electric Co.	-	18,860
77	Sharif Bearing & Machineries	32,243	105,619
78	Shajahan Engineering Works	-	63,750
79	Shohana/SMJ Winding	51,655	-
80	SQ Wire & Cables Co. Ltd	-	253,103
81	Super Tex Cone	-	735,970
82	Standard Hardware & Tools	-	70
83	Stock Bangladesh Ltd.	4,800	-
84	Super Tex Cone	6,530	-
85	Tanzit Twiest	51	-
86	The Khan Global	52,292	-
87	The National Carrier	5,709,328	1,882,948
88	The New Khan Tyre & Battery Shop	22,844	16,745
89	Triple "S" Yarn Winding	582,367	-
90	Unique Engineering	81,144	-
91	Vai Mending Work	77,028	86,634
92	Yellow Communication	27,060	-
Sub Total		36,618,823	14,920,848
Grand Total (A+B)		233,328,888	593,503,360





গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
পরিবেশ অধিদপ্তর
ময়মনসিংহ জেলা কার্যালয়
৫৭, কাজী নজরুল ইসলাম রোড, ময়মনসিংহ।
www.doe.gov.bd

পরিবেশগত ছাড়পত্র নবায়ন

ছাড়পত্র নং: ২০-৪৭১২০

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

প্রতিষ্ঠান/প্রকল্পের নাম	: Shepherd Industries Ltd.
উদ্যোক্তার নাম	: Kao Wen Fu
সনাক্তকরণ নং	: ১০৬১৯২
প্রতিষ্ঠান/প্রকল্পের কার্যক্রম	: Knitting, Dying and Finishing
প্রতিষ্ঠান/প্রকল্পের শ্রেণী	: Red
প্রতিষ্ঠান/প্রকল্পের ঠিকানা	: Kathali, Bhaluka, Mymensingh-2240.
প্রদানের তারিখ	: 18/10/2020
মেয়াদ উত্তীর্ণের তারিখ	: 22/06/2021



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

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

TESTEX AG, SWISS TEXTILE TESTING INSTITUTE
GOTTHARDSTRASSE 61
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 176313.1**

OEKO-TEX®
CONFIDENCE IN TEXTILES
STANDARD 100
HKYO 105586 TESTEX
Tested for harmful substances
www.oeko-tex.com/standard100



for the following articles:

Yarns made of 100% acrylic, acrylic/wool or acrylic/nylon, white or dyed (with basic and acid dyestuffs) and finished

The results of the inspection made according to STANDARD 100 by OEKO-TEX®, Annex 6, **product class I** 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 baby articles.

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 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 105586 is valid until 15.10.2021

Zurich, 19.11.2020



Matz Bachmann
Managing Director



Carole Sägesser
Customer Service Team Leader

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



TESTEX AG, SWISS TEXTILE TESTING INSTITUTE
GOTTHARDSTRASSE 61
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 173917.1**



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 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 15.08.2021

Zurich, 09.11.2020

Matz Bachmann
Managing Director

Faisal Rizal
Customer Service Team Leader

OEKO-TEX® Association | Genterstrasse 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 19th Annual General Meeting of the Company to be held on Wednesday, December 30, 2020 at 10.30 a.m. at the **DIGITAL PLATFORM** and any adjournment thereof.

As witness my/our hand this _____ day of _____ 2020.

Revenue
Stamp
Tk. 20.00

(Signature of the Shareholder)

(Signature of Proxy)

BO ID No.

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

No. of Shares held

Dated.....

N.B.: This Form of Proxy, duly signed (as recorded with the company), stamped and completed must be sent through email to the Share Department of the Company at **share@shepherdbd.com** at least 48 hours before the day and time fixed for the Annual General Meeting (AGM).



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 19th Annual General Meeting of **Shepherd Industries Limited** held today Wednesday, December 30, 2020 at 10.30 a.m. at the **DIGITAL PLATFORM**.

Full Name of the Member : _____

BO ID No.

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

No. of Shares held

Dated.....

(Signature of Proxy)

(Signature of the Shareholder)

Date

N.B.: Shareholders attending the Meeting in person or by Proxy under **DIGITAL PLATFORM** are requested to complete the Attendance Slip and deposit the same at the Registered Office of the Company before the meeting.

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