ANNUAL REPORT | 2016-2017



Fortune Shoes Limited

www.fortuneshoesltd.com



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Fortune Shoes Limited

LETTER OF TRANSMITTAL

The Shareholders
Bangladesh Securities and Exchange Commission (BSEC)
Registrar of Joint Stock Companies & Firms (RJSC)
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

Subject: Annual Report for the year ended 30th June, 2017.

Dear Sir/Madam,

We are pleased to enclose a copy of Annual Report together with the Audited Financial Statements including Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30th June, 2017 along with notes to thereon of Fortune Shoes Limited for your kind information and records.

Sincerely yours,

By the order of Board

Sd/
Md. Riaz Haider
Company Secretary



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Notice of the 7th **Annual General Meeting**

Notice is hereby given that the 7th Annual General Meeting (AGM) of the shareholders of Fortune Shoes Limited will be held on Thursday,December 14, 2017 at 11.00 A.M at Barisal Club,Club Road, Barisal to transact the following business:

1. To receive, consider and adopt the Directors' Report and approve the Auditors' Report and Financial Statements for the year 2016-2017.
2. To approve the dividend for the year ended 30th June, 2017 as recommended by the Board of Directors.
3. To approve retirement/appointment of Directors as per terms of the relevant provision.
4. To appoint the Auditors of the company and fix their remuneration for the year 2017-2018.
5. To transact any other business with permission of the chair.

By the order of Board

Dated, Dhaka
28 Novemebr, 2017

Sd/
Md. Riaz Haider
Company Secretary

Notes:

1. The Shareholders whose name will be appeared in the share register of the company or in the depository register on the record date,i.e.,November 16,2017 will be entitled to attend the AGM and to receive the dividend.

2. A member entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote in his/her behalf. Proxy form, must be affixed with requisite revenue stamp and must be submitted at the Head office of the Company, not more than 48 hours before the time fixed for the meeting.

3. Admission to the Annual General Meeting will be allowed strictly on production of the attendance slip sent with the Notice as well as verification of signature of Member(s) and /of Proxy-holder(s).

***N.B:** In compliance with Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013, no gift/gift coupon/food box/benefit in cash or in kind shall be distributed/paid to the Shareholders for attending the 7th Annual General Meeting.*

OUR VISION

To become the market leader by exporting world-class of all kinds of shoes and other footwear through advanced technological innovation and customer satisfaction and leveraging on the strengths of our well experienced professionals and infrastructural advantages.

OUR MISSION

To manufacture export world-class of all kinds of footwear to meet up the demand and ensuring quality with environment safety.



OUR VALUES

Customers are always the first priority. It is our continuous effort to ensure complete satisfaction for our customers. After customer, Employees are the most valuable assets we take care. Through concerted teamwork we reach to our goal based on innovation, product diversification. Moreover, we care environmental safety.

OUR STRENGTH

Quality Products: As we export our products, we have to maintain quality products that increase our sales volume over the years.

Modern Machineries: We have been using modern machineries that increase our productivity.

Market Share: Our market share has been increasing rapidly.

Export: We have been exporting in different countries.

CORPORATE DIRECTORY

Furtune Shoes Ltd. Was incorporated on 14 March, 2010 vide registration no.CH-7590/10 as a private limited company in Bangladesh under the Companies Act 1994. The company changed its name from “Furtune Shoes Ltd.” To “Fortune Shoes Ltd.”On 29 December 2014. Further it was converted into Public Limited Company on 14 January 2015 with Registrar of Joint Stock Companies and Firms (RJSCF) in Bangladesh under the Companies Act, 1994. In the mean-time the company has obtained consent from Bangladesh Securities and Exchange Commission (BSEC) on 19 July 2016 regarding issuance of 22,000,000 ordinary shares through Initial Public Offering (IPO) which activities are going on.

Name of the Company	:	**Fortune Shoes Limited (FSL)**
Company Logo	:	
Legal Position	:	A Private Limited Company by shares registered under Companies Act, 1994 vide Registration no. CH- 7590/10 dated on March 14, 2010 by the Registrar of Joint Stock Companies & Firms in the name of Furtune Shoes Limited. As per certificate of RJSC. The name of the company has been changed to Fortune shoes Limited on December 29, 2014. The Company Converted into public Limited Company on January 14, 2015 and split of Share value from Tk. 100 to Tk. 10 dated on January 14, 2015.
Date of Incorporation	:	March 14, 2010
Date of Commercial Operation	:	September 07, 2011
Authorized Capital	:	Tk.1,500,000,000 divided into 150,000,000 Ordinary Share of Tk.10.00 each
Paid up Capital	:	Tk. 970,000,000 divided into 97,000,000 Ordinary Share of Tk. 10.00 each
Registered Office & Factory	:	Plot No. 66-68, BSCIC Industrial Estate, Kawnia, Barisal, Bangladesh.
Head Office	:	Moon Island, Suite # C-03, Plot No. 34 & 36 ,Road- 8, Block-E, Niketon, Gulshan-1, Dhaka-1212.
Board of Directors	:	5 Directors.
Auditors	:	MAHFEL HUQ & CO. Chartered Accountants BGIC Tower (4th Floor), 34 Topkhana Road, Dhaka-1000 Tel: +88-02-9553143, +88-02-9581786; Fax: +88-02-9571005 E-mail: mahfelcofca@gmail.com
Tax Consultants	:	Mr. Md. Tafazzal Hossain Forhad Green Delta AIMS Tower, 51-52 Motijheel C/A, Dhaka.
Legal Advisors	:	Advocate Salena Akhter & Associates 3/E, New Baily Road, Dhaka.
Banker of the Company	:	Islami Bank Bangladesh Limited, Mutual Trust Bank Limited, Al Arafa Islami Bank Ltd. Eastern Bank Ltd.
Compliance Officer	:	Md. Riaz Haider, Company Secretary
Web & mail Address	:	Web: www. Fortuneshoesltd.com E-mail: info@fortuneshoesltd.com

MANAGEMENT OF THE COMPANY

Board of Directors

Md. Mizanur Rahman	Chairman
Mrs. Rokshana Rahman	Managing Director
Md. Amanur Rahman	Director
Md. Robiul Islam	Director
Md. Ruhul Amin Molla	Independent Director

Audit Committee

Md. Ruhul Amin Molla (Independent Director)	Chairman
Md. Amanur Rahman	Member
Md. Robiul Islam	Member
Md. Riaz Haider	Secretary of the Committee

Chief Financial Officer

Md. Mohiuddin Mollah

Company Secretary

Md. Riaz Haider

Head of Internal Audit

Md. Mahbubul Alam

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BRIEF PROFILE OF BOARD OF DIRECTORS

MD. MIZANUR RAHMAN:
Chairman, Fortune Shoes Limited

Md. Mizanur Rahman was born in May 10, 1973 in an illustrious family. His father is Late Abdul Aziz Mollah and mother is Rahima Begum and spouse is Rokshana Rahman. His residence address: Jamcon Montory, Flat: B-4, Plot: 295-296, Block-E, Bashundhara R/A, Dhaka.

Md. Mizanur Rahman is the Chairman of Fortune Shoes Limited, also Chairman of Bangladesh Shoes Industries Limited, Global Shoes Limited and Glorious Shoes Limited. Mr. Md. Mizanur Rahman obtained M. Sc. from Chittagong University & has 21 years of Professional experience of shoes.

MRS. ROKSHANA RAHMAN:
Managing Director, Fortune Shoes Limited

Rokshana Rahman was born in 28 December, 1982 in an illustrious family of Khulna. Her father is Md. Sultan Ahmed Sharif, mother is Nur Jahan Begum and spouse is Md. Mizanur Rahman. Her residence address: Jamcon Montory, Flat: B-4, Plot: 295-296, Block-E, Bashundhara R/A, Dhaka. She has 7 years of professional experience of shoes manufacturing industry.

MD. AMANUR RAHMAN:
Director, Fortune Shoes Limited

Mr. Md. Amanur Rahman was born in 7 Feb, 1981 in an illustrious family of Babuganj, Barisal. His father is Late Abdul Aziz Mollah, mother is Rahima Begum and spouse is Mrs. Jannatul Fredousi. His residence address: Vill-West Voterdia, P.O.-Voterdia, P.S.-Babuganj Dist: -Barisal, Bangladesh. Mr. Md. Amanur Rahman obtained Marine Engineering from D.G. Shipping Bangladesh. He has 7 years of professional experience of shoes manufacturing industry.

MD. ROBIUL ISLAM:
Director, Fortune Shoes Limited

Md. Robiul Islam was born in 03 September, 1987 in an illustrious family of Babuganj, Barisal. His father is Late Abdul Aziz Mollah, mother is Rahima Begum and spouse is Mrs. Popi Akhter. His residence address: Vill-West Voterdia, P.O.-Voterdia, P.S.-Babuganj, Dist: -Barisal, Bangladesh. Md. Robiul Islam obtained M. Com from Barisal B M College & has 7 years of professional experience of shoes industry.

MD. RUHUL AMIN MOLLA
Independent Director, Fortune Shoes Limited

Md. Ruhul Amin Molla was born in April 22, 1965 in an illustrious family. His father is Late Mohosin Uddin Molla and mother is Late Rowshan Ara Begum. His residence address: Flat-11B,41/A, Zigatola Zenith, Zigatola, West Dhanmondi, Dhaka, Bangladesh. He completed his Masters of Commerce (M. Com) major in Finance from University of Dhaka.



CHAIRMAN'S STATEMENT

Bismillahir Rahmanir Rahim

Dear shareholders

Assalamualaikum

It is great Pleasure for me to be here with you at the 7th Annual General Meeting of Fortune Shoe Limited. After IPO, this is the first AGM of our Company. On behalf of the Board of Directors of the company, it is my privilege to present you Company's business performance together with the financial statements and auditors' report for the year ended June 30, 2017. I would like to take the opportunity to thank the valued shareholders for joining us to make the event successful.

Fortune Shoes Limited has passed a successful year during the year 2016-2017. We believe that our endeavours and teamwork have enabled the Company to maintain its profitability under competitive industry scenario.

In 2017, the Company has sales growth resulting in higher profit comparing to the previous year. I am pleased to report that the company's revenue for the year ended June 30, 2017 is Tk. 1428.43 million and net profit after tax is Tk.18.67 million which is 13.07% of total Sales Revenue. As a result, Earning Per Share (EPS) has increased to Tk.2.03 from Tk.1.44. Based on performance and business results the Board has recommended 12% Stock for the year 2016-2017.

Fortune Shoes Limited recognizes its customer and people as most valuable asset. Meanwhile, Bangladesh Securities and Exchange Commission (BSEC) has introduced mandatory Guidelines on Corporate Governance. The Board of Directors of the Company is committed to delivering good Governance and exercising best practice in all respects.

I would also like to extend my gratitude to the Bangladesh Securities & Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies and Firms, National Board of Revenue, Central Depository Bangladesh Limited and our shareholders for their valuable guidance, support and cooperation at the time of our needs.

Sincerely Yours

Sd/-
Md. Mizanur Rahman
Chairman

Message from the Managing Director

Bismillahir Rahmanir Rahim

Dear shareholder

It is a great pleasure and privilege for me to announce that this is the 1st AGM after issuing shares to the shareholders through IPO. We are trying our best to add value to the company and shareholders.

I am delighted to announce that 2016-2017 has been a successful year for the Company. During this year the Company has earned the highest revenue and profit in the year 2016-2017 since its inception.

I hope the production capacity of the Company will be further increased by implementing the capital investment from IPO fund in the existing line of business that is already under process.

I believe that the dedication and commitment of all our employees towards our customers have been the main driving force in our successful performance. The company will continue to hold the sustainable and steady growth and profits in the coming years with bringing good returns to all the stakeholders.

Thanking You

Sd/-
Mrs. Rokshana Rahman
Managing Director

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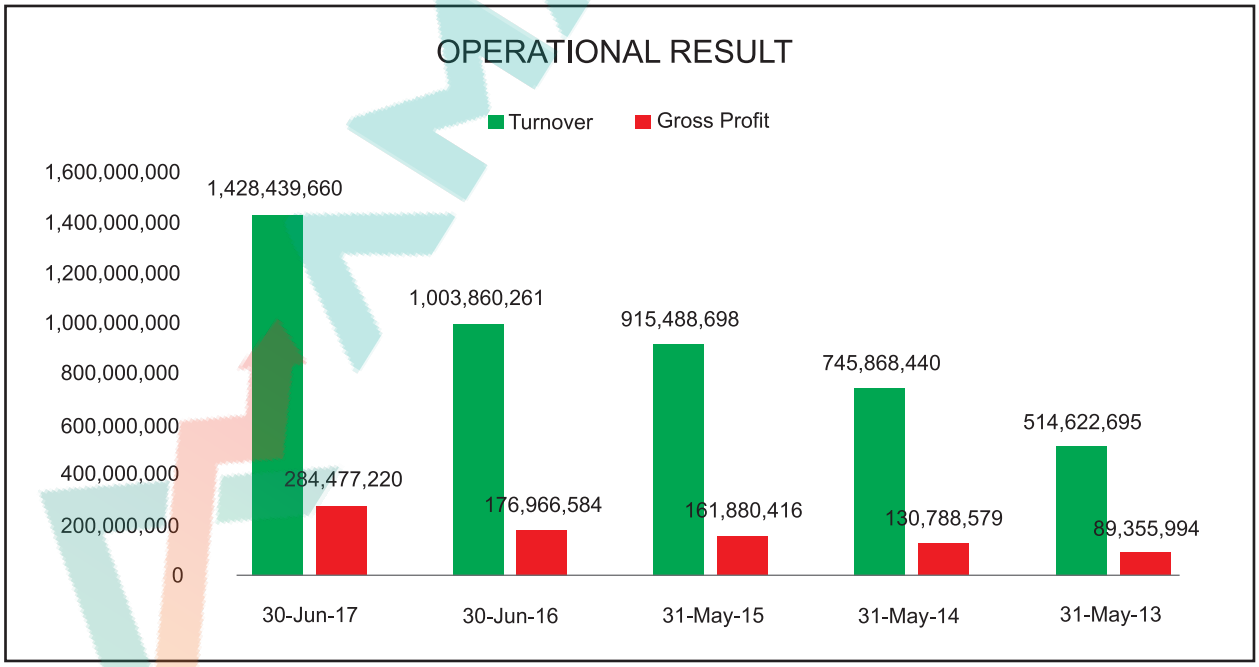
FINANCIAL HIGHLIGHTS

Particulars	Amount in Taka				
Operational Result	**30- June-2017**	**30- June-2016**	**31-May-15**	**31-May-14**	**31-May-13**
Turnover	1,428,439,660	1,003,860,261	915,488,698	745,868,440	514,622,695
Gross Profit	284,477,220	176,966,584	161,880,416	130,788,579	89,355,994
Profit from Operation	227,159,280	136,615,456	120,962,970	96,602,326	66,960,392
Profit before Income Tax	226,580,842	130,906,838	113,105,400	88,878,371	63,663,994
Profit for the Year	186,722,465	107,998,142	93,311,956	81,499,098	60,416,971
Net Cash Flow from Operation	46,919,509	47,044,835	33,484,385	96,879,707	(80,199,563)
Financial Position	**30- June-2017**	**30- June-2016**	**31-May-15**	**31-May-14**	**31-May-13**
Non-Current Assets	831,578,828	637,432,932	658,826,978	502,703,530	402,778,597
Current Assets	828,492,812	610,743,928	531,244,496	326,995,807	281,898,921
Shareholder's Equity	1,478,293,805	1,071,571,340	959,651,428	689,306,963	591,651,865
Non-Current Liabilities	59,173,993	57,573,810	58,531,898	30,880,991	17,639,431
Key Financial Ratio	**30- June-2017**	**30- June-2016**	**31-May-15**	**31-May-14**	**31-May-13**
Current Ratio	6.76	5.13	3.09	2.99	3.74
Quick Ratio	4.13	3.21	1.88	1.78	2.21
Debt to Equity Ratio	0.01	0.02	0.19	0.40	0.47
Net Income Ratio	13.07%	10.76%	10.19%	10.93%	11.74%
Return on Equity Ratio	14.65%	10.63%	39.44%	64.36%	108.53%
EPS	2.03	1.44	1.24	1.09	0.81



DIRECTORS' REPORT

Dear Shareholders

Assalamualaikum

On behalf of the Board of Directors and on behalf myself I welcome you all to **7th 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 year ended June 30, 2017, 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 Exchange Commission (BSEC) and Bangladesh Accounting Standards (BAS).

Background

Furtune Shoes Ltd. was incorporated on 14 March, 2010 vide registration no.CH-7590/10 as a private limited company in Bangladesh under the Companies Act 1994. The company changed its name from "Furtune Shoes Ltd." to "Fortune Shoes Ltd." on 29 December 2014. Further it was converted into Public Limited Company on 14 January 2015. The Authorized capital of the company is TK 1500.00 million and paid up capital 970.00 million.

Revenue

As you are aware The company is 100% export oriented and the principal activities of the company are to carry on the business of manufacturing and exporting of all kinds of leather shoes, footwear etc. The sale proceeds stood at Tk. 1,428,439,660 during the last financial years, the leather goods & footwear went through the toughest time in recent era both domestically and internationally with the on-going world recession still counting and incessant political instability hindering our regular business affairs. Yet the efficient and prudent management of process control has enabled the company to avoid financial catastrophe and earn substantial profit instead.

The operating financial results of the Company for the period 2016-17 as compared to previous year are summarized hereunder:

Particular	2017	2016
Turnover	1,428,439,660	1,003,860,261
Gross Profit	284,477,220	176,966,584
Net Profit (BT)	226,580,842	130,906,838
Provision for Taxation	39,858,376	22,908,696
Net Profit (AT)	186,722,465	107,998,142
Gross Margin (Turnover)	19.92%	17.63 %
Net Margin (BT)	15.86%	13.04 %
Net Margin (AT)	13.07%	10.76 %
Earnings Per Share (EPS) (Tk.)	2.03	1.44

Industry outlook and possible future developments in the industry

Bangladesh export sector is heavily inclined to RMG. Now several new sectors have been adding to export over the last decade. Footwear is one of the sectors that had tremendous potential to significantly boost up country's export while diversifying the country's economy as well. In July–April, 2013-2014 the export performance for footwear was USD 306.24 million. In contrast to July–April, 2013-2014, export performance in July–April 2014-2015 was USD 383.72 million. (Source: Annual Report 2014 of Leather goods & Footwear Manufactures & Exporters Association of Bangladesh). So there was 25.30% growth from year 2013-2014 to 2014-2015, which is significant for the footwear Industry.

Segment Reporting
The company operates in single segment- shoes.

Risk and concerns

Changes in the existing global or national policies can have either positive or negative impacts for the company. Any scarcity or price hike of raw materials due to change in policy in the international market might hamper the production and profitability.

Moreover, the performance of the company may be affected by the political and economic instability both in Bangladesh and worldwide. Any instance of political turmoil and disturbance in the country may adversely affect the economy in general.

Similarly, risks and concern of the industry depends on the upcoming Government policy as well. However, garments being the major foreign currency earner have always enjoyed special consideration from all the successive Governments and expectation is that it will continue in the future.

A discussion on cost of goods sold, gross margin and net profit margin

Particulars	30-June-2017		30-June-2016	
	Amount	%	Amount	%
Turnover	1,428,439,660	100.00	1,003,860,261	100.00
Cost of Goods Sold	1,143,962,440	80.08	826,893,677	82.37
Gross Profit	284,477,220	19.92	176,966,584	17.63
Net Profit for the year	186,710,139	13.07	107,998,142	10.76

Discussion on continuity of extra-ordinary gain or loss

There is no significant extra-ordinary gain or loss during the financial year.

Related party transactions

The Company in normal course of business carried out a number of transactions with other entities and Directors that fall within the definition of related party contained in BAS 24: Related Party Disclosures. Details of related party disclosures are shown in Annexure 3 of the financial statement 2016-2017.

Significant variance of financial statements

There is no significant variance in the quarterly and annual financial performance during the year ended on 30th June, 2017.

Utilization of IPO fund

The company raised total Tk. 22.00 crore by issuing ordinary shares through IPO. Of the 22 crore the company utilized total tk. 15.75 crore by 30 June, 2017. Utilization includes by acquiring Capital Machinery of Tk. 6.23 Crore, incurring Building & Civil Construction for Tk.7.85 Crore and IPO expenses of Tk. 1.67 crore.

From 1st July 2017 to 31th October 2017, the Company has further utilized Tk.3.02 crore for acquiring Capital Machinery and Tk. 0.09 corer for, incurring Building & Civil Construction. Moreover, the company deposited Tk. 1.89 crore to Bank against LC margin for further importing capital Machinery. The rest of Tk. 1.24 crore is also going to be invested for capital Investment

Compliance of Notification No. BSEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012.
Board Size:

The number of members of the Board of Directors stands at 05 (including One Independent Director) which are within the limits given by the BSEC Notification.

Independent Directors

Md. Ruhul Amin Molla

In term of the provision under the sub clause the Boards of Directors had appointed Md. Ruhul Amin Molla as an Independent Director of the company for the period of 3 years in its Board Meeting dated 17.01.2016. He is well experienced in leather & shoes sector. Md. Ruhul Amin Molla has completed M.B.A from Dhaka University

Qualification of Independence Director

Mr. Md. Ruhul Amin Molla is well business experienced person. He has long around 20 year's business experience in the field of leather & shoes sector.

Chief Financial Officer, Company Secretary, Head of Internal Audit

As per corporate governance of BSEC, the company has allocated the responsibilities as follows:

Company Secretary : Md. Riaz Haider

Chief Financial Officer : Md. Mohiuddin Mollah

Head of Internal Audit : Md. Mahbubul Alam

Audit Committee

The Audit Committee, as a subcommittee of the Board of Director has been constituted with the Independent Director as Chairman and two other Directors. The company Secretary acts as Secretary to the Audit Committee. This committee assists the Board in ensuring that the financial statements reflect 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.

External Statutory Auditors

The BSEC guidelines are being strictly followed in engaging statutory Auditors.

Subsidiary Company

The company has no subsidiary company.

Duties of Managing Director & CFO

The provision of BSEC regulations has been compiled in the annual report.

Reporting and Compliance of Corporate Governance

We have examined the compliance to the BSEC guidelines on Corporate Governance by Fortune Shoes Limited for the year ended 30 June 2017. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 as amended vide notification dated 21 July 2013 and 18 August 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance is presented on page no.18.

Directors' Appointment and Re-Appointment

With regard to the appointment, retirement and re-appointment of directors, the company is governed by its Articles of Association, the Companies Act. 1994 and other related legislations. Accordingly, the following Directors of the Board retire at the 6th annual general meeting and re-elected themselves:

S.I	Name of Director	Present Status
01	Md. Amanur Rahman	Retirement & Re-Elected for the Director
02	Md. Mizanur Rahman	Retirement & Re-Elected for the Director
03	Md. Robiul Islam	Retirement & Re-Elected for the Director
04	Mrs Rokshana Rahman	Elected for the Managing Director
05	Md. Ruhul Amin Molla	Appointed as an Independent Director

Shareholding pattern

The shareholding of directors at the year end of 30 June, 2017 is shown as bellow:

Name of Directors	Position	30.06.2017	
		No of Share	% of Share
a. Parent/Subsidiary/Associate companies and other related parties.	-	-	-
b.Directors, CEO, CS, CFO, HIA and their spouses and minor children:			
Mr. Md. Mizanur Rahman	Chairman	21,750,000	22.41
Mrs. Rokshana Rahman	Managing Director	2,750,000	2.84
Md. Amanur Rahman	Director	2,750,000	2.84
Md. Robiul Islam	Director	2,750,000	2.84
Md. Ruhul Amin Molla	Independent Director	-	-
Md. Mohiuddin Mollah	Chief Financial Officer	-	-
Md. Riaz Haider	Company Secretary	-	-
Md. Mahbubul Alam	Head of Internal Audit	-	-
c. Executives			
Safiul Azam	DGM (Marketing)	-	-
d. Shareholding 10% or more voting right	-	-	-
Mr. Md. Mizanur Rahman	Chairman	21,750,000	22.41

Directors involved in other Companies:

SL	Name	Designation in FSL	Directorship/Sponsorship/ Ownership with other companies	Position
1	Md. Mizanur Rahman	Chairman	Bangladesh Shoes Industries Limited	Chairman
			Uniworld Footwear Technology Ltd.	Managing Director
			Premier Footwear Limited	Chairman
2	Mrs. Rokshana Rahman	Managing Director	Uniworld Footwear Technology Ltd.	Chairman
3	Md. Amanur Rahman	Director	-	-
4	Md. Robiul Islam	Director	-	-
5	Md. Ruhul Amin Molla	Independent Director	-	-

Board Meeting and Attendance

During the year 5 (Five) Board Meetings were held. The attendance record of the directors is as given below

Name of Directors	Attendance
Md. Mizanur Rahman	05
Mrs. Rokshana Rahman	05
Md. Amanur Rahman	04
Md. Robiul Islam	04
Md. Ruhul Amin Molla (Independent Director)	04

Director's remuneration

Director's remuneration is shown in the note no. 23 of the notes to the Financial Statements.

Directors Responsibilities for the Financial Statements

We have examined the compliance to the BSEC guidelines on Corporate Governance by Fortune Shoes Limited for the year ended 30 June 2017. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 as amended vide notification dated 21 July 2013 and 18 August 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance Directors are pleased to confirm the following:

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

b) Proper books and accounts of the company have been maintained.

c) Appropriate accounting policies have been applied consistently in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.

d) The International Financial Reporting Standards, as applicable in Bangladesh, have been followed in the prepara tion of the financial statements.

e) The system of internal control is sound and has been implemented and monitored effectively.

f) The key operating and financial data for the last five years are shown on page 9.

Internal Control

The Board has ultimate responsibilities to establish the effective system of internal control. To ensure internal control regarding risk management, financial control and compliance legislation, the company already has a strong internal audit department to ensure internal control and compliance in place.

Going Concern

While approving the financial statements, the directors have made appropriate enquiries and analysed the significant financial, operating as well as other indicators for enabling them to understand the ability of the company to continue its operation for a foreseeable period. Directors are convinced and have a reasonable expectation that the company has adequate resource to continue its operation consistently for the foreseeable future. Therefore, the company adopted the going concern basis in preparing the financial statements.

Dividend

The Board of Directors has recommended 12% stock dividend for the existing shareholders for the year ended 30 June, 2017. The board thinks generated profit should reinvest in the business for increasing more profitability.

Statutory Auditors

The Auditors of the Company M/S Mahfel Huq & Co.,Chartered Accountants, BGIC Tower (4th Floor), 34, Topkhana Road, Dhaka-1000 has carried out the audit of the company for the year ended 30 June 2017. They were appointed as Statutory Auditor in 6th AGM. The Board of Directors has recommended & appointed of M/S Ahmad &Akhtar., Chartered Accountants, BCIC Bhaban (3rd Floor) 30-31, Dilkusha, C/A, Dhaka-1000 as Auditor. A proposal for appointment of M/S Ahmad & Akhtar., Chartered Accountants as auditor for the year 2017-18 of the Company will be placed in the forth coming 7th AGM for shareholder's approval and fixation of fees.

Acknowledgment

The Company express its sincere thanks and gratitude to the respected shareholders, valued clients, Banks and well-wishers home and aboard for their wholehearted co-operation and active support.

We are thankful to the Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd (DSE), Chittagong Stock Exchange Ltd (CSE), Registrar of Joint Stock Companies& Firms (RJSCF), Government and private sector Organization and many others for extending their co-operation to our company.

I, on behalf of the Board, also put on record my deep appreciation for the services and loyalty of the executives, officers and employees of the company at all levels without which we could not have achieved this result.

Thanks are also due to all directors, all executives, officers, staff and workers of the company for their excellent, sincere, dedicated efforts in achieving company's target during the year under review.

To ensure financial security we always welcome your suggestions and opinion to improve present and future services of the company.

I now appeal to the magnanimity of valued shareholders to kindly accept and approve the Auditors' Report, Annual Audited Accounts 2016-17 and Directors' Report placed before you.

Thanking you.

On behalf of the Board of Directors

Sd/-
Md. Mizanur Rahman
Chairman

AMAR STOCK

MANAGING DIRECTOR & CFO'S DECLARATION TO THE BOARD OF DIRECTORS

The Board of Directors
Fortune Shoes Limited
Moon Island (suite # C-3),
Plot No-34 & 36, Road # 8,
Block-E, Niketon,
Gulshan-1,
Dhaka - 1212,
Bangladesh

Subject:Managing Director & CFO's Declaration to the Board of Directors

Dear Sir

In compliance with the condition no. 6 imposed by Bangladesh Securities and Exchange Commission's notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 issued under section 2CC of the Securities & Exchange Ordinance 1969, we do hereby certify to the Board of Directors that:

We have reviewed the financial statements for the year ended on June 30, 2017 and that to the best of our knowledge and belief;

these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

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;

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.

Sincerely yours,

Sd/-
(Mrs. Rokshana Rahman)
Managing Director

Sd/-
(Md. Mohiuddin Mollah)
Chief Financial Officer

AUDIT COMMITTEE REPORT FOR THE YEAR ENDED 30 JUNE, 2017

Dear Shareholders

Fortune Shoes Limited established an audit committee as a sub-committee of the Board of Directors. The committee supports the Board of Directors in fulfilling its oversight responsibilities and ensuring that the financial statements reflect true and fair view of the Company.

The members of the audit committee of Fortune Shoes Limited are as follows :

Md. Ruhul Amin Molla **(Independent Director)**	: Chairman
Md. Amanur Rahman **(Director)**	: Member
Md. Robiul Islam	: Member
Md. Riaz Haider	: Secretary of the Committee

The Roles and Responsibilities of the Audit Committee

The Role and Responsibilities of the Audit committee are clearly mentioned in the Compliance of Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC) Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 condition no 3.3. The key responsibilities of the Audit committee are as follows:

- Oversee the financial reporting process.
- Monitor choice of accounting policies and principles.
- Monitor Internal Control Risk management process.
- Oversee hiring and performance of external auditors.
- Review the Annual Financial Statements before submission to the board for approval.
- Review the quarterly and half yearly Financial Statements before submission to the Board for approval.
- Review the adequacy of internal Audit function.
- Review statement of significant related party transactions submitted by the management.
- Review Management letter/Letter of Internal Control weakness issued by statuary auditors.
- Review the Utilization report of Initial Public Offering (IPO) proceeds.

Activities carried out during the year

The committee reviewed the integrity of the quarterly and annual financial statement and recommended to the Board for consideration, the Committee had overseen, reviewed and approved he procedure and task of the internal audit, financial report preparation and the external audit report, the Committee found adequate arrangement to present a true and fair view of the activities and the financial status of the company and didn't find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.

Recommendation

The audit committee recommended to the Board of Directors that:

1. The Financial Statements for the year ended 30th June, 2017 be approved.
2. M/S Ahmad & Akhtar.,Chartered Accountants. be appointed as the auditor of the company for the year ended 30th June, 2018 at BDT 172,500 (One lac Seventy Two thousand Five hundred taka) only including VAT subject to the approval of the 7th Annual General Meeting of the company.

On behalf of the Audit Committee

Sd/-
Md. Ruhul Amin Molla
Chairman
Audit Committee

Compliance Report on BSEC's Notification

Fortune Shoes Limited

Status of compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 Issued under section 2CC of the Securities and Exchange Ordiance,1969:

(Report Under Condition No. 7.00)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	**Board of Directors:**			
1.1	**Board's Size**			
	The number of the Board members of the company shall not be less than 5 (five) and more than 20 (twenty)	√	-	-
1.2	**Independent Directors**			
1.2(i)	At least on fifth (1/5) of the total number of directors in the company's board shall be independent directors.	√	-	-
1.2 (ii) a)	Independent Director does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company.	√	-	-
1.2 (ii) b)	Independent Director is not a sponsor of the company and is not connected with the company's any sponsor or director or share-holder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relation-ship. His/her family members also should not hold above mentioned shares in the company.	√	-	-
1.2 (ii) c)	Independent Director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	√	-	-
1.2 (ii) d)	Independent Director who is not a member, director or officer of any stock exchange;	√	-	-
1.2 (ii) e)	Independent Director who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	√	-	-
1.2 (ii) f)	Independent Director who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	√	-	-
1.2 (ii) g)	Independent Director shall not be an independent director in more than 3 (three) listed companies;	√	-	-
1.2 (ii) h)	Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	√	-	-
1.2 (ii) i)	Independent Director has not been convicted for a criminal offence involving moral turpitude;	√	-	-
1.2 (iii)	Independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual Gen-eral Meeting (AGM);	√	-	-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.2 (iv)	The post of independent director cannot remain vacant for more than 90 (ninety) days;	√	-	No such vacancy created 2017
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded;	√	-	-
1.2 (vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only;	√	-	-
1.3	**Qualification of Independent Director(ID)**			
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business;	√	-	-
1.3 (ii)	The independent director should be a Business Leader/Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background /Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of Corporate engagement/professional experiences.	√	-	-
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission;	-	-	N/A
1.4	**Chairman of the Board and Chief Executive Officer**			
	The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	√	-	-
1.5	**The Directors' Report to Shareholders**			
	The directors of the companies shall include the following additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994)			
1.5 (i)	Industry outlook and possible future developments in the industry	√	-	-
1.5 (ii)	Segment-wise or product-wise performance	-	-	N/A
1.5 (iii)	Risks and concerns	√	-	-
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	√	-	-
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	-	-	N/A
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report	√	-	Presented in the Financial Statement
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others 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 Offer, Direct Listing, etc.	-	-	N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance on their Annual Report.	-	-	No such variance occurred
1.5 (x)	Remuneration to directors including independent directors	√	-	-
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√	-	-
1.5 (xii)	Proper books of account of the issuer company have been maintained.	√	-	-
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√	-	-
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS) / International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√	-	-
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√	-	-
1.5 (xvi)	There are no significant doubts 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 thereof should be disclosed.	√	-	-
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	-	-	N/A
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√	-	-
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	-	-	N/A
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√	-	-
1.5 (xxi)	**The pattern of shareholding shall be reported to disclose the aggregate number of shares held by:**			
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details)	√	-	-
1.5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details)	√	-	Only Director hold share of the company
1.5 (xxi) c)	Executives	√	-	-
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	√	-	-
1.5 (xxii)	**In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:**	√	-	-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.5 (xxii) a)	A brief resume of the director	√	-	-
1.5 (xxii) b)	Nature of his/her expertise in specific functional areas.	√	-	-
1.5 (xxii) c)	Names of companies in which the person also holds the director-ship and the membership of committees of the board.	√	-	-
2.0	**Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)**			
2.1	**Appointment**			
	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO , the Head of internal Audit and the CS.	√	-	-
2.2	**Requirement to attend the Board Meetings**			
	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors provided that the CFO and /or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating of their personal matters.	√	-	-
3.0	**Audit Committee**			
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors	√	-	-
3 (ii)	The Audit Committee shall assist the Board of Directors 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.	√	-	-
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√	-	-
3.1	**Constitution of Audit Committee**			
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) mem-bers	√	-	-
3.1 (ii)	The Board of Directors shall appoint members of the Audit Commit-tee who shall be directors of the company and shall include at least 1 (one) independent director.	√	-	-
3.1 (iii)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related finan-cial management experience.	√	-	-
3.1 (iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until 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 of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	-	-	There was no such vacancy created

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.1 (v)	The company secretary shall act as the secretary of the Committee.	√	-	-
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√	-	-
3.2	**Chairman of the Audit Committee**			
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	√	-	-
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	√	-	-
3.3	**Role of Audit Committee shall include the following:**			
3.3 (i)	Oversee the financial reporting process.	√	-	-
3.3 (ii)	Monitor choice of accounting policies and principles.	√	-	-
3.3 (iii)	Monitor Internal Control Risk management process.	√	-	-
3.3 (iv)	Oversee hiring and performance of external auditors.	√	-	-
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	√	-	-
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	√	-	-
3.3 (vii)	Review the adequacy of internal audit function.	√	-	-
3.3 (viii)	Review statement of significant related party transactions submitted by the management.	√	-	-
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√	-	-
3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds 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. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	√	-	-
3.4	**Reporting to the Audit Committee**			
3.4.1	**Reporting to the Board of Directors**			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	√	-	-
3.4.1(ii)	**The Audit committee shall immediately report to the Board of Directors on the following findings, if any;**			
3.4.1 (ii) a)	Report on conflicts of interests;	-	-	N/A
3.4.1 (ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	-	-	N/A
3.4.1 (ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations;	-	-	N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.4.1(ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately	-	-	N/A
3.4.2	**Reporting to the Authorities**			
	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors 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 of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	-	-	N/A
3.5	**Reporting to the Shareholders and General Investors**			
	Report on activities carried out by Audit Committee, including any report made to the Board of Directors under condition 3.4.1(ii) above during the year shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	√	-	-
4.0	**External/Statutory Auditors.**			
4 (i)	Non-engagement in Appraisal or valuation services or fairness opinions	√	-	-
4 (ii)	Non-engagement in designing and implementation of Financial Information System	√	-	-
4 (iii)	Non-engagement Book-keeping or accounting	√	-	-
4 (iv)	Non-engagement Broker-dealer services	√	-	-
4 (v)	Non-engagement in Actuarial services	√	-	-
4 (vi)	Non-engagement in Internal audit services	√	-	-
4 (vii)	Non-engagement in any other service determined by the Audit Committee	√	-	-
4 (viii)	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.	√	-	-
4 (ix)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 7.	√	-	-
5.0	**Subsidiary Company**			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	-	-	N/A
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	-	-	N/A
5 (iii)	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
5 (iv)	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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	-	-	N/A
6.0	**Duties of Chief Executive Officer (CEO) & Chief Financial Officer (CFO)**			
6 (i)	The 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;	√	-	-
6 (i) a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	√	-	-
6 (i) 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.	√	-	-
6 (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.	√	-	-
7.0	**Reporting and Compliance of Corporate Governance**			
7 (i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant / Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	√	-	-
7 (ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	√	-	-

Sd/-
Mrs. Rokshana Rahman
Managing Director

MAZUMDAR SIKDER AND ASSOCIATES
Cost & Management Accountants

CERTIFICATE ON CORPORATE GOVERNANCE COMPLIANCE
TO THE MEMBERS OF FORTUNE SHOES LIMTED

We have examined the compliance to the BSEC guidelines on Corporate Governance by **Fortune Shoes Limted** for the year ended 30 June 2017. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012, as amended vide notification dated 21 July 2013 and 18 August 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance 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 corporate Governance.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines is issued by BSEC.

Place: Dhaka.
Date: November 07, 2017

Mazumdar Sikder and Associates
Cost & Management Accountants

105/A (3rd Floor), Kakrail, Dhaka - 1000, Phone: 02-8300376, Fax: 02-8300375

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2017/277

BAPLC

Date of issue 26th November 2017

Renewed Certificate

This is to certify that

FORTUNE SHOES LIMITED

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

This certificate remains current until 31st December 2017.

BAPLC

Secretary-General
(Acting)

FINANCIALS

Fortune Shoes Limited

Mahfel Huq & Co.
Chartered Accountants
The first registered accounting firm in indpendent Bangladesh
Estd. 1974

agn INTERNATIONAL An independent member firm of AGN International

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Independent Auditor's Report

To the Shareholders of

FORTUNE SHOES LTD.

Report on the Financial Statements

We have audited the accompanying Financial Statements of Fortune Shoes Ltd., which comprise the Statement of Financial Position as at 30 June 2017 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 30 June 2017 and of its financial performance and its cash flows for the year then ended in accordance with the Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

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

a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;

c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and

d) the expenditure incurred was for the purpose of the company's business.

Sd/

MAHFEL HUQ & Co.
Chartered Accountants

Dhaka
October 26, 2017

FORTUNE SHOES LTD.

Statement of Financial Position

As at June 30, 2017

Particulars	Notes	Amount in Taka	
		30-Jun-2017	30-Jun-2016
ASSETS			
Non Current Assets		**831,578,828**	**637,432,932**
Property, Plant & Equipment	3	630,757,905	637,432,932
Capital Work in Progress	4	200,820,923	-
Current Assets		**828,492,812**	**610,743,928**
Inventories	5	288,429,315	220,438,718
Trade and Other Receivables	6	492,493,719	366,220,642
Advance, Deposits and Prepayments	7	12,046,141	7,619,532
Cash and Cash Equivalent	8	35,523,637	16,465,036
Total Assets		**1,660,071,640**	**1,248,176,860**
EQUITY AND LIABILITIES			
Shareholder's Equity		**1,478,293,805**	**1,071,571,340**
Share Capital	9	970,000,000	750,000,000
Retained Earnings		508,293,805	321,571,340
Non-Current Liabilities		**59,173,993**	**57,573,810**
Long Term Loan net off Current Maturity	10	13,526,812	17,304,101
Deferred Tax Liability	20	45,647,181	40,269,709
Current Liabilities		**122,603,842**	**119,031,710**
Current Maturity of Long Term Loan	10	2,576,535	3,296,019
Short Term Borrowings	11	16,167,024	15,057,882
Trade and Other Payable	12	103,499,681	100,677,809
Share money Refundable	13	360,602	-
Total Liabilities		**181,777,835**	**176,605,520**
Total Equity and Liabilities		**1,660,071,640**	**1,248,176,860**
Net Asset Value (NAV) per share		15.24	14.29

The annexed notes are (1-30) form an integral part of these financial statements.

Sd/
Company Secretary

Sd/
Managing Director

Sd/
Chairman

Signed as per our separate report on same date.

Sd/
MAHFEL HUQ & Co.
Chartered Accountants

Dhaka
October 26, 2017

FORTUNE SHOES LTD.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2017

Particulars	Notes	Amount in Taka	
		30-Jun-2017	30-Jun-2016
Turnover	14	1,428,439,660	1,003,860,261
Cost of Goods Sold	15	1,143,962,440	826,893,677
Gross Profit		**284,477,220**	**176,966,584**
Operating Expenses		**57,317,940**	**40,351,128**
Administrative & Selling Expenses	16	57,317,940	40,351,128
Profit from Operation		**227,159,280**	**136,615,456**
Financial Expenses	17	4,078,986	6,167,677
Foreign Exchange Gain/(Loss)		744,166	459,059
Other Income	8	2,756,382	-
Profit before Income Tax		**226,580,842**	**130,906,838**
Provision for Taxation		**39,858,376**	**22,908,696**
Current Tax Expense	19	34,480,905	15,763,079
Deferred Tax Expense	20	5,377,472	7,145,617
Profit for the Year		**186,722,465**	**107,998,142**
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		**186,722,465**	**107,998,142**
Earnings per Share(Basic)	**21**	**2.03**	**1.44**
No. of Shares considered for EPS calculation		**92,057,534**	**75,000,000**

The annexed notes are (1-30) form an integral part of these financial statements.

Sd/
Company Secretary

Sd/
Managing Director

Sd/
Chairman

Signed as per our separate report on same date.

Sd/
MAHFEL HUQ & Co.
Chartered Accountants

Dhaka
October 26, 2017

FORTUNE SHOES LTD.
Statement of Changes in Equity
For the year ended June 30, 2017

Particulars	Ordinary Share Capital	Retained Earnings	Share Money Deposit	Total
Balance as on July 01, 2016	750,000,000	321,571,340	-	1,071,571,340
Total Comprehensive Income for the Year	-	186,722,465	-	186,722,465
Issue of Share Capital	220,000,000	-	-	220,000,000
Balance as on June 30, 2017	**970,000,000**	**508,293,805**	**-**	**1,478,293,805**

FORTUNE SHOES LTD.
Statement of Changes in Equity
For the year ended June 30, 2016

Particulars	Ordinary Share Capital	Retained Earnings	Share Money Deposit	Total
Balance as on July 01, 2015	96,150,000	217,542,604	653,850,000	967,542,604
Adjustment for depreciation charge of Land Development	-	(2,774,946)	-	(2,774,946)
Short provision of Income tax	-	(1,194,460)	-	(1,194,460)
Issue of Share Capital	653,850,000	-	(653,850,000)	-
Total Comprehensive Income for the Year	-	107,998,142	-	107,998,142
Balance as on June 30, 2016	**750,000,000**	**321,571,340**	**-**	**1,071,571,340**

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

Sd/
Company Secretary

Sd/
Managing Director

Sd/
Chairman

Signed as per our separate report on same date.

Sd/
MAHFEL HUQ & Co.
Chartered Accountants

Dhaka
October 26, 2017

FORTUNE SHOES LTD.
Statement of Cash Flows
For the year ended June 30, 2017

Particulars	Amount in Taka	
	30-Jun-2017	30-Jun-2016
Cash Flow From Operating Activities:		
Collection from Turnover and Other income	1,305,667,131	963,591,413
Payment to Suppliers, Employees and Others	(1,234,061,748)	(896,119,407)
Cash Generated from Operation	**71,605,383**	**67,472,006**
Income Tax paid	(20,606,888)	(14,259,494)
Payment for financial Expenses	(4,078,986)	(6,167,677)
Net cash flow from Operating activities	**46,919,509**	**47,044,835**
Cash Flow From Investing Activities:		
Acquisition of Property Plant and Equipment	(44,012,956)	(36,989,408)
Payment for Capital Work in Progress	(200,820,923)	-
Received/(Payment) of Advance for Share of Bangladesh Shoes Industries Ltd.	-	20,000,000
Net cash flow from Investing activities	**(244,833,879)**	**(16,989,408)**
Cash Flow From Financing Activities:		
Issuance of Share Capital	220,000,000	653,850,000
Net Received/(Repayment) in Short term loan from bank	1,109,142	(12,858,894)
Net Received/(Repayment) in Long term loan from bank	(4,496,773)	(9,529,094)
Received of Share Money Deposit	-	(653,850,000)
Share money refundable	360,602	-
Net Cash flow from financing activities	**216,972,971**	**(22,387,988)**
Net Increase/(Decrease) cash and cash equivalents	19,058,601	7,667,439
Opening cash and cash equivalents	16,465,036	8,797,597
Closing cash and cash equivalents	**35,523,637**	**16,465,036**
Net Operating Cash Flow per Share (Note-22.00)	**0.51**	**0.63**

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

Sd/
Company Secretary

Sd/
Managing Director

Sd/
Chairman

Signed as per our separate report on same date.

Sd/
MAHFEL HUQ & Co.
Chartered Accountants

Dhaka
October 26, 2017

FORTUNE SHOES LTD.

Notes to the Financial Statements

For the period ended on 30 June 2017

1. SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION:

1.01 Legal form of the Enterprise:

Furtune Shoes Ltd. was incorporated on 14 March, 2010 vide registration no.CH-7590/10 as a private limited company in Bangladesh under the Companies Act 1994. The company changed its name from "Furtune Shoes Ltd." to "Fortune Shoes Ltd." on 29 December 2014. Further it was converted into Public Limited Company on 14 January 2015. The company raised Tk. 220,000,000 divided into 22,000,000 ordinary shares of Tk. 10 each through IPO on September 21, 2016. The shares of the company were listed with Dhaka Stock Exchange on October 04, 2016 and Chittagong Stock Exchange on October 09, 2016. The trading of shares of the company was started from October 20, 2016 in both Stock Exchange.

1.02 Registered Office, Factory office and Corporate office of the Company:

The registered office and factory office of the Company is located at Factory of the company is situated at Plot # 66, 67, & 68 BSCIC Industrial area, Kawnia, Barisal.

The corporate office of the company is located at Moon Island (suit #C-3), Plot No-34 & 36, Road#8, Block E, Niketon, Gulshan-1, Dhaka 1212, Bangladesh.

1.03 Principal activities and nature of the business:

The company is 100% export oriented and the principal activities of the company are to carry on the business of manufacturing and exporting of all kinds of leather shoes, footwear etc.

2. SIGNIFICANT ACCOUNTING POLICIES:

Basis of Preparation of Financial Statements

The Financial Statements of the Company are prepared on a going concern basis under historical cost convention and in accordance with the Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs), the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws & regulations in Bangladesh.

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 reason the directors continue to adopt going concern assumption in preparing the Financial Statements.

2.1 Principal Accounting Policies

Specific accounting policies were selected and applied by the company's management for significant transactions and events that have a material effect within the framework of BAS-1 "Presentation of Financial Statements" in preparation and presentation of financial statements. The previous years' figures were presented according to the same accounting principles. Compared to the previous year, there were no significant changes in the accounting and valuation principles affecting the financial position and performance of the company. However, changes if any made to the presentation are explained in the note for each respective item.

2.2 Changes in Accounting Policies & Estimates:

The preparation of these financial statements is in conformity with BASs and BFRSs which require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis and used for accounting of certain terms such as provision for expenses and depreciation.

2.3 Application of Bangladesh Accounting Standards:

The following BASs are applicable for the financial statements for the year under review:

BAS 1 Presentation of Financial Statements
BAS 2 Inventories
BAS 7 Statement of Cash Flows
BAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
BAS 10 Events After the Reporting Period
BAS 12 Income Taxes
BAS 16 Property, Plant and Equipment
BAS 17 Leases
BAS 18 Revenue
BAS 19 Employee Benefits
BAS 21 The Effects of Changes in Foreign Exchange Rates
BAS 23 Borrowing Costs
BAS 24 Related Party Disclosure
BAS 32 Financial Instruments: Presentation
BAS 33 Earnings per Share
BAS 37 Provisions, Contingent Liabilities and Contingent Assets
BAS 39 Financial Instruments: Recognition and Measurement
BFRS 7 Financial Instruments: Disclosures
The other related BFRSs are also complied for the preparation of these financial statements.

2.4 Statement of Cash Flows:

Statement of Cash flows is prepared in accordance with BAS-7 "Statement of Cash Flows" and the cash flow from the operating activities have been presented under direct method considering the provisions of Paragraph 19 of BAS-7 which provides that "Enterprises are Encouraged to Report Cash Flow From Operating Activities Using the Direct Method".

2.5 Property, Plant and Equipment:

All property, plant and equipment are initially accounted for at cost and depreciated over their expected useful life in accordance with BAS-16. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and nonrefundable taxes. Expenses capitalized also include applicable borrowing cost.

On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the statement of profit or loss and comprehensive income which is determined with reference to the net book value of the assets and the net sales proceeds

2.5.01 Depreciation

No depreciation is charged on leasehold land. Depreciation is charged on all fixed assets on a reducing balance method. Depreciation of an asset begins when it is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.
Depreciation on Land Development has been charged from this year.
The annual rates of depreciation applicable to the principal categories of fixed assets are:

Particulars	Rate of Depreciation	
	2017	2016
Land	0%	0%
Land Development	2%	-
Factory Buildings	2.50%	2.50%
Office Building	10%	10%
Plant & Machinery	10%	10%
Substation, Electrical Installation & Equipment	10%	10%
Generator	10%	10%
Vehicles	20%	20%
Furniture and Fixture	10%	10%
Office Equipment	20%	20%
Fire Equipment	10%	10%
Air Conditions and Air Cooler	20%	20%

2.6 Revenue Recognition:

Revenue represents the invoice value of goods supplied to the customers during the year and it recognized in the statement of profit or loss and other comprehensive income when the significant risk and rewards of ownership have been transferred to the buyer and by when the delivery certificate is raised against confirmed orders to the buyer. Revenue is measured at the fair value of the consideration received or receivable as per BAS 18.

2.7 Presentation of Current Assets:

2.7.01 Trade Receivable:

These are carried forward at their original invoiced value amount and represents net realizable value. Management considered the entire bills receivable as good and is collectable and therefore, no amount was provided for as bad debt in the current year's account.

2.7.02 Inventories:

Inventories are measured at the lower of cost and net realizable value as prescribed by BAS-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.

2.7.03 Cash & Cash Equivalents:

According to BAS 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. BAS 1 "Presentation of Financial Statements" provides that Cash & Cash Equivalents are not restricted in use. Considering the provision of BAS 7 & BAS 1, Cash in Hand & Bank Balances have been treated as Cash & Cash Equivalents.

2.8 Employee Benefit Plan:

The company maintains defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

The company has accounted for and disclosed employee benefits in compliance with the provisions of BAS 19: Employee Benefits.
The cost of employee benefit is charged off as revenue expenditure in the period to which the contributions relate.

The company's employee benefits include the following:

Short Term Employee Benefits

Short-term employee benefits include salaries, bonuses etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

2.8.1 Workers' Profit participation Fund:

The company is a 100% export oriented shoe industry and member of Leather Footwear Manufacturer and Export Association of Bangladesh (LFMEAB). As per Sub-Section 3 of Section 232 of Bangladesh Labour Act 2006 re-placed by the Act No 30, Para 63 of the year 2013 as follows:

in case of a 100% export-oriented industrial sector or for any industry investing 100% foreign exchange, the Government, through enactment of Rule, shall adopt required provisions with regard to formation of sector-based central fund comprising of buyers and owners, from a Board to execute that fund, determine contributions and their realization procedure and provisions for utilizations of the money for the welfare of the beneficiaries in the sector."

The company didn't start making provision for WPPF because of not yet forming Board for fund raise and utilization by the government. The board shall format the rules of determination of subscription, procedure of collection and utilization of fund. The company is a 100% export oriented industry also the member of LFMEAB, that's why the company didn't recognize WPPF before forming Board for fund and utilization by the Authority.

2.9 Liabilities & basis of their measurement

2.9.1. Accrued Expenses and Other Payables

Liabilities are recognized for the goods and services received, whether paid or not. Other payables are not interest bearing and are stated at their nominal value.

2.9.2. Provisions

In accordance with the guidelines as prescribed by BAS-37: Provisions, Contingent Liabilities and Contingent Assets 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) when reliable estimates can be made of the amount of the obligation.

2.9.3 Contingent Liabilities and Contingents Assets

Contingent liability:

A contingent liability is:

a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of the company; or
b) a present obligation arising from past events but not recognized because:
i) an outflow of resources to settle the obligation is not probable; or
ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent asset:

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of the company.

The Company has no contingent liabilities & assets as per BAS 37 as on 30 June, 2017.

2.10 Borrowing Costs

Financial Expenses (Borrowing Costs) incurred during the year is recognized as revenue expenses in accordance with BAS-23 “Borrowing Costs”.

2.11. Related Party Disclosures

Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

The Company in normal course of business carried out a number of transactions with other entities and Directors that fall within the definition of related party contained in BAS 24: Related Party Disclosures.

Details of related party disclosures are shown in Annexure 3.

2.12. Events after the Reporting Period

In compliance with the requirements of BAS 10: Events After the Reporting Period that provide additional information about the company's position at the reporting date are reflected in the financial statements and events after the reporting period that are not adjusting events are disclosed in the notes when material.

2.13 Income Tax

2.13.1 Current tax

Current income tax is expected tax payable on the taxable income for the year. During the year provision for taxation has been made as per rates prescribed in Finance Act 2017 and the Income Tax Ordinance, 1984 on the taxable income made by the company.

2.13.2 Deferred tax

Deferred tax arises due to temporary difference deductible or taxable for the events or transactions which is recognized in the statement of profit or loss and other comprehensive income. A temporary difference is the

difference between the tax base of an asset or liability and its carrying amount / reported amount in the statement of financial position. Deferred tax assets or liability is the amount of income tax recoverable or payable in the future periods recognized in the current year as per BAS 12: Income Tax.

2.14. Earnings per Share

This has been calculated in compliance with the requirements of BAS 33: Earnings per Share by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

2.14.1. Basic Earnings

This represents earnings for the year attributable to ordinary shareholders. As there were no irredeemable preference shares, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

2.14.2. Weighted Average Number of Ordinary Shares Outstanding during the year

The basis of computation of number of shares is in line with the provisions of BAS-33: Earnings per Share. Therefore, the total number of shares outstanding at the end of the year multiplied by a time weighting factor which is the number of days the specific shares were outstanding as a proportion of total number of days in the period.

2.15 Foreign Currency Transaction

Transactions in Foreign Currencies are translated into BDT at the rate of exchange ruling on date of transaction in accordance with BAS-21. Monetary assets and liabilities expressed in foreign currencies are translated into BDT at the rate of exchange ruling at the Statement of Financial Position date. Gains or losses resulting from foreign currency transactions are taken to the Statement of Profit or Loss and other comprehensive Income.

2.16 Segmental Reporting

No segmental reporting is applicable for the company as required by BFRS 8: "Operating Segments" as the company operates in a single industry segment and within a single operational unit.

2.17 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Derivative:

According to BFRS 7: " Financial Instruments : Disclosures", the Company was not a Party to any derivative contract (financial instruments) at the financial statement date, such as forward contracts, future contracts to hedge risks arising from borrowings, future purchase, etc.

Non-Derivative:

Non-derivative financial instruments comprise of trade and other receivables, borrowings and other payables and are shown at transaction cost as per BAS 39 "Financial Instruments: Recognition and Measurement".

Additional Information on Financial Statements:

2.18 Responsibility for preparation and presentation of financial statements:

The company's management and the Board of Directors are responsible for the preparation and presentation of Financial Statements as per section 183 of the companies Act 1994.

2.19 Authorization date for issuing Financial Statements:

The financial statements were authorized for issue by the Board of Directors on 26 October, 2017.

2.20 Components of the Financial Statements:

According to BAS –1 "Presentation of the Financial Statements" the complete set of financial statement includes the following components

a. Statement of Financial Position as at 30 June, 2017

b. Statement of Profit or Loss and Comprehensive Income for the year ended 30 June, 2017

c. Statement of Changes in Equity for the year ended 30 June, 2017

d. Statement of Cash Flows for the year ended 30 June, 2017

e. Notes to the financial statements.

2.21 Comparative Information:

In accordance with the provisions of BAS-34: Interim Financial Reporting, comparative information have 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.

2.22 General:

i) The figure has been rounded off to the nearest taka.

ii) The financial Statements have been prepared for one year from July 01, 2016 to June 30, 2017.

AMAR STOCK

		Amount in Taka	
		30-Jun-2017	30-Jun-2016

3.00 Property, Plant and Equipment :Tk. 630,757,905

This is made up as follows:

Particulars		
Opening Balance	808,376,204	732,132,657
Addition During the year	44,012,956	76,243,547
Total Assets Value at cost	**852,389,160**	**808,376,204**
Accumulated Depreciation as at 30.06.2017	221,631,255	170,943,272
Written Down Value as at 30.06.2017	**630,757,905**	**637,432,932**

Details are shown in Annexure 1.

4.00 Capital Work in Progress: Tk. 200,820,923

This is made up as follows:

Particulars		
Factory Building	81,985,454	-
Plant and Machinery	118,835,469	-
	200,820,923	**-**

Out of the above expenditure Tk. 78,459,270 for construction of factory building and Tk. 6,22,64,969 for acquisition of plant & machinery was utilized from IPO fund and the rest amount from company's own source.

5.00 Inventories : Tk. 288,429,315

This is made up as follows

Particulars			
Raw Materials	15.01	170,081,591	134,357,382
Work in process	15.00	59,349,420	51,627,635
Finished Goods	15.00	56,349,167	31,289,878
Store Items	15.02(a)	2,649,137	3,163,823
Total:		**288,429,315**	**220,438,718**

Details of Inventories movement during the year are shown in Annexure 2

6.00 Trade and other receivables : Tk. 492,493,719

Particulars		
Bills Receivable	492,493,719	366,220,642
Total:	**492,493,719**	**366,220,642**

Ageing of Accounts Receivable

More than six months	-	-
Less than six months	492,493,719	366,220,642
	492,493,719	**366,220,642**

	Amount in Taka	
	30-Jun-2017	30-Jun-2016

The classification of receivables as required by the Schedule XI of the Companies Act, 1994 are given below:

Receivables considered good in respect of which the company is fully secured.	492,493,719	366,220,642
Receivables considered good in respect of which the company holds no security other than the debtor personal security.	-	-
Receivables considered doubtful or bad.	-	-
Receivable to Directors	-	-
Receivables due by common management.	-	-
The maximum amount of receivable due by any director or other-	-	
Total	**492,493,719**	**366,220,642**

7.00 Advances, Deposits & Prepayments : Tk.12,046,141

This is made up as follows:

Particulars			
Advance & Prepayments			
Advance to Employees		1,270,555	792,000
Advance Income Tax	7.01	9,787,978	6,195,282
Advance Insurance Premium	7.02	987,608	632,250
Total:		**12,046,141**	**7,619,532**

7.01 Advance Income Tax : Tk. 9,787,978

This is made up as follows:

Particulars			
Opening Balance		6,195,282	14,826,122
Add: Tax deduction at source			
Against Interest Income	275,638		
Against Export	9,512,340	9,787,978	6,195,282
		15,983,260	**21,021,404**
Less: Adjustment During the year		6,195,282	14,826,122
Total:		**9,787,978**	**6,195,282**

7.02 Advance Insurance Premium : Tk. 987,608

This is made up as follows:

Particulars		
Advance Insurance Premium-Opening	632,250	291,667
Add: Addition During This Year	1,975,217	1,264,500
	2,607,467	**1,556,167**
Less: Adjustment During the year	1,619,859	923,917
Total:	**987,608**	**632,250**

8.00 Cash and Cash Equivalent : Tk. 35,523,637

This is made up as follows:

Particulars		
Cash in hand	**3,216,440**	**2,437,563**
Cash at Bank	**28,611,633**	**14,027,473**
Mutual Trust Bank Ltd. (0057-0210001847)	1,669	5,531,554
Islami Bank Bangladesh Ltd.(912)	11,241	42,051
Islami Bank Bangladesh Ltd.(114)	883,222	7,869,572
Islami Bank Bangladesh Ltd.(116)	113,405	584,296
Al-Arafah Islami Bank Ltd. (0101020083455)	1,227,096	
FDR (FDR No. 0101330236944)	26,375,000	-

		Amount in Taka	
		30-Jun-2017	30-Jun-2016
IPO Account		**3,695,565**	**-**
Eastern Bank ltd, Principal Br. A/C No. 1011360420196	STD	3,334,964	-
Eastern Bank ltd, Principal Br. A/C No. 1013050420209	USD	212,701	-
Eastern Bank ltd, Principal Br. A/C No. 1013060420220	GBP	83,412	-
Eastern Bank ltd, Principal Br. A/C No. 1013070420231	EURO	64,488	-
Total:		**35,523,637**	**16,465,036**

9.00 Share Capital : Tk. 970,000,000

9.01 Authorized Share Capital : Tk. 1,500,000,000

150,000,000 ordinary shares of Taka 10/= each.	1,500,000,000	1,500,000,000
	1,500,000,000	1,500,000,000

9.02 Issued, Subscribed, Called-up and Paid-up Share Capital : Tk. 970,000,000

72,300,000 ordinary shares of Tk 10/= each fully paid-up	723,000,000	723,000,000
500,000 Bonus shares of Tk 10/= each Issued in 2013	5,000,000	5,000,000
2,200,000 Bonus shares of Tk 10/= each Issued in 2014	22,000,000	22,000,000
22,000,000 ordinary shares of Tk. 10/= each fully paid up	220,000,000	-
	970,000,000	**750,000,000**

Name	Designation	No of Share	%	Amount in Taka
Md. Mizanur Rahman	Chairman	21,750,000	22.42	217,500,000
Mrs. Rokshana Rahman	Managing Director	2,750,000	2.84	27,500,000
Md.Amanaur Rahman	Director	2,750,000	2.84	27,500,000
Md. Robiul Islam	Director	2,750,000	2.84	27,500,000
Others	Shareholder	67,000,000	69.07	670,000,000
Total		**97,000,000**	**100**	**970,000,000**

The company has raised Tk. 220,000,000 devided by 22,000,000 shares of Tk. 10 each through IPO.
The company split (Consolidated) its share from Tk. 100 to Tk. 10 on 14.01.2015

10.00 Long Term Loan net off Current Maturity : Tk. 13,526,812

This is made up as follows:

Particulars		
Long Term Loan (Islami Bank Ltd.)	16,103,347	20,600,120
Less: Current Maturity	(2,576,535)	(3,296,019)
Total:	**13,526,812**	**17,304,101**

Interest payable on Long term loan is included in the current portion of Long term loan.

11.00 Short Term Borrowings : Tk 16,167,024

This is made up as follows:

Particulars		
Islami Bank Ltd.		
Bai-Salam	3,609,000	2,500,000
Murabaha	7,470,500	-
MTR	3,798,500	12,399,416
FBP	1,289,024	158,466
Total:	**16,167,024**	**15,057,882**

Interest payable on Short term loan is included in the Short term borrowings.

			Amount in Taka	
			30-Jun-2017	30-Jun-2016
12.00	**Trade and Other Payables: Tk 103,499,681**			
	This is made up as follows:			
	Particulars			
	Trade Payable and Creditors	12.01	58,583,450	73,902,969
	Liabilities for Expenses	12.02	44,916,231	26,774,840
	Total:		**103,499,681**	**100,677,809**
12.01	**Trade Payable and Creditors: Tk 58,583,450**			
	This is made up as follows:			
	Particulars			
	Accepted L/C Liability		58,398,140	73,750,741
	Creditors	12.01(a)	185,310	152,228
			58,583,450	**73,902,969**
12.01(a)	**Creditors: Tk 185,310**			
	This is made up as follows:			
	Particulars			
	Bismillah Electronics		25,168	32,680
	Poly Traders		10,750	15,228
	Other Liabilities		149,392	104,320
			185,310	**152,228**
12.02	**Liabilities for Expenses: Tk 44,916,231**			
	This is made up as follows:			
	Particulars			
	Utilities Bills		1,126,480	1,012,180
	Salary & Wages		9,159,346	8,598,968
	Income Tax Payable	12.02(a)	34,480,905	17,014,192
	Audit Fees		149,500	149,500
			44,916,231	**26,774,840**
12.02(a)	**Income Tax Payable : Tk 34,480,905**			
	This is made up as follows:			
	Particulars			
	Opening		17,014,192	22,086,668
	Add: Charge for the year		34,480,905	17,014,192
			51,495,097	**39,100,860**
	Less: Payment/Adjustment During the year		17,014,192	22,086,668
	Total:		**34,480,905**	**17,014,192**
	Assessment upto accounting year 30.06.2016 has been completed.			
13.00	**Share money Refundable : Tk. 360,602**			
	This is made up as follows:			
	Particulars			
	Share money Refundable		360,602	
	Total:		**360,602**	**-**

	Amount in Taka	
	30-Jun-2017	30-Jun-2016

14.00 Turnover : Tk. 1,428,439,660

This is made up as follows:

Sales/ Export	1,428,439,660	1,003,860,261
Total:	**1,428,439,660**	**1,003,860,261**

This is made up as follows:

Particulars	Quantity in Pair (shoes)	Amount in Tk
Men Shoes	1,260,220	633,512,989
Kids Shoes	771,846	336,254,696
Women Shoes	556,338	413,676,126
Others (Common for all)	149,388	44,995,849
Total	**2,737,792**	**1,428,439,660**

15.00 Cost of Goods Sold : Tk. 1,143,962,440

This is made up as follows:

Particulars			
Raw materials consumed	15.01	1,013,045,750	685,562,986
Manufacturing Overhead	15.02	165,521,024	164,639,751
Cost of Manufacturing		**1,178,566,774**	**850,202,737**
Add:Work in process- Opening		51,627,635	46,614,286
Less:Work in process- Closing		(59,349,420)	(51,627,635)
Cost of Goods Manufactured		**1,170,844,989**	**845,189,388**
Finished goods - Opening		31,289,878	14,756,719
Sample Expenses		(1,823,260)	(1,762,552)
Finished goods - Closing		(56,349,167)	(31,289,878)
Total:		**1,143,962,440**	**826,893,677**

15.01 Raw Materials : Tk. 170,081,591

This is made up as follows:

Particulars		
Opening	134,357,382	107,527,468
Add: Purchase during the year	1,048,769,959	712,392,900
Raw materials available for Production	1,183,127,341	819,920,368
Less: Consumption during the year	1,013,045,750	685,562,986
Closing balance	**170,081,591**	**134,357,382**

15.02 Manufacturing overhead : Tk. 165,521,024

This is made up as follows:

Particulars		
Wages, Salaries and allowances	76,735,249	73,340,369
Carrying Charge	6,219,227	5,890,293
Power & Fuel	724,672	693,068
Utilities Bills	12,434,290	11,841,636
Freight & Forwarding	9,249,651	9,048,985
Medical Expenses	98,274	104,778
Fooding	474,183	462,133
Labor Charge	1,709,344	1,651,850
Production Incentives	1,329,406	1,489,965
Telephone and Mobile Bill	54,350	51,676

SMAR STOCK

			Amount in Taka	
			30-Jun-2017	30-Jun-2016
	Printing & Stationery Expenses		59,346	59,939
	Store Items	15.02(a)	6,841,535	10,213,984
	Conveyance		31,267	33,355
	Insurance premium		1,619,859	882,250
	Postage & Stamp		73,260	113,766
	Miscellaneous Expenses		24,168	16,896
	Repairs & Maintenance and Service Charges		196,237	216,262
	Depreciation		47,646,706	48,528,546
	Total:		**165,521,024**	**164,639,751**

15.02(a) Store Items : Tk. 2,649,137

This is made up as follows:

Particulars		
Opening	3,163,823	4,248,109
Add: Purchase during the year	6,326,849	9,129,698
	9,490,672	**13,377,807**
Less: Consumption during the year	6,841,535	10,213,984
Closing balance	**2,649,137**	**3,163,823**

16.00 Administrative and selling Expenses : Tk. 57,317,940

This is made up as follows:

Particulars		
Salaries and Allowances	30,219,648	30,935,542
MD's Remuneration	240,000	240,000
Director's Remuneration	360,000	360,000
Conveyance, Tours and Travells Expenses	348,165	387,465
Sample Expenses	1,823,260	1,762,552
Delivery Expenses	1,894,908	1,841,376
Phone, Fax and Mobile Bill	327,480	292,038
Postage & Stamps	31,470	38,114
Printing & Stationary	406,152	507,233
Registration, Renewal & Legal Expenses	104,250	287,043
Entertainment	112,493	133,695
Utilities Bills	98,835	58,700
Audit fees	149,500	139,917
Fees and Forms	1,200,000	-
Miscellaneous Expenses	39,176	48,073
Vehicles Fuel and Oil Expenses	194,276	221,814
IPO Expenses	16,727,048	-
Depreciation	3,041,279	3,097,566
Total:	**57,317,940**	**40,351,128**

17.00 Financial Expenses : Tk. 4,078,986

This is made up as follows:

Particulars			
Interest on Loan	17.01	4,049,566	6,144,002
Bank Charge		29,420	23,675
Total:		**4,078,986**	**6,167,677**

AMARSTOCK

		Amount in Taka	
		30-Jun-2017	30-Jun-2016
17.01	**Interest on Loan : Tk. 4,049,566**		
	This is made up as follows:		
	Particulars		
	Interest on Short Term Loan	1,451,131	2,840,900
	Interest on Long Term Loan	2,598,435	3,303,102
	Total:	**4,049,566**	**6,144,002**
18.00	**Other Income : Tk. 2,756,382**		
	This is made up as follows:		
	Particulars		
	Interest income from IPO fund	2,756,382	-
	Total:	**2,756,382**	**-**
19.00	**Current Tax Expenses : Tk. 34,480,905**		
	This is made up as follows:		
	Particulars		
	Income Tax Expense	34,480,905	15,763,079
	Total:	**34,480,905**	**15,763,079**
20.00	**Deferred Tax Expense : Tk. 5,377,472**		
	This is made up as follows:		
	Particulars		
	Carrying amount of PPE (Accounting Base)	630,757,905	637,432,932
	Carrying amount of PPE (Tax Base)	369,916,871	407,320,308
	Taxable Temporary Difference	**260,841,034**	**230,112,624**
	Tax Rate	17.50%	17.50%
	Opening Deferred Tax Liability	40,269,709	33,124,092
	Closing Deferred Tax Liability	45,647,181	40,269,709
	Deferred Tax Expense/ (Income)	**5,377,472**	**7,145,617**
21.00	**Earnings per Share: Tk. 2.03**		
	Profit for the Year	186,722,466	107,998,142
	Weighted Average Number of Ordinary Shares*	92,057,534	75,000,000
	Earnings per Share (Basic)	**2.03**	**1.44**

*** Weighted Average Number of Shares**

No. of Shares	Days	Factor	Weighted Average No. of Share
75,000,000	365	1.00000	75,000,000
22,000,000	283	0.77534	17,057,534
Total			**92,057,534**

22.00	**Net Operating Cash Flow per Share**		
	Operating cash inflow during the year	46,919,510	47,044,835
	Weighted Average Number of Ordinary Shares	92,057,534	75,000,000
		0.51	**0.63**

23.00 Payment to Directors

Particulars	Nature of Transaction	Transaction during the	Balance at Year End
Managing Director	Remuneration	240,000	-
	Board Meeting Fees	4,000	
Directors	Remuneration	360,000	-
	Board Meeting Fees	16,000	
	Total	**620,000**	

24.00 Production Capacity

The production capacity and utilization of its are as follows:	Quantity in Pair	
Particulars	**30.06.2017**	**30.06.2016**
Installed Capacity	3,504,000	3,163,333
Actual Production	2,797,176	2,114,826
Capacity Utilization (%)	79.83%	66.85%

25.00 No. of Employees

Total number of employees are as follows:	No. of Employees	
Particulars	**30.06.2017**	**30.06.2016**
Salary within Tk. 3,000 per month	-	-
Salary range above Tk. 3,000 per month	1,587	1,528
Total	**1,587**	**1,528**

26.00 Quantity wise schedule of sales as required under Para 3, Schedule XI, Part II of the Companies Act 1994

Quantity wise schedule of sales, raw material consumed and opening and closing stock of finished goods relating to the financial statements for the year ended 30 June 2017 as requird under Para 3, Schedule XI, Part II of the companies Act 1994 are given below:

(a) Sales

Particulars	30.06.2017		30.06.2016	
	Quantity in Pair	Amount in Taka	Quantity in Pair	Amount in Tk
Domestic Sales	-	-	-	-
Export Sales	2,737,792	1,428,439,660	2,075,573	1,081,672,607
Total	**2,737,792**	**1,428,439,660**	**2,075,573**	**1,081,672,607**

(b) Raw Materials Consumed in Quantities (Pcs, Yrds, Kg, Sqft,Set)	30-06-2017	30-06-2016
Opening Stock	29,878,129	23,996,947
Add: Purchase	223,834,733	169,231,937
Raw Material available for consumption	253,712,862	193,228,884
Less: Closing Stock	37,822,408	29,878,129
Raw Material Consumed	**215,890,454**	**163,350,755**

(C) Particulars in respect of opening stock, sales and closing of finished goods:

Particulars	30.06.2017		30.06.2016	
	Qty in pair	Amount in Tk	Qty in pair	Amount in Tk
Opening Stock	74,149	31,289,878	34,896	14,628,320
Closing Stock	133,533	56,349,167	74,149	31,289,878
Sales	2,737,792	1,428,439,660	2,075,573	1,081,672,607

(d) Particulars in respect of Opening Stock and Closing Stock of Inventories

Particulars	30.06.2017		30.06.2016	
	Qty in pair/yds/kg	Amount in Tk	Qty in pair/yds/kg	Amount in Tk
Raw Marterials	37,822,408	170,081,591	29,878,129	134,357,382
Work in Process	13,314,954	59,349,420	11,582,583	51,627,635
Finished goods	133,533	56,349,167	74,149	31,289,878

27.00 Information as per requirement of Para 8, Schedule XI, Part II of the Companies Act 1994:

Disclosure under Para 8, Schedule XI, Part II of the companies Act 1994 are as under:

Particulars	30.06.2017		30.06.2016	
	US Dollar	Amount in Tk	US Dollar	Amount in Tk
Import (CIF Basis)	11,872,140	957,963,046	9,360,126	763,823,675
Export (FOB Basis)	17,711,589	1,428,439,660	13,520,621	1,081,672,607

28.00 Utilization of IPO Fund

Utilization position of IPO proceeds up to 30 June 2017 was as under;

Purpose as per prospectus	Amount as per prospectus	Utilized during the year	Total unutilized
Acquisition & Installation of Machineries	109,517,000	62,264,969	47,252,031
Building (Factory & Administrative)	92,823,000	78,459,270	14,363,730
IPO Expenses	17,660,000	16,727,048	932,952
Total	**220,000,000**	**157,451,287**	**62,548,713**

The company raised Tk. 220,000,000 divided into 22,000,000 ordinary shares of Tk. 10 each through IPO on September 21, 2016. During the year the company utilized Tk. 62,264,969 for the purpose of acquisition & installation of machineries, Tk. 78,459,270 for construction of building (Factory & Administrative) and Tk. 16,727,048 for IPO expenses as certified by independent auditor, Ahmed Zaker & Co., Chartered Accountants.

The utilization for the purpose of acquisition & installation of machineries and construction of building has been recognized as capital work in progress in note # 4 and the IPO expenses has been reported as revenue expenses under administrative & Selling expenses in note # 16 to the financial statements.

29.00 Financial Risk Management

The management of company has overall responsibility for the establishment and oversight of the company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risk for its use of financial instruments.

Credit Risk
Liquidity Risk
Market Risk

Credit Risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place that are controlled and monitored in accordance with terms and conditions prescribed in export letter of credit. As at 30th June 2017 the entire part of the receivables are related to export of goods and subject to insignificant credit risk. Risk exposures from other financial assets. i.e. Cash at bank and other external receivables are nominal.

Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach in managing liquidity (cash and cash equivalents) is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses including financial obligation through preparation of the cash flow forecast with due consideration of time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. In extreme stressed conditions the company may get support from the related company in the form of short term financing.

Market Risk

Market risk is the risk that any changes in market prices such as foreign exchange rates and interest will affect the company's income or the value of its holdings financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

(a) Currency risk

The company is exposed to currency risk on certain revenues and purchases such as revenue from foreign customers and import of raw materials, machineries and equipment. Majority of the company's foreign currency transactions are denominated in USD and relate to procurement of raw materials, machineries and equipment from abroad.

(b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. The foreign currency loan is subject to floating rates of interest. Local loans are, however, not significantly affected by fluctuations in interest rate risk . The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

30.00 Events after the reporting period

Following events occurred since the balance sheet date:

(a) The board of directors recommended 12% stock dividend at the Board meeting held on October 26, 2017 for the year ended June 30, 2017. This dividend is subject to final approval by the shareholders at the forthcoming Annual General Meeting (AGM) of the company.

(b) Except for the fact stated above, no circumstances have arisen since the balance sheet date which would require adjustment to, or disclosure in, the financial statements or notes thereto.

FORTUNE SHOES LTD.

Schedule of Property, Plant and Equipment

As at June 30, 2017

Annexure 1

Amount in Taka

Particulars	Cost			Rate of Dep (%)	Depreciation			Written Down Value as at 30.06.2017	Written Down Value as at 30-06-2016
	Balance as on 01 July 2016	Addition during the period	Balance as on 30 June 2017		Balance as on 01 July 2016	Charge during the period	Balance as on 30 June 2017		
Land	681,818	-	681,818	-	-	-	-	681,818	681,818
Land Development	36,524,059	2,869,400	39,393,459	2%	3,505,052	698,639	4,203,691	35,189,768	39,393,459
Factory Buildings	198,591,161	4,265,320	202,856,481	2.50%	18,475,275	4,529,555	23,004,830	179,851,651	170,253,946
Office Building	27,501,150	-	27,501,150	10%	3,979,072	2,352,208	6,331,280	21,169,870	26,355,269
Plant & Machinery	431,466,502	27,723,895	459,190,397	10%	107,736,455	33,066,102	140,802,557	318,387,840	299,789,237
Substation, Electrical Installation & Equipment	60,430,947	7,932,941	68,363,888	10%	17,667,829	4,739,067	22,406,896	45,956,992	46,274,019
Generator	9,920,000	-	9,920,000	10%	3,010,845	690,916	3,701,761	6,218,240	7,741,350
Vehicles	8,600,000	-	8,600,000	20%	4,352,629	849,474	5,202,103	3,397,897	5,399,200
Furniture and Fixture	9,144,425	376,100	9,520,525	10%	2,469,721	689,410	3,159,131	6,361,394	7,021,835
Office Equipment	8,752,496	549,500	9,301,996	20%	4,150,157	975,418	5,125,575	4,176,421	5,567,688
Fire Equipment	2,030,215	295,800	2,326,015	10%	494,816	170,795	665,611	1,660,404	1,720,335
Air Conditions and Air Cooler	14,733,431		14,733,431	20%	5,101,419	1,926,402	7,027,821	7,705,610	12,244,083
Total	**808,376,204**	**44,012,956**	**852,389,160**		**170,943,270**	**50,687,985**	**221,631,255**	**630,757,905**	**622,442,239**

Allocation of depreciation

Manufacturing Expenses	94%	47,646,706
Administrative Expenses	6%	3,041,279
	100%	**50,687,985**

Fortune Shoes Ltd.
Details of Raw Materials
For the year ended June 30, 2017

Annnexure 2

A.

SL	Name of Raw Materials	Unite	Opening		Purchases		Consumption		Closing Balance	
			Quantity	Taka	Quantity	Taka	Quantity	Taka	Quantity	Taka
1	Outer sole and heels of rubber	Pair	69,418	9,228,457	47,242	6,344,601	112,242	14,979,692	4,418	593,366
2	Uppers and parts thereof	Pair	33,118	10,877,324	28,078	9,198,353	57,078	18,726,572	4,118	1,349,105
3	Shoe lace	Pair	543,066	3,822,098	2,972,918	21,137,449	2,957,918	20,991,699	558,066	3,967,849
4	Inner box	Pair	40,746	1,274,535	321,057	10,145,415	306,057	9,658,376	55,746	1,761,574
5	Silver pen	Pair	329,860	51,590	54,370,956	8,590,611	52,201,956	8,247,381	2,498,860	394,820
6	Nylon string	Pair	50,352	3,937	58,939,285	4,656,204	57,889,285	4,573,213	1,100,352	86,928
7	Eva 4mm	Pair	23,274	1,274,028	228,820	12,653,724	148,820	8,216,690	103,274	5,711,061
8	Pvc scrn	Pcs	16,791	984,765	194,591	11,529,521	199,711	11,822,807	11,671	691,480
9	T/T paper	Pcs	1,816,796	1,420,735	9,697,229	7,660,811	9,597,229	7,567,277	1,916,796	1,514,269
10	Swing machine needle	Pcs	11,230	26,346	12,750,237	30,218,062	11,165,237	26,461,343	1,596,230	3,783,066
11	Lavel	Pcs	12,161,345	951,017	17,644,347	1,376,259	14,929,515	1,166,934	14,876,177	1,160,342
12	Eyelet	Pcs	11,891,371	9,299,052	50,368,192	39,790,872	49,233,192	38,799,091	13,026,371	10,290,833
13	Last	Pcs	5,694	2,003,634	13,600	4,834,800	16,225	5,747,405	3,069	1,091,030
14	Micro pac	Pcs	319,008	2,744,105	1,790,065	15,555,661	1,775,065	15,397,238	334,008	2,902,528
15	Adesive tape	Pcs	40,801	1,754,847	321,347	13,962,540	306,347	13,292,837	55,801	2,424,550
16	Zipper	KG	8,710	238,385	151,931	4,200,881	136,931	3,783,692	23,710	655,574
17	Stitching glue	KG	13,152	2,776,898	175,382	37,408,980	160,382	34,181,072	28,152	6,004,806
18	Pu print	KG	676	634,653	12,614	11,806,704	11,723	10,974,645	1,567	1,466,712
19	Polyether poliol glue	KG	7,471	1,694,192	145,389	33,308,670	130,389	29,854,838	22,471	5,148,024
20	Lamination glue	KG	11,180	2,024,097	164,974	27,946,559	149,974	25,535,699	26,180	4,434,957
21	Solvent difftyps	KG	13,154	2,777,425	105,395	22,480,790	90,395	19,252,876	28,154	6,005,338
22	Upper primer	KG	9,190	2,084,137	15,446	3,449,092	446	131,573	24,190	5,401,655
23	Tpr primer	KG	86,668	17,519,036	503,490	109,962,156	579,992	125,260,937	10,166	2,220,254
24	Latex	KG	8,550	1,136,637	151,087	20,291,036	136,087	18,264,908	23,550	3,162,765
25	Toulien	KG	7,224	912,338	144,085	17,074,060	129,085	15,352,904	22,224	2,633,494
26	Pu upper	Yards	3,893	1,370,006	126,503	43,833,263	111,503	38,656,787	18,893	6,546,483
27	Pu collar tow tone	Yards	8,548	2,005,244	151,074	35,351,365	136,074	31,846,494	23,548	5,510,116
28	Lining Mesh	Yards	1,949	114,314	116,240	6,887,199	101,240	5,997,279	16,949	1,004,233
29	Mesh syntitic	Yards	19,526	3,817,283	200,258	39,050,310	185,258	36,135,073	34,526	6,732,520
30	Luny suede diff.	Yards	8,597	2,016,954	151,338	35,867,037	136,338	32,291,403	23,597	5,592,588
31	Two tone pu	Yards	8,597	3,361,590	101,338	39,521,706	86,338	33,680,304	23,597	9,202,992
32	Canvas	Yards	4,074	796,487	127,458	25,172,976	112,458	22,202,328	19,074	3,767,135
33	Embossing mould	Yards	724	856,173	11,571	13,364,200	10,722	12,404,713	1,572	1,815,660
34	Non woven	Yards	33,816	1,084,198	284,471	9,214,003	269,471	8,717,061	48,816	1,581,140
35	Magic tape	Yards	16,920	926,218	195,276	10,798,772	180,276	9,959,797	31,920	1,765,193
36	1.4 mm eva	Yards	33,844	2,366,399	284,622	13,491,088	269,622	13,542,263	48,844	2,315,223
37	Pu tone	Yards	699	273,221	70,963	27,675,570	55,963	21,826,269	15,699	6,122,522
38	Binding materials difftyp	Yards	13,224	2,585,350	105,764	20,888,404	90,764	17,899,455	28,224	5,574,299
39	Fu long	Yards	39,498	957,515	414,470	10,150,369	399,470	9,773,224	54,498	1,334,661
40	Shank metal	Yards	195,062	2,163,232	3,000,117	23,700,924	2,985,117	24,204,671	210,062	1,659,486
41	Thermo plastic	Yards	13,179	2,190,175	175,527	27,871,920	160,527	25,587,492	28,179	4,474,603
42	Webbing	Yards	306,449	958,571	868,142	2,743,328	853,142	2,686,121	321,449	1,015,778
43	Elastic gore	Yards	1,360,915	7,450,750	4,306,104	23,360,614	5,529,428	30,064,932	137,591	746,431
44	Force tape	Yards	31,246	3,946,424	300,907	35,657,478	285,907	34,123,700	46,246	5,480,202
45	Tricot	Yards	63,207	1,532,255	439,632	10,329,110	424,632	10,023,908	78,207	1,837,456
46	Leather	sft	653	76,668	821,039	90,806,913	806,039	89,152,403	15,653	1,731,178
47	Newtex	Sheet	145,617	12,525,977	74,695	6,407,219	59,695	5,155,769	160,617	13,777,427
48	Red sheet	Sheet	22,029	2,411,719	20,245	2,213,633	5,245	576,596	37,029	4,048,756
49	Thread	Cone	27,018	1,056,388	229,222	8,828,748	213,943	8,296,008	42,297	1,589,128
		Total	29,878,129	134,357,382	223,834,733	1,048,769,959	215,890,454	1,013,045,750	37,822,408	170,081,591

Fortune Shoes Ltd.
Details of Inventories
For the period ended June 30, 2017

B. Finished goods

Particulars	Quantity (Pair of Shoes)	Amount in Tk
Men Shoes	38,218	17,358,642
Kids Shoes	41,325	15,910,125
Women Shoes	20,160	13,608,000
Others (Common for all)	33,830	9,472,400
Total	**133,533**	**56,349,167**

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Fortune Shoes Ltd.
Details of Inventories
For the period ended June 30, 2017

C. Work-In-Progress

SL	Name	Unit	Closing Balance	
			Quantity	Taka
1	Outer sole and heels of rubber	Pair	49,431	4,873,934
2	Uppers and parts thereof	Pair	28,739	6,483,600
3	Shoe lace	Pair	49,431	302,520
4	Inner box	Pair	49,431	1,344,533
5	Silver pen	Pair	1,674,034	227,669
6	Nylon string	Pair	3,754,471	255,304
7	Eva 4mm	Pair	49,431	2,352,934
8	Pvc scrn	Pcs	25,865	1,319,128
9	T/T paper	Pcs	648,725	441,133
10	Swing machine needle	Pcs	106,507	217,275
11	Lavel	Pcs	5,506,028	374,410
12	Eyelet	Pcs	518,900	352,852
13	Last	Pcs	6,461	1,976,933
14	Micro pac	Pcs	91,340	683,223
15	Adesive tape	Pcs	37,538	1,403,920
16	Zipper	KG	17,726	421,886
17	Stitching glue	KG	11,330	1,468,385
18	Pu print	KG	4,136	2,382,418
19	Polyether poliol glue	KG	4,311	600,074
20	Lamination glue	KG	17,995	1,900,306
21	Solvent difftyps	KG	9,139	1,184,422
22	Upper primer	KG	11,326	1,576,514
23	Tpr primer	KG	4,356	585,407
24	Latex	KG	6,727	548,945
25	Toulien	KG	12,093	870,728
26	Pu upper	Yards	12,123	2,618,640
27	Pu collar tow tone	Yards	8,032	1,156,611
28	Lining Mesh	Yards	18,762	680,196
29	Mesh syntitic	Yards	8,669	1,040,266
30	Luny suede diff.	Yards	19,016	2,478,340
31	Two tone pu	Yards	13,243	2,516,172
32	Canvas	Yards	11,326	1,359,064
33	Embossing mould	Yards	4,095	2,948,225
34	Non woven	Yards	23,509	462,650
35	Magic tape	Yards	15,696	527,392
36	1.4 mm eva	Yards	9,151	263,536
37	Pu tone	Yards	2,713	651,115
38	Binding materials difftyp	Yards	6,655	798,581
39	Fu long	Yards	57,055	848,983
40	Shank metal	Yards	67,044	321,811
41	Thermo plastic	Yards	4,035	389,295
42	Webbing	Yards	46,226	88,755
43	Elastic gore	Yards	126,050	423,528
44	Force tape	Yards	20,294	1,329,649
45	Tricot	Yards	81,499	1,212,698
46	Leather	sft	8,032	539,752
47	Newtex	Sheet	29,463	1,555,667
48	Red sheet	Sheet	8,032	539,752
49	Thread	Cone	18,762	450,290
		Total	**13,314,954**	**59,349,420**

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Fortune Shoes Ltd.
Details of Inventories
For the period ended June 30, 2017

D. Store Items

Opening Balance	Purchases	Consumptio	Closing Balance
Taka	Taka	Taka	Taka
3,163,823	6,326,849	6,841,535	2,649,137

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Fortune Shoes Ltd.
Details of Related Party Disclosure

Particulars	Nature of Transaction	30.06.2017		30.06.2016	
		Transaction during the period	Balance at Year End	Transaction during the period	Balance at Year End
Managing Director	Remuneration	240,000	-	240,000	-
	Board Fees	4,000		4,000	
Director	Remuneration	360,000	-	360,000	-
	Board Fees	16,000		16,000	
Bangladesh Shoes Industries Ltd.	Return of Advance against Investment of Share	-	-	20,000,000	-
Bangladesh Shoes Industries Ltd.	Share Allotment	-	-	-	1,500,000
Global Shoes Ltd.	Share Allotment			34,950,000	36,450,000

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Photo Gallary











Fortune Shoes Limited

Registered Office: Plot # 66-68,BSCIC Industrial area, Kawnia, Barisal.

Tk. 20 (Twenty) for revenue stamp

PROXY FORM

I/We……of being a shareholders of Fortune Shoes Limited and entitle to vote, hereby appoint Mr./Mrs./Miss……as my/our proxy to attend and vote for me/us and on my/our behalf at the 7th Annual General Meeting of the Company to be held on Thursday, 14th December, 2017 at 11.00 a.m. at the Barisal Club, Club road, Barisal or at any adjournment there of or at any ballot to be taken in consequence hereof.

Signed this……Signature of proxy ……

day of ……..2017

(Signature Shareholder) (Signature of Proxy)

BO ID NO. | | | | | | | | | | | | | | | | |

No. of Shares .....

N.B.: This form of proxy, duly signed (as recorded with the Company), stamped and completed must be submitted to the registered office or Share Department (Moon Island, Suite # C-03, Plot No. 34 & 36, Road- 8, Block-E, Niketon, Gulshan-1, and Dhaka-1212.) of the company at least 48 hours before the meeting.

Fortune Shoes Limited

Registered Office: Plot # 66-68,BSCIC Industrial area, Kawnia, Barisal.

ATTENDANCE SLIP

I hereby record my attendance at 7th Annual General Meeting of the Company being held on Thursday, 14th December, 2017 at 11.00 a.m. at the Barisal Club, Club road, Barisal.

Name of the Member/Proxy : ……

BO ID NO. | | | | | | | | | | | | | | | | |

Signed this…… Signature of proxy …… day of ……..2017

N.B.

i) Shareholder attending meeting in person or by Proxy are requested to completed the Attendance slip and deposit same at the entrance of the meeting.

ii) No gift or benefit in cash or kind shall be paid / offered to the shareholders as per circular No. SEC/CMRRCD/dated 2009-193/154 14th December, 2015 of BSEC for attending the AGM

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Head Office : Moon Island, Suite # C-03, Plot # 34 & 36, Road # 08, Block # E,
Niketon, Gulshan-01, Dhaka-1212, Phone : +880-02-9851132, Fax : + 880-02-9851154
Factory & Registered Office : Plot No. 66-68, BSCIC Industrial Estate, Kawnia, Barisal, Bangladesh

Production
Galaxy Corporation
Phone : 7192877