

ANNUAL REPORT | 2017-2018





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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, 2018.

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, 2018 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

Notice of the 8th Annual General Meeting

Fortune Shoes Limited
BSCIC Kawnia, Barishal

NOTICE OF THE 8th ANNUAL GENERAL MEETING

Notice is hereby given that the 8th Annual General Meeting (AGM) of the shareholders of Fortune Shoes Limited will be held on Thursday, December 20, 2018 at 11.00 A.M at Barisal Club, Barisal to transact the following business:

AGENDA

1. To receive, consider and adopt the Director's Report and approve the Auditor's Report and Financial Statements for the period ended 1st July, 2017 to 30th June, 2018.
2. To approve the dividend for the period ended 1st July, 2017 to 30th June, 2018. As recommended by the Board of Directors.
3. To approve retirement/appointment of Directors as per terms of the relevant provision.
4. To appoint/re-appointment the Auditors of the company and fixation of their remuneration for the year ended 2018-2019.
5. To appoint professionals for reporting on Corporate Governance Code of the Company and fix their remuneration.
6. Any other business if any.

By the order of Board

Sd/

Md. Riaz Haider
Company Secretary

Notes:

1. The Share holders whose name will be appeared in the share register of the company or in the depository register on the record date, i.e., November 22, 2018 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 8th 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 (RJSC) in Bangladesh under the Companies Act, 1994. In the meantime 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. 1,086,400,000 divided into 108,640,000 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	M/S Ahmad & Aktar, Chartered Accountants, BCIC Bhaban (3rd Floor) 30-31, Dilkusha, C/A, Dhaka-1000
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 Arafah Islami Bank Ltd.
Compliance Officer	Md. Riaz Haider, Company Secretary
Web & mail Address	web: www.fortuneshoesbd.com e-mail: info@fortuneshoesbd.com

MANAGEMENT OF **THE COMPANY**

Board of Directors

Name	Designation
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

Name	Designation
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. Mahbubul Alam

Company Secretary
Md. Riaz Haider

Head of Internal Audit
Md. Meherab Hosen

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, Premier Footwear Limited and Managing Director of Uniworld Footwear Technology Ltd. Mr. Md. Mizanur Rahman obtained M. Sc. from Chittagong University & has 22 years of Professional experience of shoes.

MRS. ROKSHANA RAHMAN:

Managing Director, Fortune Shoes Limited

Mrs. Rokshana Rahman was born in December 28, 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.

Mrs. Rokshana Rahman is the Managing Director of Fortune Shoes Limited and Chairman of Uniworld Footwear Technology Ltd. and Director of Premier Footwear Limited. She has 8 years of professional experience of shoes manufacturing industry.

MD. AMANUR RAHMAN:

Director, Fortune Shoes Limited

Mr. Md. Amanur Rahman was born in February 07, 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 8 years of professional experience of shoes manufacturing industry.

MD. ROBIUL ISLAM:

Director, Fortune Shoes Limited

Md. Robiul Islam was born in September 03, 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 8 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 and MBA from University of Dhaka.



CHAIRMAN'S STATEMENT

Bismillahir Rahmanir Rahim

Respected Members, Shareholders and other Stakeholders,

Assalamualaikum,

It is great pleasure for me to be here with you at the 8th Annual General Meeting of Fortune Shoes Limited. After IPO, this is the 2nd 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, 2018. 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 2017-2018. We believe that our endeavours and teamwork have enabled the Company to maintain its profitability under competitive industry scenario.

In 2018, the Company has made higher profit comparing to last year. I am pleased to report that the company's revenue for the year ended June 30, 2018 is Tk. 1378.42 million and net profit after tax is Tk. 202.03 million which is 14.65% of total sales revenue. As a result, Earning Per Share (EPS) has been increased to Tk. 1.86 from Tk. 1.80. Hence, the Board has recommended 15% Stock for the year 2017-2018.

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

In the financial year 2017-2018 we have utilized our IPO proceeds. In this regard we have reported to BSEC, DSE, and CSE on monthly basis.

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

Respected Members, Shareholders and other Stakeholders,

Assalamualaikum

It is a great pleasure and privilege for me to announce that this is the 2nd 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 2017-2018 has been a successful year for the Company during this year the Company has earned the highest profit in the year 2017-2018 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

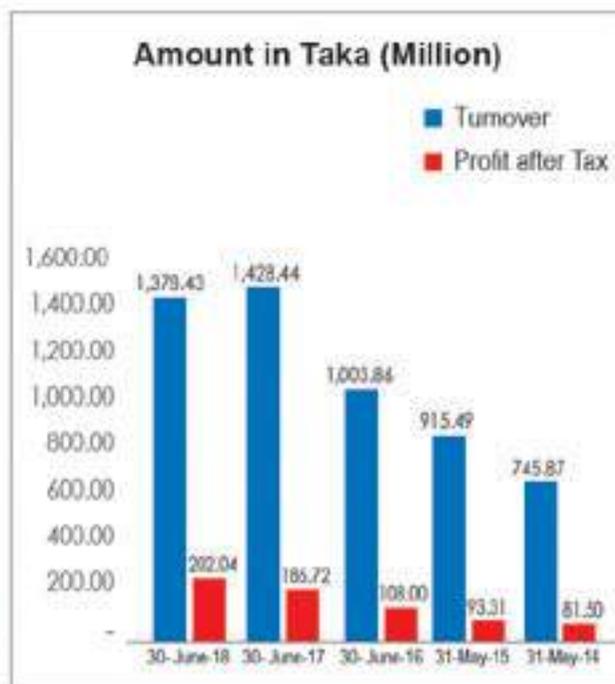
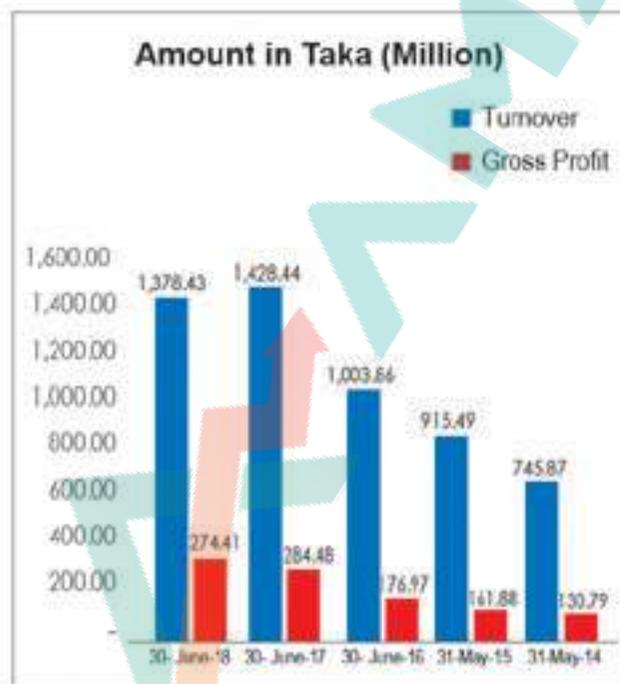
Sd/-
Mrs. Rokshana Rahman
Managing Director

FINANCIAL HIGHLIGHTS

Amount in Taka					
Operational Result	30- June-2018	30- June-2017	30- June-2016	31-May-15	31-May-14
Turn Over	1,378,425,988	1,428,439,660	1,003,860,261	915,488,698	745,868,440
Gross Profit	274,409,730	284,477,220	176,966,584	161,880,416	130,788,579
Profit from Operation	231,304,171	227,150,280	136,615,456	120,962,970	96,602,326
Profit before Income Tax	230,941,178	226,580,842	130,906,838	113,105,400	88,878,371
Profit for the Year	202,035,227	186,722,465	107,998,142	93,311,956	81,499,098
Net Cash Flow from Operation	50,705,066	46,919,509	47,044,835	33,484,385	96,879,707

Financial Position	30- June-2018	30- June-2017	30- June-2016	31-May-15	31-May-14
Non-Current Assets	854,433,867	831,578,828	637,432,932	658,826,978	502,703,530
Current Assets	999,491,033	828,492,812	610,743,928	531,244,496	326,995,807
Shareholder's Equity	1,693,371,084	1,478,293,805	1,071,571,340	959,651,428	689,306,963
Non-Current Liabilities	41,184,423	59,173,993	57,573,810	58,531,898	30,880,991

Key Financial Ratio	30- June-2018	30- June-2017	30- June-2016	31-May-15	31-May-14
Current Ratio	8.37	6.76	5.13	3.09	2.99
Quick Ratio	5.07	4.13	3.21	1.88	1.78
Debt to Equity Ratio	0.09	0.01	0.02	0.19	0.40
Net Income Ratio	14.65%	13.07%	10.76%	10.19%	10.93%
Return on Equity Ratio	11.93%	14.65%	10.63%	39.44%	64.36%
Adjusted EPS	1.86	1.72	1.44	1.24	1.09



DIRECTORS' REPORT

Dear Shareholders

Assalamualaikum

On behalf of the Board of Directors and on behalf myself I welcome you all to 8th 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 period ended June 30, 2018, Auditors' report and the Directors' Report thereon along with Company's performance and other matters in terms of Companies Act 1994, the guideline issued by Bangladesh Securities and Exchange Commission (BSEC) and International Accounting Standards (IAS).

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 1086.40 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. 1,378,425,988 during the last financial years. 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 2017-18 as compared to previous year are summarized hereunder:

Particular	2018	2017
Turnover	1,378,425,988	1,428,439,660
Gross Profit	274,409,730	284,477,220
Net Profit (BT)	230,941,178	226,580,842
Provision for Taxation	28,905,951	39,858,376
Net Profit (AT)	202,035,227	186,722,465
Gross Margin (Turnover)	19.91%	19.92%
Net Margin (BT)	16.75%	15.86%
Net Margin (AT)	14.66%	13.07%
Earnings Per Share (EPS) (Tk.)	1.86	1.72

Industry outlook and possible future developments in the industry

Bangladesh export sector is heavily dependent on 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. Export performance in July–Sep 2017-2018 was USD 234.5 million which is significant for the footwear Industry.

(Source: Annual Report 2014 and website of Leather goods & Footwear Manufactures & Exporters Association of Bangladesh).

Segment Reporting

The Company operates its business in single segment i.e. produced only "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-2018		30-June-2017	
	Amount	%	Amount	%
Sales	1,378,425,988	100.00	1,428,439,660	100.00
Cost of Goods Sold	1,104,016,258	80.09	1,143,962,440	80.08
Gross Profit	274,409,730	19.91	284,477,220	19.92
Net Profit for the year	202,001,487	14.65	186,710,130	13.07

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

Related party transactions are presented in note no.24 of the notes to the financial statements.

Significant variance of financial statements

There is no significant variance in the financial statements during the period ended on 30th June, 2018.

Utilization of IPO fund

We have raised Tk. 220 million through IPO in the year 2016 and have been starting utilization of IPO proceeds in that year and completed in 2018. The break-up of total IPO proceeds are as follows:

Particulars	Amount in Taka (million)
Capital Machinery	109.52
Building & Civil Construction	92.82
IPO Cost	17.66
Total	220.00

As per consent letter ref no. BSEC/CI/IPO-251/2015/419 dated July 19, 2016, we have reported to BSEC, DSE, and CSE on monthly basis till 30.06.2018.

Compliance of Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018.

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 as approved by the shareholders. 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-experienced in business. He has around 21 years of 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. Mahbubul Alam
Head of Internal Audit	: Md. Meherab Hosen

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.

Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee, as a sub-committee of the Board of Director, has been constituted with three-member in the board of directors with one Independent director as a chairman. The company Secretary acts as Secretary to the Committee. The Nomination and Remuneration Committee assists the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive of the company. NRC is responsible to the Board of Directors and its roles and responsibilities are clearly set forth. Since the corporate governance code has been adopted on 03 June, 2018, we have been taking necessary steps to comply with.

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 2018. 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.16 (sixteen).

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 annual general meeting and re-elected themselves:

S.I	Name of Director	Present Status
01	Mrs. Rokshana Rahman	Retirement & Re-Elected for the Director
02	Md. Robiul Islam	Retirement & Re-Elected for the Director

Share holding pattern

The shareholding of directors at the period end of 30 June, 2018 is shown as below:

Name of Directors	Position	30.06.2018	
		No of Share	% of Share
1. Parent/Subsidiary/Associate companies and other related parties.	-	-	-
2. Directors, CEO, CS, CFO, HIA and their spouses and minor children:	-	-	-
2.A. Directors			
Mr. Md. Mizanur Rahman	Chairman	24,360,000	22.42
Mrs. Rokshana Rahman	Managing Director	3,080,000	2.84
Md. Amanur Rahman	Director	3,080,000	2.84
Md. Robiul Islam	Director	3,080,000	2.84
Md. Ruhul Amin Molla	Independent Director	-	-
2.B. CEO, CS, CFO, HIA:			
Md. Mahbulul Alam	Chief Financial Officer	-	-
Md. Riaz Haider	Company Secretary	-	-
Md. Meherab Hosen	Head of Internal Audit	-	-
3. Executive			
Safiul Azam	DGM (Marketing)	-	-
4. Shareholding 10% or more voting right	Chairman	24,360,000	22.42

Directors involved in other Companies:

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

Board Meeting and Attendance

During the year 4(Four) Board Meetings were held. The attendance record of the directors is as given below:

Name of Directors	Attendance
Md. Mizanur Rahman	04
Mrs. Rokshana Rahman	04
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.24 of the notes to the Financial Statements.

Statement of Directors on Financial Reports

In accordance with the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRC/2006-158/207/Admin/80 dated 03 June, 2018, the Directors are pleased to confirm the following:

- 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 company's state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the company have been maintained.
- Appropriate accounting policies have been applied consistently in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards (IAS)/ International Financial Reporting Standards (IFRS) as applicable in Bangladesh, have been followed in the preparation of the financial statements.
- Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.
- The system of internal control is sound and has been implemented and monitored effectively.
- No bonus shares or stock dividend has been or shall be declared as interim dividend.
- Management discussion and analysis signed by MD presenting detailed analysis of the company's position and operations along with a brief discussion on changes in the financial statements. (Page-17)
- The key operating and financial data for the last five years. (Page-10)

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.

Significant deviation of Operating Result

There is no significant deviation from the last year's operating result of the Company.

Dividend

The Board of Directors has recommended 15% stock dividend for the existing shareholders for the period ended 30 June, 2018. The board thinks generated profit should reinvest in the business for increasing more profitability.

Statutory Auditors

The Auditors of the Company M/S Ahmad & Aktar., Chartered Accountants, BCIC Bhaban (3rd Floor) 30-31, Dilkusha, C/A, Dhaka-1000 has carried out the audit of the company for the year ended 30 June 2018. They were appointed as Statutory Auditor in 7th AGM. As per regulation 15 (2) & (3) of DSE and CSE (listing) regulations, 2015. The Board of Directors has recommended & appointed of M/S K.M ALAM & CO., Chartered Accountants, 80, Motijheel C/A (4th floor) Dhaka-1000 as Auditor. A proposal for appointment of M/S K.M ALAM & CO., as auditor for the year 2018-19 of the Company will be placed in the forthcoming 8th 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 (RJSC), 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 2017-18 and Directors' Report placed before you.

Thanking you.

On behalf of the Board of Directors

Sd/-
Mizanur Rahman
Chairman

Management Discussion and Analysis on Financial Position and Performance

For last five financial years the company generated moderate growth in sales. In 2014, sales stood Tk. 745 million and now in 2018 sales stand Tk. 1,378 million. In line with sales, net profit after tax had been increased from around Tk. 81 million in 2014 to Tk. 202 million in 2018. In the last five financial years, net operating cash flow per share was positive. In the backdrop of above scenario, it indicates the company is moving forward and it has good promise in the long run.

Accounting policy and estimation for preparing financial statements have been remained same as it was before. Hence, there is no effect in this regard.

As far as risks are concerned, Fortune Shoes Ltd. is exposed to foreign exchange risk, inflation risk. Foreign exchange risk is trade-off between export and import. As we have to make less payment against export earning, foreign exchange risk is mitigated. In terms of inflation, this is adjusted in sales price. Hence, company can mitigate this risk as well.

Sd/-

Mrs. Rokshana Rahman
Managing Director



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

Annexure- A
[As per condition No.1(5)(xxvi)]

Fortune Shoes Limited Declaration by Managing Director and CFO

The Board of Directors
Fortune Shoes Limited
Plot No-66,67 & 68 BSCIC I/E
Kawmia, Barishal, Bangladesh.

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

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/2017/Admin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

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

In this regard, we also certify that: -

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

Sincerely yours,

Sd/-
(Mrs. Rokshana Rahman)
Managing Director

Sd/-
(Md. Mahbulul Alam)
Chief Financial Officer

Application of International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS)

Name of the Accounting Standards	Ref. No.	Status of Application
Financial Instruments : Disclosure	IFRS-7	Applied
Fair Value Measurement	IFRS-13	Applied
Revenue from Contracts with Customers	IFRS-15	Applied
Presentation of Financial Statements	IAS-1	Applied
Inventories	IAS-2	Applied
Statement of Cash Flows	IAS-7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS-8	Applied
Events after the Reporting Period	IAS-10	Applied
Income Taxes	IAS-12	Applied
Property, Plant and Equipment	IAS-16	Applied
Employee Benefits	IAS-19	Applied
The effects of Changes in Foreign Exchange Rates	IAS-21	Applied
Borrowing Costs	IAS-23	Applied
Related Party Disclosures	IAS-24	Applied
Financial Instruments: Presentation	IAS-32	Applied
Earnings Per Share	IAS-33	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS-37	Applied
Intangible Assots	IAS-38	Applied
Financial Instruments: Recognition & Measurement	IAS-39	Applied

AUDIT COMMITTEE REPORT FOR THE YEAR ENDED JUNE 30, 2018

Fortune Shoes Limited established an audit committee as a sub-committee of the Board of Directors. The committee supports the Board in fulfilling its oversight responsibilities.

The audit committee of Fortune Shoes Limited of the following Board members:

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

Terms of Reference

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

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

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 the 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, 2018 be approved.
2. M/S K. M Alam & Co. Chartered Accountants be appointed as the auditor of the company for the year ended 30th June, 2019 at BDT 1,72,500 (One lac seventy two thousand & five hundred taka) only including VAT and TAX subject to the approval of the members at the 8th Annual General Meeting of the company.

On behalf of the Audit Committee

Sd/-
Md. Ruhul Amin Molla
Chairman
Audit Committee

Report to the Shareholders of Fortune Shoes Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Fortune Shoes Limited for the year ended on June 30, 2018. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission except Condition No 6.
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The governance of the company is satisfactory.

Sd/-
Md. Salauddin Sikder FCMA
Senior Partner

Sd/-
For Mazumdar Sikder and Associates
Cost & Management Accountants

Place -Dhaka.
Date- November 06, 2018

Compliance Report on BSEC's Notification

Fortune Shoes Ltd.

Status of Compliance with the Corporate Governance Guideline (CGC)

*Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-153/207/ Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969.

(Report under Condition No. 9)

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
1	Board of Directors			
1(1)	Size of the Board of Directors			
	The total 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)(a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	√	-	-
1(2)(b)	For the purpose of this clause 'independent director' means a director-			
1(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√	-	-
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid up shares of the company on the basis of family relationship and his or her family members shall not hold above mentioned shares in the company;	√	-	-
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√	-	-
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√	-	-
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√	-	-
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√	-	-
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√	-	-
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	√	-	-
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);	√	-	-
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	√	-	-

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM).	√	-	-
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.	√	-	-
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.	√	-	-
1(3)	Qualification of Independent Director			
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to business.	√	-	-
1(3)(b)	Independent Director shall have following qualifications			
1(3)(b)(i)	Business leader who is or was a promoter or director of an unlisted company having minimum paid up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	√	-	-
1(3)(b)(ii)	Corporate leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company.	√	-	-
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law.	√	-	-
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law.	-	-	-
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification.	-	-	-
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b).	√	-	-
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	-	-	No such issue arose
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director and/ or Chief Executive Officer (CEO) of the company shall be filled by different individuals.	√	-	-

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
1(4)(b)	The Managing Director (MD) and/ or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company.	√	-	-
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company.	√	-	-
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the chairperson and the Managing Director and/ or Chief Executive Officer.	√	-	-
1(4)(e)	In the absence of the chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√	-	-
1(5)	The Directors' Report to Shareholders:			
	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the companies Act, 1994 (Act No. XVIII of 1994) -			
1(5)(i)	An industry outlook and possible future developments in the industry.	√	-	-
1(5)(ii)	The Segment-wise or product-wise performance.	-	-	No such issue arose
1(5)(iii)	Risks and concerns including intomal and external risk factors, threat to sustainability and negative impact on environment, if any.	√	-	-
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable.	√	-	-
1(5)(v)	A discussion on continuity of any Extra-Ordinary activities and their implications (gain or loss).	-	-	No such issue arose
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions.	√	-	Presented in the Financial Statements
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments.	√	-	-
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.	-	-	No such issue arose
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performance and Annual Financial statements.	-	-	No such matter to explain
1(5)(x)	A statement of remuneration paid to the 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.	√	-	-

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√	-	-
1(5)(xiv)	International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.	√	-	-
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√	-	-
1(5)(xvi)	Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.	√	-	-
1(5)(xvii)	There is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed.	√	-	-
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained.	-	-	No such matter to explain
1(5)(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√	-	-
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year.	-	-	The BOD declared dividend
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend.	√	-	-
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director.	√	-	-
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-	-	-	-
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details).	√	-	-
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details).	√	-	-
1(5)(xxiii)(c)	Executives; and	√	-	-
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details).	√	-	-
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-	√	-	-
1(5)(xxiv)(a)	a brief resume of the director	√	-	-
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas;	√	-	-
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	√	-	-

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
1(5)(xxv)	Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:	√	-	-
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	√	-	-
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes,	√	-	-
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√	-	-
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario,	√	-	-
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	√	-	-
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company,	√	-	-
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM,	√	-	-
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	√	-	-
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	√	-	-
1(6)	Meetings of the Board of Directors:			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√	-	-
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√	-	-
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	-	-	Will be complied within stipulated time

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company.	-	-	N/A
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company.	-	-	N/A
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	-	-	N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	-	-	N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	-	-	N/A
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC).	√	-	-
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals.	√	-	-
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time.	√	-	-
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS.	√	-	-
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√	-	-
3(2)	Requirement to attend Board of Directors' Meetings:			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board provided that CS, CFO and HIAC shall not attend such part of a meetings of the Board relating to their personal matter.	√	-	-
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief.	√	-	-

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√	-	-
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√	-	-
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members	√	-	-
3(3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√	-	-
4	Board of Directors' Committee:- For ensuring good governance in the company, the Board shall have at least following subcommittees:			
4(i)	Audit Committee	√	-	-
4(ii)	Nomination and Remuneration Committee	√	-	-
5	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	√	-	-
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√	-	-
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√	-	-
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√	-	-
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√	-	-
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√	-	-
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	-	-	No such matter to explain

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√	-	-
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√	-	-
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director.	√	-	-
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	-	-	No such matter to explain
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM);	√	-	-
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year	√	-	-
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√	-	-
5(5)	Role of Audit Committee: The Audit Committee shall -			
5(5)(a)	Oversee the financial reporting process.	√	-	-
5(5)(b)	monitor choice of accounting policies and principles;	√	-	-
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√	-	-
5(5)(d)	oversee hiring and performance of external auditors;	√	-	-
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption.	√	-	-
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval.	√	-	-
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.	√	-	-
5(5)(h)	review the adequacy of internal audit function;	√	-	-
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	√	-	-
5(5)(j)	review statement of all related party transactions submitted by the management;	√	-	-
5(5)(k)	review Management Letters or Letter of internal Control weakness issued by statutory auditors;	√	-	-

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	√	-	-
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.	√	-	-
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√	-	-
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:-	-	-	-
5(6)(a)(i)(a)	report on conflicts of interests;	-	-	No such Incident arose
5(6)(a)(i)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	-	-	No such Incident arose
5(6)(a)(i)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	-	-	No such Incident arose
5(6)(a)(i)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.	-	-	No such Incident arose
5(6)(b)	Reporting to the Authorities:			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	-	-	No such reportable incident arose
5(7)	Reporting to the Shareholders and General Investors:			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√	-	-
6	Nomination and Remuneration Committee (NRC)			Will be complied within stipulated time
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board.	-	-	-
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	-	-	-
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	-	-	-

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director,	-	-	-
6(2)(b)	All members of the Committee shall be non-executive directors,	-	-	-
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board,	-	-	-
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee,	-	-	-
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee,	-	-	-
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee,	-	-	-
6(2)(g)	The company secretary shall act as the secretary of the Committee,	-	-	-
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director,	-	-	-
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company	-	-	-
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director,	-	-	-
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes,	-	-	-
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders	-	-	-
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year,	-	-	-
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC,	-	-	-
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	-	-	-

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	-	-	-
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	-	-	-
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board,	-	-	-
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following	-	-	-
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully,	-	-	-
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	-	-	-
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals,	-	-	-
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	-	-	-
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	-	-	-
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	-	-	-
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	-	-	-
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	-	-	-
6(5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual Report.	-	-	-
7	External or Statutory Auditors			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely -			
7(1)(i)	appraisal or valuation services or fairness opinions;	√	-	-

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
7(1)(i)	financial information systems design and implementation;	√	-	-
7(1)(ii)	book-keeping or other services related to the accounting records or financial statements;	√	-	-
7(1)(iv)	broker-dealer services;	√	-	-
7(1)(v)	actuanal services;	√	-	-
7(1)(vi)	internal audit services or special audit services;	√	-	-
7(1)(vii)	any service that the Audit Committee determines;	√	-	-
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1);	√	-	-
7(1)(ix)	any other service that creates conflict of interest.	√	-	-
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company	√	-	-
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (AGM or EGM) to answer the queries of the shareholders.	√	-	-
8	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√	-	-
8(2)	The company shall keep the website functional from the date of listing.	√	-	-
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√	-	-
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√	-	-
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	-	-	Will appoint in the next AGM
9(3)	The directors of the company shall state, in accordance with the Annexure C attached, in the directors' report whether the company has complied with these conditions or not.	√	-	-

Sd/-
Mrs. Rokshana Rahman
 Managing Director



MAZUMDAR SIKDER AND ASSOCIATES
Cost & management Accountants

**Report to the Shareholders of Fortune Shoes Limited on compliance on the
Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by Fortune Shoes Limited for the year ended on June 30, 2018. This Code relates to the Notification No. BSEC/CMRRCD/2006-1581207/Admin/80, Dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission except Condition no 6.
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The governance of the company is satisfactory.

For Mazumdar Sikder and Associates

Md. Salauddin Sikder FCMA
Cost & Management Accountants

Place - Dhaka
Date - November 14, 2018



Ref: 04-2018/277

Date of issue 28th November 2018

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 2018

Secretary-General
(Acting)

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2018/260



Date of issue : November 22, 2018

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 2018.


Secretary-General

Ref: 04-2018/277

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Index**

Date of issue 28th November 2018

Renewed Certificate

This is to certify that

FORTUNE SHOES LIMITED

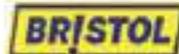
*is an Ordinary Member of Bangladesh Association of Publicly Listed Companies
and is entitled to all the rights and privileges appertaining thereto.*

This certificate remains current until 5th December 2018



Secretary-General
(Acting)

Our Major Customer



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.** (the company), which comprises the Statement of Financial Position as at 30 June 2018 and Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 our 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, we consider 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 **FORTUNE SHOES LTD.** as at 30 June 2018 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Other Matter

The financial statements of **FORTUNE SHOES LTD.** for the year ended 30 June 2017 was audited by Mah/ol Huq & Co., Chartered Accountants who expressed unqualified opinion on those statement on October 26, 2017.

Report on Other Legal and Regulatory Requirements

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

- we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- the Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of changes in Equity and Statement of Cash Flows dealt with the report are in agreement with the books of account; and
- the expenditure incurred was for the purpose of the company's business.

Date: 25 October 2018
Place: Dhaka

Sd/
AHMAD & AKHTAR
Chartered Accountants

FORTUNE SHOES LTD.
Statement of Financial Position
As at June 30, 2018

Particulars	Notes	Amount in Taka	
		30-Jun-2018	30-Jun-2017
ASSETS			
Non Current Assets		854,433,867	831,578,828
Property, Plant & Equipment	3.00	614,134,456	630,757,905
Capital Work in Progress	4.00	240,299,411	200,820,923
Current Assets		999,491,033	828,492,812
Inventories	5.00	394,057,262	288,429,315
Trade and Other Receivables	6.00	575,029,657	492,493,719
Advance, Deposits and Prepayments	7.00	22,335,654	12,046,141
Cash and Cash Equivalents	8.00	8,068,460	35,523,637
Total Assets		1,853,924,900	1,660,071,640
EQUITY AND LIABILITIES			
Shareholder's Equity		1,693,371,084	1,478,293,805
Share Capital	9.00	1,086,400,000	970,000,000
Retained Earnings		606,971,084	508,293,805
Non-Current Liabilities		41,184,423	59,173,993
Long Term Loan net off Current Maturity	10.00	5,730,043	13,526,812
Deferred Tax Liability	20.00	35,454,380	45,647,181
Current Liabilities		119,369,393	122,603,842
Current Maturity of Long Term Loan	10.00	1,091,437	2,576,535
Short Term Loan	11.00	19,143,062	16,167,024
Trade and Other Payable	12.00	98,779,139	103,499,681
Share money Refundable	13.00	355,755	360,602
Total Liabilities		160,553,816	181,777,835
Total Equity and Liabilities		1,853,924,900	1,660,071,640
Net Asset Value (NAV) per share	22.00	15.59	15.24

The annexed notes are (1-31) form an integral part of these financial statements.

Sd/
Company Secretary

Sd/
Managing Director

Sd/
Chairman

Signed as per our annexed report on even date

Date: 25 October 2018
Place: Dhaka

Sd/
AHMAD & AKHTAR
Chartered Accountants

AHMAD & AKHTAR
Chartered Accountants

FORTUNE SHOES LTD.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2018

Particulars	Notes	Amount in Taka	
		01.07.2017 to 30.06.2018	01.07.2016 to 30.06.2017
Revenue	14.00	1,378,425,988	1,428,439,660
Less: Cost of Goods Sold	15.00	1,104,016,258	1,143,962,440
Gross Profit		274,409,730	284,477,220
Less: Operating Expenses		43,105,559	57,317,940
Administrative & Selling Expenses	16.00	43,105,559	57,317,940
Profit from Operation		231,304,171	227,159,280
Less: Financial Expenses	17.00	2,963,316	4,078,986
Add: Foreign Exchange Gain/(Loss)		2,293,894	744,166
Add: Other Income	18.00	306,429	2,756,382
Profit before Income Tax		230,941,178	226,580,842
Less: Provision for Taxation		28,905,951	39,858,376
Current Tax Expense	19.00	26,056,700	34,480,905
Deferred Tax Expense	20.00	2,849,251	5,377,472
Profit for the Year		202,035,227	186,722,465
Add: Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		202,035,227	186,722,465
Earnings Per Share (EPS)	21.00	1.86	1.80

The annexed notes are (1-31) form an integral part of these financial statements.

Sd/
Company Secretary

Sd/
Managing Director

Sd/
Chairman

Signed as per our annexed report on even date

Date: 25 October 2018
Place: Dhaka

Sd/
AHMAD & AKHTAR
Chartered Accountants

FORTUNE SHOES LTD.
Statement of Changes in Equity
For the year ended June 30, 2018

Particulars	Ordinary Share Capital	Retained Earnings	Total
Balance as on July 01, 2017	970,000,000	508,293,805	1,478,293,805
Issue of Bonus Shares	116,400,000	(116,400,000)	-
"Adjustment for Deferred Tax for tax rate change"	-	13,042,052	13,042,052
Total Comprehensive Income for the Year	-	202,035,227	202,035,227
Balance as on June 30, 2018	1,086,400,000	606,971,084	1,693,371,084

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

Particulars	Ordinary Share Capital	Retained Earnings	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

Sd/
Company Secretary

Sd/
Managing Director

Sd/
Chairman

Date: 25 October 2018
 Place: Dhaka

FORTUNE SHOES LTD.
Statement of Cash Flows
For the year ended June 30, 2018

Particulars	Amount in Taka	
	01 July 2017 to 30 June 2018	01 July 2016 to 30 June 2017
A. Cash Flows from Operating Activities		
Collection from Turnover and Other income	1,296,196,479	1,304,922,965
Payment to Suppliers, Employees and Others	(1,235,720,185)	(1,234,061,748)
Cash Generated from Operation	60,476,294	70,861,217
Income Tax paid	(9,101,806)	(20,606,888)
Foreign Exchange Gain	2,293,894	744,166
Payment for financial Expenses	(2,963,316)	(4,078,986)
Net cash generated from Operating activities	50,705,066	46,919,509
B. Cash Flows from Investing Activities		
Acquisition of Property Plant and Equipment	(9,503,516)	(44,012,956)
Payment for Capital Work in Progress	(62,346,052)	(200,820,923)
Net cash used from Investing activities	(71,849,568)	(244,833,879)
C. Cash Flows from Financing Activities		
Issuance of Share Capital	-	220,000,000
Net Received/(Repayment) in Short term loan from bank	2,976,038	1,109,142
Net Received/(Repayment) in Long term loan from bank	(9,281,867)	(4,496,773)
Share money refund	(4,847)	360,602
Net Cash generated/(used) from financing activities (A+B+C)	(6,310,676)	216,972,971
D. Net Increase/(Decrease) cash and cash equivalents	(27,455,177)	19,058,601
E. Opening cash and cash equivalents	35,523,637	16,465,036
F. Closing cash and cash equivalents (D+E)	8,068,460	35,523,637
Net Operating Cash Flows per Share (Notes-23.00)	0.47	0.45

Sd/
Company Secretary

Sd/
Managing Director

Sd/
Chairman

Signed as per our annexed report on even date

Date: 25 October 2018
Place: Dhaka

FORTUNE SHOES LTD.**Notes, summary of significant accounting policies and other explanatory information
For the year ended on 30 June 2018****1.00 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 International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), 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 IAS-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 IASs and IFRSs 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.

AHMAD & AKHTAR
Chartered Accountants
2.3 Application of Bangladesh Accounting Standards

The following IASs and IFRSs are applicable for the financial statements for the year under review:

IASs:

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Statement of Cash Flows
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10	Events After the Reporting Period
IAS 12	Income Taxes
IAS 16	Property, Plant and Equipment
IAS 17	Leases
IAS 19	Employee Benefits
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosure
IAS 32	Financial Instruments: Presentation
IAS 33	Earnings per Share
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 39	Financial Instruments: Recognition and Measurement

IFRSs:

IFRS 7	Financial Instruments: Disclosures
IFRS 15	Revenue from Contracts with Customers

2.4 Statement of Cash Flows

Statement of Cash flows is prepared in accordance with IAS-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 IAS-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 IAS-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	
	2018	2017
Land	0%	0%
Land Development	2%	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 is 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 from the buyer. Revenue is measured at the fair value of the consideration received or receivable as per IFRS 15.

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 IAS-2. The cost of inventories is based on the FIFO method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate allocation of production overheads based on normal operation capacity.

2.7.03 Cash & Cash Equivalents

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

AHMAD & AKHTAR*Chartered Accountants***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 IAS-19: Employee Benefits.

The cost of employee benefit is charged off as revenue expenditure in the period to which the contributions relate.

The company'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 IAS-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.

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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 IAS 37 as on 30 June 2018.

2.10 Borrowing Costs

Financial Expenses (Borrowing Costs) incurred during the year is recognized as revenue expenses in accordance with IAS-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 IAS 24: Related Party Disclosures. Details of related party disclosures are shown in Note-24.

2.12. Events after the Reporting Period

In compliance with the requirements of IAS 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 IAS 12: Income Tax.

2.14 Earnings per Share

This has been calculated in compliance with the requirements of IAS 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 IAS-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.

2.14.3 Diluted Earnings Per Share

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding, for the effect of all dilutive potential ordinary shares. However, no dilution of EPS is applicable for these financial statements as there were no potential ordinary shares during the relevant period.

AHMAD & AKHTAR*Chartered Accountants***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 IAS-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 IFRS 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 IFRS 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 IAS 39 "Financial Instruments: Recognition and Measurement".

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 25th October 2018.

2.20 Components of the Financial Statements:

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

- a. Statement of Financial Position as at 30 June, 2018
- b. Statement of Profit or Loss and Comprehensive Income for the year ended 30 June, 2018
- c. Statement of Changes in Equity for the year ended 30 June, 2018
- d. Statement of Cash Flows for the year ended 30 June, 2018
- e. Notes, summary of significant accounting policies and other explanatory information

2.21 Comparative Information:

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 01 July 2017 to 30 June 2018.

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Amount in Taka	
30 June 2018	30 June 2017

3.00 Property, Plant and Equipment :Tk. 614,134,456

Opening Balance	852,389,160	808,376,204
Addition During the year	32,371,080	44,012,956
Total Assets Value at cost	884,760,240	852,389,160
Accumulated Depreciation as at 30.06.2018	270,625,784	221,631,255
Written Down Value as at 30.06.2018	614,134,456	630,757,905

Details are shown in Annexure-A

4.00 Capital Work in Progress: Tk. 240,299,411

Factory Building	4.01	96,349,184	81,985,454
Plant and Machinery	4.02	143,950,227	118,835,469
		240,299,411	200,820,923

4.01 Factory Building: Tk. 96,349,184

Opening Balance	81,985,454	-
Add: Addition during the Year	21,385,474	81,985,454
Less: Adjustment during the year	103,370,928	81,985,454
	7,021,744	-
	96,349,184	81,985,454

4.02 Plant and Machinery: Tk. 143,950,227

Opening Balance	118,835,469	-
Add: Addition during the Year	40,960,578	118,835,469
Less: Adjustment during the year	159,796,047	118,835,469
	15,845,820	-
	143,950,227	118,835,469

5.00 Inventories : Tk. 394,057,262

Raw Materials	15.01	278,042,293	170,081,591
Work in process	15.00	51,126,587	59,349,420
Finished Goods	15.00	48,349,245	56,349,167
Store Items	15.02(a)	16,539,137	2,649,137
		394,057,262	288,429,315

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

6.00 Trade and other receivables : Tk. 575,029,657

Bills Receivable	575,029,657	492,493,719
	575,029,657	492,493,719

Ageing of Accounts Receivable

More than six months	575,029,657	492,493,719
Less than six months	-	-
	575,029,657	492,493,719

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Amount in Taka	
30 June 2018	30 June 2017

The classification of receivables as required by the Schedule XI, Part 1, Para 4 of the Companies Act, 1994 are given below:

Particulars	Relevant Year	Relevant comparative Year
Receivables considered good and in respect of which the company is fully secured.	575,029,657	492,493,719
Receivables considered good for which the company holds no security other than the debtor's personal security.	-	-
Receivables considered doubtful or bad.	-	-
Receivable due by directors or other officers of the company or any of them either severally or jointly with any other person or receivables due by firms or private companies respectively in which any director is a partner or a director or a member.	-	-
Receivables due by companies under the same management.	-	-
The maximum amount due by directors or other officers of the company at any time during the year.	-	-

7.00 Advances, Deposits & Prepayments : Tk.22,335,654
Advance & Prepayments

Advance to Employees		1,945,870	1,270,555
Advance Income Tax	7.01	18,889,784	9,787,978
Advance Insurance Premium	7.02	1,500,000	987,608
		<u>22,335,654</u>	<u>12,046,141</u>

7.01 Advance Income Tax : Tk. 18,889,784

Opening Balance		9,787,978	6,195,282
Add: Tax deduction at source			
Against Interest Income	30,576		
Against Export	907,1230		
		<u>9,101,806</u>	<u>9,787,978</u>
		<u>18,889,784</u>	<u>15,983,260</u>
Less: Adjustment During the year		-	6,195,282
		<u>18,889,784</u>	<u>9,787,978</u>

7.02 Advance Insurance Premium : Tk. 1,500,000

Opening Balance		987,608	632,250
Add: Addition during the Year		3,000,000	1,975,217
		<u>3,987,608</u>	<u>2,607,467</u>
Less: Adjustment during the year		2,487,608	1,619,859
		<u>1,500,000</u>	<u>987,608</u>

Amount in Taka
30 June 2018
30 June 2017

The classification of Advances, Deposits & Prepayments as required by the Schedule XI, Part 1, Para 6 of the Companies Act, 1994 are given below:

Particulars	Relevant Year	Relevant comparative Year
Advance, deposits & prepayment considered good and in respect of which the company is fully secured.	-	-
Advance, deposits & prepayment considered good for which the company holds no security.	22,335,654	12,046,141
Advance, deposits & prepayment considered doubtful or bad.	-	-
Advance, deposits & prepayment due by directors or other officers of the company or any of them either severally or jointly with any other person or Advance, deposits & prepayment due by firms or private companies respectively in which any director is a partner or a director or a member respectively in which any director is a partner or a director or a member.	1,945,870	1,270,555
Advance, deposits & prepayment due by companies under the same management.	-	-
The maximum amount due by directors or other officers of the company at any time during the year.	-	-

8.00 Cash and Cash Equivalent : Tk. 8,068,460
Cash in hand
6,066,319
3,216,440
Cash at Bank
1,640,014
28,611,633

Mutual Trust Bank Ltd. (0057-0210001847)

3,804

1,669

Islami Bank Bangladesh Ltd.(912)

31,548

11,241

Islami Bank Bangladesh Ltd.(114)

1,314,059

883,222

Islami Bank Bangladesh Ltd.(116)

289,731

113,405

Al-Arafah Islami Bank Ltd. (0101020083455)

872

1,227,096

FDR (FDR No. 0101330236944)

-

26,375,000

IPO Account
362,127
3,695,565

Eastern Bank Ltd, Principal Br. A/C No.

1011360420196

STD

6,372

3,334,964

Eastern Bank Ltd, Principal Br. A/C No.

1013050420209

USD

196,401

212,701

Eastern Bank Ltd, Principal Br. A/C No.

1013060420220

GBP

87,521

83,412

Eastern Bank Ltd, Principal Br. A/C No.

1013070420231

EURO

71,833

64,488

8,068,460
35,523,637

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Amount in Taka	
30 June 2018	30 June 2017

9.00 Share Capital : Tk. 1,086,400,000
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
---------------	---------------

9.02 Issued, Subscribed, Called-up and Paid-up Share Capital : Tk. 1,086,400,000

75,000,000 ordinary shares of Tk 10/= each fully paid-up

970,000,000	750,000,000
-------------	-------------

22,000,000 ordinary shares of Tk. 10/= each fully paid up

-	220,000,000
---	-------------

116,400,000 Bonus shares of Tk 10/= each issued in 2017

116,400,000	-
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1,086,400,000	970,000,000
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Name	Designation	No. of Share	Rate (%)	Amount in Taka
Md. Mizanur Rahman	Chairman	24,360,000	22.42	243,600,000
Mrs. Rokshana Rahman	Managing Director	3,080,000	2.84	30,800,000
Md Amanaur Rahman	Director	3,080,000	2.84	30,800,000
Md. Robiul Islam	Director	3,080,000	2.84	30,800,000
Others	Shareholder	75,040,000	69.07	750,400,000
Total		108,640,000	100	1,086,400,000

10.00 Long Term Loan net off Current Maturity : Tk. 5,730,043

Long Term Loan (Islami Bank Ltd.)

6,821,480	16,103,347
-----------	------------

Less: Current Maturity

(1,091,437)	(2,570,535)
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5,730,043	13,526,812
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Interest payable on Long term loan is included in the current portion of Long term loan.

11.00 Short Term Loan : Tk 19,143,062

Islami Bank Ltd.

Bai-Salam

1,475,000	3,600,000
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Murabaha

4,800,600	7,170,500
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MTR

-	3,798,500
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FBP

9,048,462	1,289,024
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Bai-Muajjal

3,819,000	-
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19,143,062	16,167,024
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Interest payable on Short term loan is included in the Short term loans.

12.00 Trade and Other Payables: Tk 98,779,139

Trade Payable and Creditors 12.01

26,295,830	58,583,450
------------	------------

Liabilities for Expenses 12.02

72,483,309	44,916,231
------------	------------

98,779,139	103,499,681
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12.01 Trade Payable and Creditors: Tk 26,295,830

Accepted L/C Liability

20,090,718	58,398,140
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Creditors 12.01(a)

199,112	185,310
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26,295,830	58,583,450
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Chartered Accountants

Amount in Taka	
30 June 2018	30 June 2017

12.01(a) Creditors: Tk 199,112		
Bismillah Electronics	28,257	25,168
Poly Traders	13,015	10,750
Other Liabilities	157,840	149,392
	199,112	185,310
12.02 Liabilities for Expenses: Tk 72,483,309		
Utilities Bills	1,142,587	1,126,480
Salary & Wages	8,890,527	9,159,346
Directors remuneration & Board Meeting Fee	55,000	-
Income Tax Payable	60,537,605	34,480,905
Audit Fees	172,500	149,500
Fees and Forms	1,685,090	-
	72,483,309	44,916,231
12.02(a) Income Tax Payable : Tk 60,537,605		
Opening Balance	34,480,905	17,014,192
Add: Charge for the year	26,056,700	34,480,905
	60,537,605	51,495,097
Less: Payment/Adjustment during the year	-	17,014,192
	60,537,605	34,480,905
Assessment upto accounting year 30.06.2016 has been completed.		
13.00 Share money Refundable : Tk. 355,755		
Share money Refundable	355,755	360,602
	355,755	360,602
14.00 Revenue : Tk. 1,378,425,988		
Sales/ Export	1,378,425,988	1,428,439,660
	1,378,425,988	1,428,439,660

This is made up as follows:

Particulars	Quantity in Pair (shoes)	Amount in Tk
Men Shoes	1,459,080	769,023,859
Kids Shoes	539,088	255,835,863
Women Shoes	490,360	281,198,902
Others (Common for all)	197,966	72,367,364
Total	2,686,494	1,378,425,988

AHMAD & AKHTAR
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		Amount in Taka	
		30 June 2018	30 June 2017
15.00	Cost of Goods Sold : Tk. 1,104,016,258		
	Raw materials consumed 15.01	920,350,459	1,013,045,750
	Manufacturing Overhead 15.02	169,608,287	165,521,024
	Cost of Manufacturing	1,089,958,746	1,178,566,774
	Add: Work in process- Opening	59,349,420	51,627,635
	Less: Work in process- Closing	(51,126,587)	(59,349,420)
	Cost of Goods Manufactured	1,098,181,579	1,170,844,989
	Finished goods - Opening	56,349,167	31,289,878
	Sample Expenses	(2,165,243)	(1,823,260)
	Finished goods - Closing	(48,349,245)	(56,349,167)
		1,104,016,258	1,143,962,440
15.01	Raw Materials : Tk. 278,042,293		
	Opening Balance	170,081,591	134,357,382
	Add: Purchase during the year	1,028,311,161	1,048,769,959
	Raw materials available for Production	1,198,392,752	1,183,127,341
	Less: Consumption during the year	920,350,459	1,013,045,750
	Closing balance	278,042,293	170,081,591
15.02	Manufacturing overhead : Tk. 169,608,287		
	Wages, Salaries and allowances	78,625,574	76,735,249
	Carrying Charge	6,497,629	6,219,227
	Power & Fuel	780,416	724,672
	Utilities Bills	12,590,773	12,434,290
	Freight & Forwarding	9,422,205	9,249,651
	Medical Expenses	105,833	98,274
	Fooding	510,658	474,183
	Labor Charge	1,770,832	1,709,344
	Production Incentives	1,431,668	1,329,406
	Telephone and Mobile Bill	58,530	54,350
	Printing & Stationery Expenses	87,197	59,346
	Store Items 15.02(a)	8,834,580	6,841,535
	Conveyance	33,672	31,267
	Insurance premium	2,487,608	1,619,859
	Postage & Stamp	78,895	73,260
	Miscellaneous Expenses	26,027	24,168
	Repairs & Maintenance and Service Charges	211,332	196,237
	Depreciation	46,054,858	47,646,706
		169,608,287	165,521,024
15.02(a)	Store Items : Tk. 16,539,137		
	Opening	2,649,137	3,163,823
	Add: Purchase during the year	22,724,580	6,326,849
		25,373,717	9,490,672
	Less: Consumption during the year	8,834,580	6,841,535
	Closing balance	16,539,137	2,649,137

AHMAD & AKHTAR
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		Amount in Taka	
		30 June 2018	30 June 2017
16.00	Administrative and selling Expenses : Tk. 43,105,559		
	Salaries and Allowances	30,799,970	30,219,648
	MD's Remuneration	240,000	240,000
	Director's Remuneration	360,000	360,000
	Conveyance, Tours and Travells Expenses	744,600	348,165
	Sample Expenses	2,165,243	1,823,260
	Delivery Expenses	1,482,308	1,894,908
	Phone, Fax and Mobile Bill	548,330	327,480
	Postage & Stamps	34,817	31,470
	Printing & Stationary	402,125	406,152
	Registration, Renewal & Legal Expenses	162,476	104,250
	Entertainment	104,804	112,493
	Utilities Bills	122,480	98,835
	Fees and Forms	1,960,220	1,200,000
	Audit fees	172,500	149,500
	Miscellaneous Expenses	45,620	39,176
	Vehicles Fuel and Oil Expenses	215,763	194,276
	IPO Expenses	-	16,727,048
	AGM Expenses	604,631	-
	Depreciation	2,939,672	3,041,279
		43,105,559	57,317,940
17.00	Financial Expenses : Tk. 2,963,316		
	Interest on Loan 17.01	2,924,756	4,049,566
	Bank Charge	38,560	29,420
		2,963,316	4,078,986
17.01	Interest on Loan : Tk. 2,924,756		
	Interest on Short Term Loan	1,453,315	1,451,131
	Interest on Long Term Loan	1,471,441	2,598,435
		2,924,756	4,049,566
18.00	Other Income : Tk. 306,429		
	Interest income from IPO fund	306,429	2,756,382
		306,429	2,756,382
19.00	Current Tax Expenses : Tk. 26,056,700		
	Income Tax Expense	26,056,700	34,480,905
		26,056,700	34,480,905
20.00	Deferred Tax Expense : Tk. 2,849,251		
	Carrying amount of PPE (Accounting Base)	614,134,456	630,757,905
	Carrying amount of PPE (Tax Base)	330,499,411	369,916,871
	Taxable Temporary Difference	283,635,045	260,841,034
	Tax Rate	12.50%	17.50%
	Opening Deferred Tax Liability	45,647,181	40,269,709
	Less :Adjustment during the year	13,042,052	-
	Adjusted opening Balance	32,605,129	40,269,709
	Closing Deferred Tax Liability	35,454,380	45,647,181
	Deferred Tax Expense/ (Income)	2,849,251	5,377,472

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Amount in Taka	
30 June 2018	30 June 2017

21.00 Earnings per Share:
21.01 Earnings per Share: Tk. 1.86

Profit for the Year	202,035,227	186,722,466
Weighted Average Number of Ordinary Shares*	108,640,000	103,697,534
Earnings per Share (Basic)	1.86	1.80

*** Weighted Average Number of Shares**

Particulars	No. of Shares	Days	Factor	Weighted Average No. of Share	
				30.06.2018	30.06.2017
Opening	97000000	365	1.00000	97,000,000	75,000,000
Issuance of Share	22000000	283	0.77534	-	17,057,534
Issuance of Stock Dividend	11640000	365	1.00000	11,640,000	11,640,000
Total				108,640,000	103,697,534

21.02 Diluted Earnings per Share (Consideration of full number of share)

Net Profit After Tax	202,035,227	186,722,466
Weighted average number of ordinary shares	108,640,000	108,640,000
Earnings per share	1.86	1.72

22.00 Net Asset Value (NAV) per share

Net Asset Value (NAV)	1,693,371,084	1,478,293,805
No. of ordinary shares outstanding	108,640,000	97,000,000
Net Asset Value per Share (NAV)	15.59	15.24

23.00 Net Operating Cash Flow per Share

Operating cash inflow during the year	50,705,066	46,919,510
Weighted Average Number of Ordinary Shares	108,640,000	103,697,534
	0.47	0.45

23.01 Net Operating Cash Flows from Operating Activities (Indirect Method)

Particulars	Amount in Taka	
	30-Jun-2018	30-Jun-2017
Cash Flows from Operating Activities:		
1. Net Profit	202,035,227	186,722,465
Depreciation	48,994,529	50,687,985
Deferred Tax	(10,192,801)	5,377,472
Net Profit/Loss after Adjustment	240,836,955	242,787,922
2. Current Assets Decrease/(Increase)		
Inventories	(105,627,947)	(67,990,598)
Trade and Other Receivables	(82,535,938)	(126,273,078)
Advance, Deposits and Prepayments	(10,289,514)	(4,426,609)
Total Current Assets Decrease/(Increase)	(198,453,399)	(198,690,285)
3. Current Liabilities Increase/(Decrease)		
Trade and Other Payable	(4,720,542)	2,821,873
Prior Year Adjustment	13,042,052	-
Total Current Liabilities Increase/(Decrease)	8,321,510	2,821,873
Cash Flows from Operating Activities (1+2+3)	50,705,067	46,919,509

24.00 Related Party Disclosure

Name	Designation	Nature of Transaction	Transaction during the Year	Paid during the year	Balance as on 30.06.2018	Balance as on 30.06.2017
Md. Mizanur Rahman	Chairman	Remuneration	-	-	-	-
		Board Meeting Fees	4,000	3,000	1,000	-
Mrs. Rokshana Rahman	Managing Director	Remuneration	240,000	220,000	20,000	-
		Board Meeting Fees	4,000	3,000	1,000	-
Md. Amanaur Rahman	Director	Remuneration	180,000	165,000	15,000	-
		Board Meeting Fees	4,000	3,000	1,000	-
Md. Robiul Islam	Director	Remuneration	180,000	165,000	15,000	-
		Board Meeting Fees	4,000	3,000	1,000	-
Md. Ruhul Amin Molla	Independent Director	Remuneration	-	-	-	-
		Board Meeting Fees	4,000	3,000	1,000	-
Total			620,000	565,000	55,000	-

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Transaction with Key Management Personnel of the entity:

a. Managerial Remuneration paid or payable during the year to the directors, including managing directors, a managing agent or manager.	565,000
b. Expenses reimbursed to Managing Agent	Nil
c. Commission or Remuneration payable separately to a managing agent or his associate	Nil
d. Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company.	Nil
e. The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year.	Nil
f. Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	Nil
g. Other allowances and commission including guarantee commission	Nil
h. Pensions etc.	
(i) Pensions	Nil
(ii) Gratuities	Nil
(iii) Payments from a provident funds, in excess of own subscription and interest thereon	Nil
i. Share Based payments	Nil

As per Para-17, IAS- 24:

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

(a) Short-term employee benefits	620,000
(b) Post-employee benefits	Nil
(c) Other long term benefits	Nil
(d) Termination benefits and	Nil
(e) share-based payment	Nil

As per Para-18, IAS- 24:

Disclosure requirements of BAS 24 Para 18 minimum disclosure shall include:

a) the amount of transaction	620,000
b) the amount of outstanding balance, including commitments	55,000
i) their terms & condition, including whether they are secured, and the nature of the consideration to be provided in settlement	Remuneration
ii) details of any guarantee given or received	Nil
c) Provisions for doubtful debts related to the amount of outstanding balance	Nil
d) the expenses recognized during the period in respect of bad or doubtful debts due from related parties	Nil

25.00 Production Capacity

The production capacity and utilization of its are as follows:

Particulars	Quantity in Pair	
	30.06.2018	30.06.2017
Installed Capacity	3,504,000	3,504,000
Actual Production	2,658,068	2,797,176
Capacity Utilization (%)	75.86%	79.83%

26.00 No. of Employees

Total number of employees are as follows:

Particulars	No. of Employees	
	30.06.2018	30.06.2017
Salary within Tk. 3,000 per month	-	-
Salary range above Tk. 3,000 per month	1,610	1,587
Total	1,610	1,587

27.00 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 2018 as required under Para 3, Schedule XI, Part II of the companies Act 1994 are given below:

(a) Sales

Particulars	30.06.2018		30.06.2017	
	Quantity in Pair	Amount in Taka	Quantity in Pair	Amount in Taka
Domestic Sales	-	-	-	-
Export Sales	2,686,494	1,378,425,988	2,737,792	1,428,439,660
Total	2,686,494	1,378,425,988	2,737,792	1,428,439,660

(b) Raw Materials Consumed in Quantities (Pcs, Yrds, Kg, Sqft, Set)

	30.06.2018	30.06.2017
Opening Stock	37,822,408	29,878,129
Add: Purchase	213,368,474	223,834,733
Raw Material available for consumption	251,190,882	253,712,862
Less: Closing Stock	51,830,495	37,822,408
Raw Material Consumed	199,360,387	215,890,454

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

Particulars	30.06.2018		30.06.2017	
	Quantity in Pair	Amount in Taka	Quantity in Pair	Amount in Taka
Opening Stock	133,533	56,349,167	74,149	31,289,878
Closing Stock	105,107	48,349,245	133,533	56,349,167
Sales	2,686,494	1,378,425,988	2,737,792	1,428,439,660

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

Particulars	30.06.2018		30.06.2017	
	Qty in pair/yds/kg	Amount in Taka	Qty in pair/yds/kg	Amount in Taka
Raw Materials	51,830,495	278,042,293	37,822,408	170,081,591
Work in Process	11,470,173	51,126,587	13,314,954	59,349,420
Finished goods	105,107	48,349,245	133,533	56,349,167

28.00 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	30.06.2018		30.06.2017	
	US Dollar	Amount in Taka	US Dollar	Amount in Taka
Import (CIF Basis)	12,088,642	1,028,311,161	11,872,140	957,963,046
Export (FOB Basis)	16,240,315	1,378,425,988	17,711,589	1,428,439,660

29.00 Utilization of IPO Fund

Utilization position of IPO proceeds up to 30 June 2018 was as under:

Purpose as per prospectus	Amount as per prospectus	Utilized up to this year	Total unutilized
Acquisition & Installation of Machineries	109,517,000	109,517,000	-
Building (Factory & Administrative)	92,823,000	92,823,000	-
IPO Expenses	17,660,000	17,658,586	1,414
Total	220,000,000	219,998,586	1,414

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.

30.00 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 2018 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.

31.00 Events after the reporting period

Following events occurred since the balance sheet date:

(a) The board of directors recommended 15% stock dividend at the Board meeting held on October 25, 2018 for the year ended June 30, 2018. 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, 2018

Annexure-A

Particulars	Cost			Rate of Dep (%)	Depreciation			Amount in Taka	
	Balance as on 01 July 2017	Addition during the year	Balance as on 30 June 2018		Balance as on 01 July 2017	Charge during the year	Balance as on 30 June 2018	Written Down Value as at 30.06.2018	Written Down Value as at 30.06.2017
Land	681,818	-	681,818	-	-	-	-	681,818	681,818
Land Development	39,393,459	-	39,393,459	2%	4,203,691	703,795	4,907,486	34,485,973	35,189,768
Factory Buildings	202,856,481	7,021,744	209,878,225	2.50%	23,004,830	4,540,177	27,545,007	182,333,218	179,851,651
Office Building	27,501,150	-	27,501,150	10%	6,331,280	2,116,987	8,448,267	19,052,883	21,169,870
Plant & Machinery	459,190,397	15,845,820	475,036,217	10%	140,802,557	32,234,929	173,037,486	301,998,731	318,387,840
Substation, Electrical Installation & Equipment	68,363,888	7,697,896	76,061,784	10%	22,406,896	4,788,147	27,195,043	48,866,741	45,956,992
Generator	9,920,000	-	9,920,000	10%	3,701,761	621,824	4,323,585	5,596,415	6,218,240
Vehicles	8,600,000	-	8,600,000	20%	5,202,103	679,579	5,881,682	2,718,318	3,397,897
Furniture and Fixture	9,520,525	843,000	10,363,525	10%	3,159,131	678,289	3,837,420	6,526,105	6,361,394
Office Equipment	9,301,996	857,190	10,159,186	20%	5,125,575	921,003	6,046,578	4,112,608	4,176,421
Fire Equipment	2,326,015	105,430	2,431,445	10%	665,611	168,676	834,287	1,597,158	1,660,404
Air Conditions and Air Cooler	14,733,431	-	14,733,431	20%	7,027,821	1,541,122	8,568,943	6,164,488	7,705,610
Balance as on 30.06.2018	852,389,160	32,371,080	884,760,240		221,631,255	48,994,529	270,625,784	614,134,456	630,757,905
Balance as on 30.06.2017	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%	46,054,858
Administrative Expenses	6%	2,939,672
	100%	48,994,530

Fortune Shoes Ltd.
Details of Inventories
For the year ended June 30, 2018

Annexure-A
A. Raw Materials

SL	Name of Raw Materials	Units	Opening		Purchases		Consumption		Closing Balance	
			Quantity	Taka	Quantity	Taka	Quantity	Taka	Quantity	Taka
1	Outer sole and heels of rubber	Pair	4,410	593,366	150,567	21,023,375	99,121	15,894,520	55,884	5,722,221
2	Uppers and parts thereof	Pair	4,110	1,349,105	72,627	23,350,005	69,459	23,167,085	7,266	1,532,025
3	Shoe lace	Pair	556,066	3,967,049	5,496,576	39,556,717	3,373,629	29,679,462	2,681,013	13,645,104
4	Innor box	Pair	55,746	1,761,574	376,143	10,501,805	353,136	10,630,666	78,753	1,632,713
5	Silver pon	Pair	2,498,860	394,820	33,262,298	5,866,775	32,715,061	5,703,839	3,046,097	557,756
6	Nylon string	Pair	1,100,352	86,928	37,065,817	2,462,354	37,095,330	2,462,903	1,070,839	86,379
7	Eva 4mm	Pair	103,274	5,711,061	327,851	19,296,893	181,501	11,527,930	249,624	13,480,024
8	Pvc scm	Pcs	11,671	691,480	251,871	12,653,678	195,160	11,547,032	68,382	1,798,126
9	T/T paper	Pcs	1,916,796	1,514,269	18,968,234	6,999,360	19,240,054	8,261,645	1,644,976	251,983
10	Swing machine needle	Pcs	1,596,230	3,783,066	20,965,829	28,765,949	15,181,259	27,971,955	7,380,800	4,577,059
11	Lavel	Pcs	14,876,177	1,160,342	14,062,684	806,398	13,635,705	1,041,671	15,303,156	925,069
12	Eyelet	Pcs	13,026,371	10,290,833	35,919,454	27,088,458	46,415,657	36,452,892	2,530,168	926,399
13	Last	Pcs	3,069	1,091,030	27,350	9,654,550	26,070	9,908,710	2,349	636,870
14	Micro pac	Pcs	334,006	2,902,528	2,555,878	11,931,726	2,826,024	13,967,546	63,862	866,708
15	Adesive tape	Pcs	55,801	2,424,550	387,458	13,737,216	213,728	9,475,179	209,531	6,686,587
16	Zipper	KG	23,710	655,574	155,432	4,231,803	54,505	1,387,675	124,637	3,499,702
17	Stitching glue	KG	28,152	6,004,806	176,858	37,515,650	138,462	30,870,975	66,548	12,649,481
18	Pu print	KG	1,567	1,466,712	17,369	16,146,453	17,598	16,637,557	1,358	775,606
19	Polyether poliol glue	KG	22,471	5,148,024	126,759	28,780,631	125,319	28,999,089	23,911	4,929,566
20	Lamination glue	KG	26,180	4,434,957	191,257	31,967,207	121,557	20,137,823	95,680	16,204,340
21	Solvent diffityps	KG	26,154	6,005,338	108,079	22,174,447	96,019	20,829,400	40,214	7,350,306
22	Uppor primer	KG	24,190	5,401,655	40,084	8,844,420	53,959	12,290,177	10,315	1,955,896
23	Tpr primer	KG	10,166	2,220,254	479,628	100,081,319	435,874	92,247,818	53,920	10,053,966
24	Latex	KG	23,560	3,162,765	131,332	17,136,490	88,809	11,751,293	66,073	8,547,962
25	Toulten	KG	22,224	2,633,494	153,473	17,882,403	90,576	11,085,833	85,121	9,430,064
26	Pu upper	Yards	18,893	6,546,483	131,986	44,841,931	120,765	40,944,251	30,114	10,444,164
27	Pu collar low tone	Yards	23,548	5,510,116	117,759	27,027,412	104,413	23,911,387	36,894	8,626,141
28	Lining Mesh	Yards	16,949	1,004,233	125,063	6,501,421	18,949	1,030,712	123,063	6,474,942
29	Mesh syntibic	Yards	34,526	6,732,520	191,573	36,265,315	165,919	31,451,139	60,180	11,546,696
30	Luny suede diff.	Yards	23,597	5,592,588	134,875	31,264,025	129,640	30,142,463	28,832	6,714,150
31	Two tone pu	Yards	23,597	9,202,992	97,861	37,441,619	80,348	30,853,632	41,110	15,790,979
32	Canvas	Yards	19,074	3,767,135	129,259	25,037,468	81,575	15,840,234	66,758	12,964,370
33	Embossing mould	Yards	1,572	1,815,660	18,787	21,541,052	9,927	11,410,140	10,432	11,946,572
34	Non woven	Yards	48,816	1,581,140	264,658	7,258,651	170,776	5,532,119	142,698	3,307,672
35	Magic tape	Yards	31,920	1,765,193	163,875	8,217,900	113,562	5,690,070	82,243	4,293,023
36	1.4 mm ova	Yards	48,844	2,315,223	335,791	14,157,657	311,526	11,908,106	73,169	4,564,774
37	Pu tone	Yards	15,699	6,122,522	64,634	24,701,754	56,204	21,702,889	24,329	9,121,387
38	Binding materials diffityp	Yards	26,224	5,574,299	96,057	16,993,041	76,643	15,794,490	47,636	6,773,450
39	Fu loyq	Yards	54,496	1,334,061	441,582	9,541,763	356,243	7,988,507	139,837	2,667,917
40	Shank metal	Yards	210,062	1,659,486	12,762,764	26,439,651	8,437,358	27,111,814	4,535,468	987,323
41	Thormo plastic	Yards	28,179	4,474,603	128,985	19,768,949	122,886	20,644,686	34,278	3,698,866
42	Webbing	Yards	321,449	1,015,778	999,973	2,819,807	875,679	2,159,990	445,543	1,675,594
43	Elastic gore	Yards	137,591	746,431	24,117,839	17,121,500	13,625,882	17,555,869	10,629,348	312,063
44	Force tape	Yards	46,248	5,480,202	270,823	30,341,458	203,751	23,871,735	113,318	11,949,925
45	Tncol	Yards	76,207	1,837,456	282,017	6,187,776	329,692	7,587,343	30,532	437,890
46	Leather	sq	15,653	1,731,178	727,436	76,208,832	733,038	76,274,611	10,051	1,665,398
47	Newtex	Sheet	160,617	13,777,427	88,974	6,877,846	156,400	13,128,386	93,191	7,526,887
48	Red sheet	Sheet	37,029	4,048,756	44,481	4,559,303	73,115	7,913,633	8,395	694,426
49	Thread	Cone	42,297	1,589,128	176,474	6,718,351	158,334	5,771,783	62,437	2,535,697
	Total		37,822,406	170,081,591	213,368,474	1,828,311,161	199,360,387	920,350,459	51,830,495	278,042,293

Fortune Shoes Ltd.
Details of Inventories
For the year ended June 30, 2018

B. Work-In-Progress

SL	Name of Raw Materials	Unite	Closing Balance	
			Quantity	Taka
1	Outer sole and heels of rubber	Pair	36,318	4,053,089
2	Uppers and parts thereof	Pair	14,510	3,476,617
3	Shoe lace	Pair	36,318	294,902
4	Inner box	Pair	36,318	1,169,440
5	Silver pen	Pair	1,192,930	162,238
6	Nylon string	Pair	3,132,283	212,995
7	Eva 4mm	Pair	36,318	2,164,553
8	Pvc scm	Pcs	14,013	826,767
9	T/T paper	Pcs	617,466	605,117
10	Swing machine needle	Pcs	87,150	256,221
11	Lavel	Pcs	5,096,064	856,139
12	Eyelet	Pcs	503,158	442,779
13	Last	Pcs	5,004	1,596,276
14	Micro pac	Pcs	75,586	640,969
15	Adesive tape	Pcs	28,079	1,359,024
16	Zipper	KG	7,603	218,966
17	Stitching glue	KG	6,367	901,567
18	Pu pnt	KG	3,989	2,365,477
19	Polyether polioli glue	KG	3,951	605,293
20	Lamination glue	KG	11,383	1,338,641
21	Solvent diffltyps	KG	5,543	801,518
22	Upper primer	KG	4,814	713,435
23	Tpr primor	KG	3,112	464,933
24	Latex	KG	5,493	524,206
25	Toulien	KG	10,737	869,697
26	Pu upper	Yards	9,576	2,269,512
27	Pu collar tow lone	Yards	6,798	1,114,872
28	Lining Mesh	Yards	14,627	647,300
29	Mesh syntiic	Yards	7,454	998,836
30	Luny suede diff.	Yards	12,581	1,803,213
31	Two tone pu	Yards	10,087	2,027,487
32	Canvas	Yards	10,991	1,483,785
33	Embossing mould	Yards	3,851	2,853,691
34	Non woven	Yards	22,752	561,519
35	Magic tape	Yards	15,442	611,503
36	1.4 mm eva	Yards	8,859	343,729
37	Pu tone	Yards	2,677	679,958
38	Binding materials diffltyp	Yards	6,016	873,576
39	Fu long	Yards	48,304	803,676
40	Shank metal	Yards	57,922	335,949
41	Thomo plastic	Yards	3,786	399,347
42	Webbing	Yards	34,891	126,271
43	Elastic gore	Yards	73,149	362,828
44	Force tape	Yards	18,963	1,437,734
45	Tricot	Yards	73,255	1,456,309
46	Leather	sft	7,909	618,484
47	Newlex	Sheet	18,850	1,163,780
48	Red sheet	Sheet	7,908	618,406
49	Thread	Cone	18,416	534,064
		Total	11,470,173	51,126,587

Fortune Shoes Ltd.
Details of Inventories
For the year ended June 30, 2018

C. Finished goods

Particulars	Quantity (Pair of Shoes)	Amount in Tk
Men Shoes	58,639	26,974,044
Kids Shoes	19,508	8,973,620
Women Shoes	21,442	9,863,246
Others (Common for all)	5,518	2,538,335
Total	105,107	48,349,245

D. Store Items

Opening Balance	Purchases	Consumption	Closing Balance
Taka	Taka	Taka	Taka
2,649,137	22,724,580	8,834,580	16,539,137

Fortune Shoes Ltd.
Current Tax Calculation
For the year ended June 30, 2018

Profit before Tax	230,941,178
Less: other Income	306,429
Profit before Tax from Export Sales	230,634,749
Add: Accounting Depreciation	48,994,529
Less: Tax base Depreciation	71,788,539
	207,840,738
 Adjusted Profit before Tax	 207,840,738
 Tax @ 12.50% on export	 25,980,093
Tax @ 25% on other income	76,607
Income Tax provision	26,056,700

Photo Gallery

7th AGM



Photo Gallery



Chairman received buyers in factory area.



Chairman with buyers in front of factory.



Production line.



buyer visits factory with Chairman



Packing Section.



Chairman with buyers.



Fortune Shoes Limited

Registered Office : Plot No. 66-68 , BSCIC Industrial Estate, Kawmia, 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 8th Annual General
Meeting of the Company to be held on Thursday, 20th December, 2018 at 11.00 a.m. at the
BARISAL CLUB, Club Road, Barishal or at any adjournment thereof or at any ballot to be taken
in consequence thereof.

Signed this.....Signature of proxy.....
day of2018

.....
Signature Shareholder

.....
Signature of Proxy

BO ID NO.

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

No. of Shares

Note:

- 1) This form of proxy, duly completed and signed must be deposited at least 48 hours before the meeting at the Company's registered office. Proxy is invalid if not signed and stamped as explained above.
- 2) Signature of the Shareholder must be in accordance with Specimen Signature recorded with the Company.



Fortune Shoes Limited

Registered Office : Plot No. 66-68 , BSCIC Industrial Estate, Kawmia, Barisal.

ATTENDANCE SLIP

I hereby record my attendance at 8th Annual General Meeting of the Company being held on
Thursday, 20th December, 2018 at 11.00 a.m. at the at the BARISAL CLUB, Club Road, Barishal.

Name of the Member/Proxy.....

BO ID NO.

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

Signed this.....Signature of proxy.....
day of2018

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