ANNUAL REPORT 2017



blue is the new green

Shasha Denims

SHASHA DENIMS LTD.

AMAR STOCK



blue is the new green

Blue means Denim and Green is Sustainability.

Shasha Denims Limited (SDL)'s all performances are surrounded for blue production.

Since inception, in parallel doing business, SDL is highly conscious about sustainability of its business.

To emphasize the matter, the Company has taken a method that ensures sustainability without compromising the Fashion Denim DNA through its whole process including environmental protection all the way.

Now it is committed to use all sustainable raw materials, chemicals, dyes and process control system to carry out its slogan *blue is the new green* in an utmost weight of it.

Following elements and process assure the great value and best quality of the products.

- Yarn/Raw material: BCI Cotton; Recycle Cotton; Organic Cotton, Recycle Poly, Tencel, Hemp etc.
- Chemicals/Dyes: All are Rich and GOTS certified.
- Process Control: 60% to 80% less water and 40% to 60% less chemicals than any other denim process available in the world. Reduction in finishing process does not compromise even a bit with the Fashion DNA of Denims.

Besides, realizing the importance of a living friendly planet, SDL is continuously making its efforts to harmonize the green preservation and pollution control through some green endeavors.

SDL strictly complies with environment-related laws and regulations in each and every sector of its green business operations. As such, Shasha's *blue is the new green*

PRIMARY STOCK

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CORPORATE PROFILE

Registered Name	:	Shasha Denims Ltd.
Legal Status	:	Public Limited Company
Date of Incorporation	:	October 28, 1996 & C-31649 (770)/96
Commencement of Commercial Operation	:	July 2000
Business	:	Denim Fabrics Manufacturer
Present Production Capacity	:	21.60 Million Yards Per Year
Chairman	:	Parveen Mahmud FCA
Chairman - Audit Committee	:	N K A Mobin FCA, FCS, CFC
Managing Director	:	Shams Mahmud
Director (Operation)	:	Jamal Abdun Naser
Director (Finance)	:	Md. Ahasanul Haque
Company Secretary	:	Aslam Ahmed Khan FCA
Chief Financial Officer	:	Md. Sarwar Hossain FCA
Authorized Capital (Ordinary Share Capital)	:	BDT. 2000 million
Paid up Capital	:	BDT. 1128 million
Date of Approval for IPO	:	November 05, 2014
Date of Listing with DSE	:	February 18, 2015
Date of Listing with CSE	:	January 17, 2015
Auditors	:	M/S Ahmed Zaker & Co. Chartered Accountants 45 Bijoynagar, Saiham Sky View Tower (2nd floor) Dhaka-1000..
Rating Agency	:	Credit Rating Agency of Bangladesh
Registered Office	:	House # 7, Road # 117,Gulshan, Dhaka. Tel: 88- 02-9881862, Fax: 88-02-8823842
Corporate Office	:	House # 23, Road # 129, Gulshan-1, Dhaka-1212. Phone: – 88-02-9850548, 9855263, 9854679, 9856328 Fax:-88-02-9851698
Factory Address	:	Plot # 184-193 & 277, DEPZ (Ext.) Savar, Dhaka. Tel: 88-02-7789188, 7789302-05 Fax: 88-02-7789307
Web Address	:	www.shashadenim.com
Email Address	:	info@shashabd.com
LEAD BANKER	:	The Premier Bank Ltd , Bank Asia Ltd.

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COMPANY OVERVIEW

Since the commencement of its journey in 1996, Shasha Denims Limited (SDL) has been marching forward and now has positioned itself as one of the leading 100% export based denim manufacturers in Bangladesh.

From the effort of producing and delivering superior quality denim clothes, SDL is now that much bold and capable to take challenges to compete with other denim manufacturers in Bangladesh. The Company produces denim fabrics weighing from 4oz/yd2 to 15oz/yd2 for denim jeans.

Keeping up with the current craze in denim, the Company is manufacturing and exporting top class products in diverse shade, quality, color, weight, and style as buyers' demand.

There are three subsidiary companies under SDL namely **Energis Power Corporation Ltd. (EPCL), Shasha Garments Limited and Shasha Textile Limited** In every bit of its journey, the Company has been continuing to stride the path of persistent growth and as such maintaining its flagship position in the nation's denim industry.

Our Products and Renowned Buyers

SDL is a trusted source for the world renowned buyers; and in many cases, it is the only nominated supplier for some famous buyers. Currently, SDL manufactures fabrics for the globally reputed brands including Marks & Spencer, George, Polo, Next, Tesco, Mexx, Walmart, JC Penny, Tommy, Gap, Lee Hang Fat, Adams, Woolworth, Gulden Pfenning, Li & Fung etc.

Its premium design and enriched diversified product portfolio have made SDL special and distinctive to the customers. Again many such new and unique products are still in the plan to be introduced shortly. The Company exports the products through export oriented RMG. The final destinations of the products are EU, Australia and so on.

Current Production Capacity

Present production capacity of the Company is 21.6 million yards per year and it is expected the capacity of the factory to be enhanced after completion of the ongoing expansion work.

Social Causes Programs

For ensuring maximum security to the lives of common people; since inception, Shasha Denims has been trying to enrich economic and social indicators of the society by supporting the following sectors: Education, Poverty Elimination, Standard of Living, Healthcare, Environment Related Issue and also Various Community Development Programs through its charitable Shasha Foundation which is formed only for the wellbeing of the nation's underprivileged people.

The Company also contributes in health care support through providing financial assistance to the society's poor people and also critical medical treatment to its staff, workers and other patients who are financially challenged.

Premium design and enriched diversified product portfolio have made SDL special and distinctive to the customers. Again many such new and unique products are still in the plan to be introduced shortly. The Company exports the products through export oriented RMG. The final destinations of the products are EU, Australia and so on.

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On the whole, SDL is contributing towards sustainable development through its persistent endeavors and active CSR initiatives.

Awards and Recognition

Overtime, SDL has been awarded and achieved a number of prestigious awards several times including national award and recognition from different govt. and private sectors and organizations.

The Company has scored first position and won the glorious **Gold National Export Trophy** three times for three consecutive financial years (2011-12, 2012-13 & 2013-14) for its remarkable contribution in denim exporting as well as outstanding earning of foreign currency. We hope and will make every effort to continue upholding this standard in the future.

Besides, the Company has had its great recognition for excellent performances and achieved the **Gold Award** from the **Premier Bank Ltd.** in 2015.

SDL has been enriched its house with Bangladesh Denim Expo Award, TexBANGLA 2006 Award from BTMA, BATEXPO-07 Award from BGMEA for actively participating in the fairs.

Credit Rating

Considering the audited financial statements, bank liability position and other available information, the Credit Rating Agency of Bangladesh (CRAB) has rated Shasha Denims Ltd. as AA3 (long term credit rating) and as ST-2 (short term credit rating) up to the date of rating declaration.

The report also stated that Shasha Denims Ltd. has a stable outlook from the industrial point of view for overall industry growth and policy regulations implicated by the regulatory authority.

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AWARDS AND RECOGNITION

Nothing great is ever achieved without enthusiasm.
The Awards Express our Excellence ...



National Export Trophy Gold
2011-2012



National Export Trophy Gold
2012-2013



National Export Trophy Gold
2013-2014



Gold Award from
The Premier Bank Ltd.

NOTICE OF THE 20TH ANNUAL GENERAL MEETING

SHASHA DENIMS LTD.

SHASHA DENIMS LIMITED
Head Office, House # 23, Road #129
Gulshan-1, Dhaka-1212

NOTICE OF THE 20TH ANNUAL GENERAL MEETING

Notice is hereby given that the 20th Annual General Meeting of the Shareholders of Shasha Denims Limited will be held at 10:00 a. m. on 15 November, 2017, Wednesday at "Trust Milonayaton" 545 Old Airport Road, Dhaka Cantonment, Dhaka to transact the following business:

1. To consider and adopt the Audited Financial Statements of the Company for the year ended on June 30, 2017 together with the reports of Directors and the Auditors thereon.
2. To declare dividend as recommended by the Board of Directors.
3. To reappoint the Managing Director.
4. To appoint auditors and fix their remuneration.
5. To reappoint/elect Directors.
6. To consider the progress of utilization of IPO Proceeds.
7. To transact any other business with permission of the Chair

For and on behalf of the Board

Aslam Ahmed Khan FCA
Company Secretary

Date: 31st October, 2017

Notes:

- Record date is 31 October, 2017. The Shareholders whose names would appear in the Register as members of the Company on the Record Date will be entitled for Dividend and eligible to attend and vote at the 20th AGM.
- 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 later than 48 hours before the time fixed for the meeting.
- Admission to the meeting room will be strictly on production of the attendance slip sent with the notice as well as verification of signature of Member(s) and/or Proxy holder(s).
- Shareholders are requested to update their BO account with ETIN in their respective Brokerage House to avoid deduction of Tax @15% instead tax 10% for individual as per section 54 of the amended Income Tax Ordinance 1984.
- No gift or benefit in cash or kind shall be paid to the holders of equity securities in terms of clause (c) of the Notification No. SEC/SRMI/2000-953/1950 dated 24 October 2000 for attending the AGM of the Company.

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OVER THE YEARS THE COMPANY HAS BEEN INVESTING IN RESEARCH AND DEVELOPMENT FOR ITS HIGHEST TECHNOLOGICAL DEVELOPMENT TO ENSURE THE PRODUCTION OF BEST QUALITY DENIMS WHICH IS INCOMPARABLE TO ANY OTHER DENIM MANUFACTURERS IN BANGLADESH .



VISION

- To be a prime denim manufacturer in the Country through maintaining best quality and commitment.



MISSION

- To continue endeavors for development towards satisfaction of existing customers through quality denim products with innovations.
- To expand business by increasing capacity of production using IPO fund and become premier denim producer of the Country.



OBJECTIVE

- To give emphasis on continuous development endeavors and value addition to become a leading denim producer and holding its position in the country.
- To focus on regular expansion of the project with advanced technology.
- To protect shareholders' interest as well as maximize the wealth of the organization.
- To maintain a congenial working environment and sustainable resources.
- To practice good governance in every sphere of activities covering full disclosures and reporting to shareholders.
- To fulfill the responsibility to the nation through regulatory compliance

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CODE OF CONDUCT AND ETHICS

Since inception, Shasha Denims Ltd. (SDL) has been governed by integrity, honesty, fair dealing and fulfillment with all applicable laws. SDL believes that everyone could be benefited from practicing and promoting ethical behavior. Honesty and integrity foster a positive working environment that strengthens the confidence of all our stakeholders.

The Code of Ethics and Business Conduct of the Company



Compliance with Laws, Rules and Regulations

Shasha Denims Ltd. always respects the relevant laws and regulations associated with its business and others. Compliance with all applicable laws and regulations must never be compromised. Moreover employees are adhere to internal rules and regulations. All officials of SDL are instructed to abide by all applicable laws and regulation without creating any obstacle..



Confidential information

SDL values and protect confidential information and respect the confidential information of others. Confidential information consists of any information that is not or not yet public information. It includes innovations, ideas, trade secrets, business, marketing and service plans, engineering and manufacturing ideas, product recipes, designs, databases, records, salary information and any non-published financial or other data. Continued success of SDL depends on the use of its confidential information and its nondisclosure to third parties. SDL may provide all confidential information as per requirement of regulatory authority with permission of the Board.



Accuracy of Records and Reporting

All of our books, records, accounts and financial statements are being maintained in reasonable details, appropriately reflecting our Company's transactions and conforming to all applicable legal requirements. SDL believes that accurate information and reports helps the management to take accurate decision. To keep and maintain maximum accuracy, SDL introduced effective internal control system. Official of the Company are instructed to report in time to DSE/CSE/BSEC as per their requirement.

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Equal Employment Opportunity

Shasha Denims Ltd. creates equal opportunity of the employee in the organization. The Board of SDL ensures safe and secured working environment. The company also provides dormitory facilities for the workers. Health Insurance, Incentive Bonus, Provident Funds, Gratuity, Production Bonus and other facilities are also provided to the employees of Shasha Denims Ltd. The Company doesn't allow discrimination against any person on the basis of race, religion, color, gender, age, citizenship in recruiting, hiring, placement, promotion or any other condition of employment.



Corporate Opportunities

We are committed to advance Shasha's business. Employees shall not compete with the Company. Employees shall not take personal advantage of business opportunities that they discover during the course of their employment. Employees are prohibited from using corporate property, information or position for personal gain and/or benefits.



Insider Trading

We respect and follow the Insider Trading Rules when buying or selling SDL's securities. Shasha prohibits the purchase and sale of its shares or securities on the basis of potential share prices and relevant information which is not yet public. Shasha aware its employees regarding the insider trading rules.



Antitrust and Fair Dealing

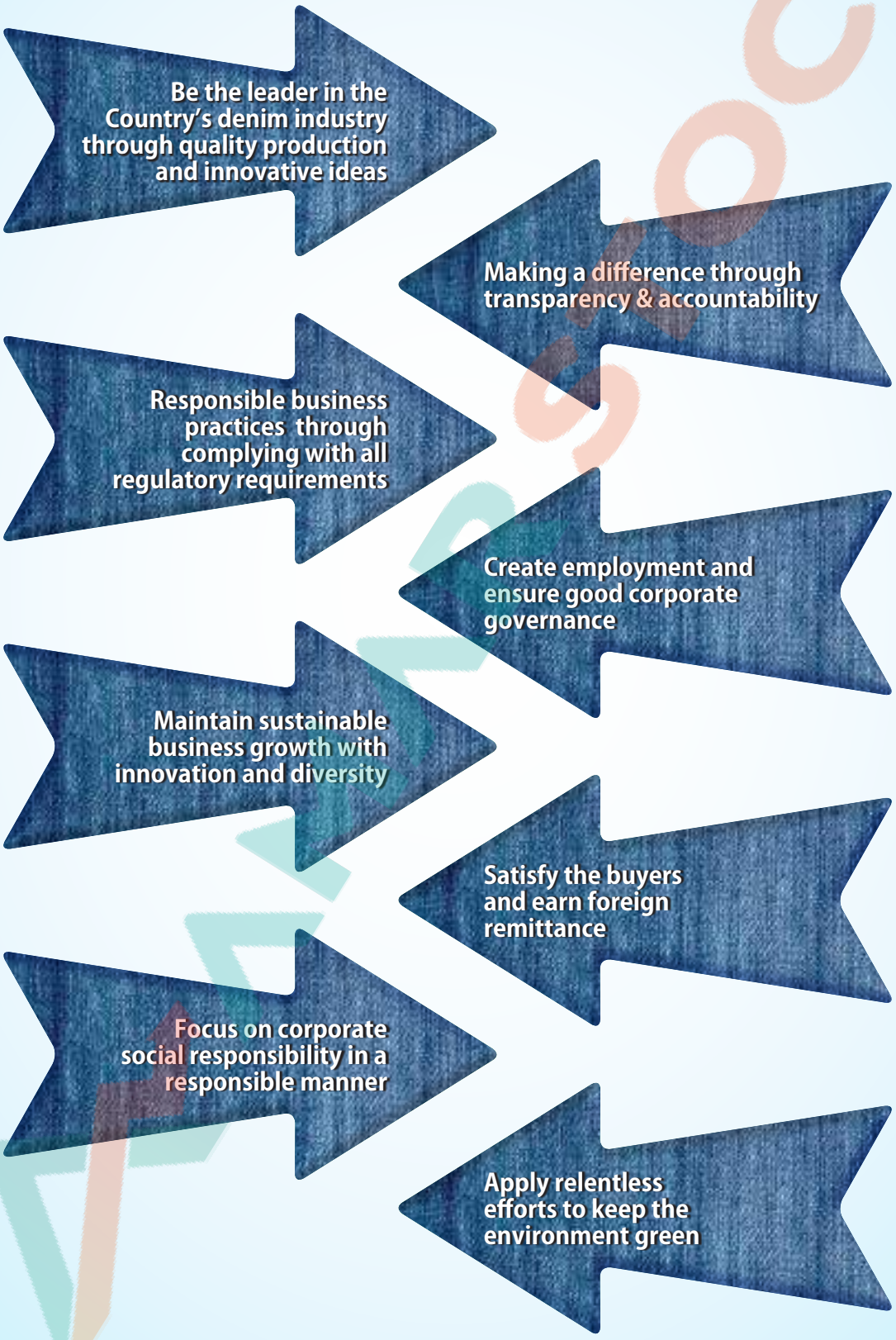
Employees of Shasha Denims shall behave honestly and ethically with other people. They are conscious and vigilant with respect to deceive, undue preference, illegal activities committed within the office. Employees of Shasha Denims are prohibited to take any advantage or benefits through manipulation, concealment, abuse of privileged information and any other unfair practices. The company does not allow taking any benefits and advantage from others through discriminatory dealings.



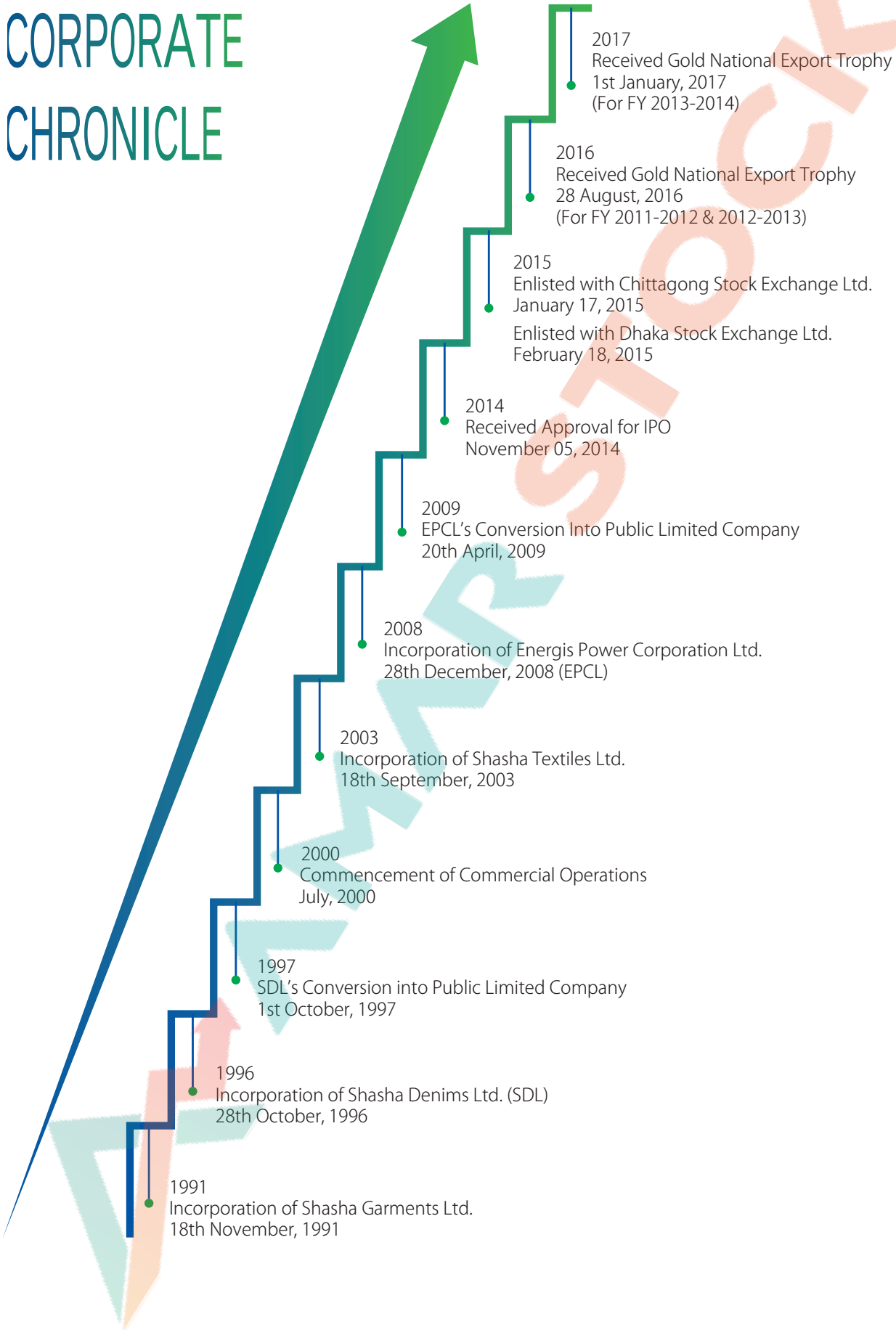
Conflict of Interest

A Conflict of Interest occurs when personal interests of an employee or the interests of a third party compete with the interests of the Company. If a Conflict of Interest situation occurs or if an employee faces a situation that may involve or lead to a Conflict of Interest, then the employee discloses it to his or her reporting Manager and/or the HR or the Legal or Compliance Function to resolve the situation in a fair and transparent manner.

MAIN FOCUS AND STRATEGIES



CORPORATE CHRONICLE



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SDL has installed a most modern and standard indigo dyeing machine in its extended project in DEPZ area which is the first time ever in Asia and saves 60% water and 40% chemicals in process compared to any conventional indigo dyeing machine.



DIRECTORS' PROFILE



Parveen Mahmud FCA
Chairman

Ms. Parveen Mahmud, is the Chairperson of Shasha Denims Limited and Micro Industries Development and Assistance Services (MIDAS), a pioneering organization for promoting women entrepreneurship. Ms. Mahmud is also the Founding Managing Director of Grameen Telecom Trust. In her varied professional career, she has been working with social innovations, entrepreneurship and sustainable development at grassroots level.

Ms. Mahmud studied in Bangladesh and in the UK.. She is a Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB). Ms. Mahmud is the first female Council member, office bearer and was the President of ICAB. She is serving ICAB Council for the third term. She was also the first female board member of the South Asian Federation of Accountants (SAFA), apex accounting professional body of the SAARC.

She started her career with BRAC, and has served as the Deputy Managing Director of Palli Karma-Sahayak Foundation (PKSF), apex institutional building, employment generation and funding organization for microfinance. She was a practicing accountant and a Partner of ACNABIN, Chartered Accountants, the representative firm of Baker Tilly International.

Ms. Mahmud currently serves in several Boards including Grameen Danone Foods Ltd., Grameenphone Ltd., Manusher Jonnyo Foundation (MJF), RDRS, CAMPE, and BRAC International etc. She Chairs the Finance and Audit Committee of BRAC International and Linde Bangladesh Ltd. She is the Advisory Committee member of the People's Voice: Strengthening SDG Implementation in Bangladesh. She is also the Vice President of Bangladesh Federation of Business and Professional Women (FBPW), Dhaka, Bangladesh and a Member of the International Chamber of Commerce (ICC), Bangladesh.

Previously, Ms. Mahmud has served as the Chairperson of Acid Survivors' Foundation. She was also the Vice Chairman of Under Privileged Children's Education Program (UCEP) Bangladesh. She also served as a member of the National Advisory Panel and was Convener, SME Woman's Forum for SME Development of Bangladesh, and was a Founding Board Member of SME Foundation. Ms. Mahmud was also a Working Group Member of the Consultative Group on Social Indicators of UNCTAD/ISAR.

Ms Mahmud is an Honorary Member and Mentor of TalentNomics Inc., India, which promotes women leaders globally. She is the Advisory Group member for GRI South Asia. The Commonwealth Secretariat, in their research has identified and chosen Ms. Mahmud to be a case study in the book "Championing Women Leaders Beyond Sponsorship" published by Palgrave Macmillan, a division of Macmillan Publishers Limited. Ms Mahmud received Begum Rokeya Shining Personality Award 2006 for women's empowerment from Narikantha Foundation. Lions Club International honoured her in 2011 for becoming first female President of ICAB. She is the recipient of " Women at Work -2017" Award from Association of Software and Information Services (BASIS) and "Women of Inspiration Awards"-2017 from the Bangladesh Organization for Learning & Development (BOLD).



Shams Mahmud
Managing Director

Mr. Shams Mahmud is the Managing Director of Shasha Denims Ltd. He has introduced innovative production management, incentive system and marketing approach to the company. Mr. Mahmud has received LLB from the University of Herefordshire in the UK and a certification in International Business and Finance from New York University, USA. Mr Mahmud is also a Capstone Fellow of the National Defense College.

Mr. Mahmud also serves as the Managing Director of Shasha Garments Ltd. Besides, he serves as a Director in Dutch Bangla Chamber of Commerce & Industry , Bangladesh Philippines Chamber of Commerce & Industry. He serves as Convener of the Standing Committee for Country Competitiveness, FDI, Branding, Big B, Blue Economy in Dhaka Chamber of Commerce & Industry.

Mr. Mahmud has been appointed as the Honorary Consul of the Federal Democratic Republic of Ethiopia by the Government of Ethiopia.



N K A Mobin FCA, FCS, CFC
Independent Director

Mr. Mobin is the Independent Director of Shasha Denims Ltd. and also the Chairman of the Audit Committee of the Company. He is one of the Sponsor Directors of the Emerging Credit Rating Ltd. (ECRL) and also the Managing Director and Chief Executive Officer of the Company. Professionally he is a Chartered Accountant and the fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB). He is also the fellow member of the Institute of Chartered Secretaries of Bangladesh (ICSB). He did complete his BBA and MBA in Finance from University of Dhaka during 1977-1982.

Mr. Mobin has vast experience in the field of Finance, Accounting, Taxation, System design, ERP system and Company Secretarial Practices. He has international training and management program in Stockholm Business School in Sweden, National University of Singapore, INSEAD in France and also AOTS/HIDA in Japan.

Prior to Joining ECRL, he worked at Grameenphone Ltd. for 11+ years in various capacities as Director Finance, Director Administration, Director Projects and Company Secretary. Before joining Grameenphone in 1998, he worked in the swiss pharmaceuticals Co. named Novartis Bangladesh Limited for 3 years as Director Finance and Company Secretary, in multinational fertilizer Company named Karnaphuli Fertilizer Co. Ltd. (KAFCO) for 5 years as Manager Finance & IT and in Dhaka Match Industries Co. Ltd. for 5 years as Chief Accountant. Mr. Mobin is currently the Govt. nominated Director in BIMAN Bangladesh Airlines Limited. He is also the independent Director in Viyellatex Group.



Syed Mayeenul Huq
Independent Director

Mr. Syed Mayeenul Huq is the Independent Director of Shasha Denims Ltd. He is an advocate of the Supreme Court of Bangladesh. He completed his M.A in Economics from University of Karachi in Pakistan and B.A (Honors) in Economics from the University of Dhaka. Mr. Huq completed his LLB from Central Law College in Dhaka. He is the Chairperson of the Disciplinary Committee of Central Women's University and also a trustee of the Central Women's University. Advocate Huq was born in 1946 in an illustrious family of Barisal.

VANTAGE



Zareen Mahmud CPA, FCA
Director

Ms. Zareen Mahmud is a Founding Partner of Snehasish Mahmud & Co., Chartered Accountants. She has a BA in Economics from Smith College and an MPA in Public Finance from New York University, USA. She qualified as a Certified Public Accountant from the Delaware Board of Accountancy in the USA. She is also a fellow Chartered Accountant of the Institute of Chartered Accountant of Bangladesh (ICAB).

Ms. Mahmud had started her career in New York where she worked as a Senior Associate at KPMG in the Corporate Tax Division. She also served as a supervising Analyst at the New York City Mayor's Office of Management and Budget. She served as a consultant for the United Nations Capital Development Fund (UNCDF) in New York. Before founding her Audit Firm, Ms Mahmud served as the Vice President of Newton International Limited, a start-up education and training business. Prior to joining Newton, she was a Manager of Audit & Consulting at ACNABIN & Co. She had also served as a Financial Management Consultant for the World Bank in Bangladesh. Ms. Mahmud is a Director of Shasha Denims Limited, Shasha Garments Limited and Energis Power Corporation Limited. She serves as the Managing Director of Form Icon Limited as well.



Aftabur Rahman Jafree
Director

Mr. Aftabur Rahman Jafree is the Representative Director of Shasha Garments Limited. He has completed his Masters from Chittagong University. He is the Executive Director of Ghashful an NGO-MFI. Ghashful is the first registered NGO of Chittagong.



Nishat N. Hamid
Director

Ms. Nishat N. Hamid is a Director of Shasha Denims Ltd. representing Shasha Garments Ltd. She has a Bachelor of Science in Chemical Engineering and Bachelor of Arts in Mathematics, followed by MBA from University at Buffalo, The State University of New York, USA.

Ms. Hamid embarked her corporate finance profession in New York from 2006. She was a consultant and internal auditor at Deloitte & Touche LLP in New York. Prior to working in the Big4 accounting firm, she had worked in Quality Control at United Bio Chemicals Inc, New York. Ms. Hamid also worked as a corporate banker at Citibank, N.A Dhaka and Citibank Dubai after returning from New York.

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MANAGEMENT PROFILE



Mohammad Jamal Abdun Naser
Director (Operation)

Mr. Mohammad Jamal Abdun Naser is the Director (Operation) of Shasha Denims Ltd., has an experience of sixteen years in textile industry. He had obtained degree in Textile Engineering and Technology from DUTEX in 1998. Mr. Jamal started his professional career in 1999. Before joining in Shasha Denims Ltd. he worked with many renowned textile companies like Alltex, Sinha Textile, Nassa Taipei Denim etc. During his career, he has worked with reputed foreign and local textile experts in home and abroad. Mr Jamal Abdun Naser is a good speaker. He participates and delivers valuable speeches in many different textile fairs, programs and seminars. He is also a very good writer. A lot of articles written by him were published in different journals. He is a regular writer in 'Textile Today' a famous textile magazine. He visited many countries i.e. USA, Brazil, Turkey, Italy, Germany, UK, Indonesia, Australia, Japan, China, and so on.



Md. Ahasanul Haque
Director (Finance)

Mr. Haque joined in Shasha Denims Ltd. in 1996. He is an MBA. Mr. Haque has a vast professional experience of 25 years. From the beginning of the Shasha Denims Ltd. he has held different position in different capacity of the organization. He has visited many countries i.e. Australia, Italy, Switzerland, Turkey, UAE, Ethiopia, Singapore, Malaysia, Thailand, India and so on.



Aslam Ahmed Khan FCA
Company Secretary

Mr. Aslam Ahmed Khan FCA joined Shasha Denims Ltd. in March 2015. He is the fellow member of the Institute of Chartered Accountant of Bangladesh (ICAB). Before joining Shasha Denims Ltd. he worked in a Bank and different Financial Institutions. He also served in MIDAS Financing Ltd. as GM (F&A) and also the Company Secretary.

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Md. Sarwar Hossain, FCA
Chief Financial Officer

Mr. Md. Sarwar Hossain is a young and enthusiastic Chartered Accountant serving in Shasha Denims Limited since January 2015. Before joining Shasha Denims Limited, he worked with many companies in senior management position like Rangs Group, M&J Group etc. He completed his Chartered Accountancy course from KPMG-Rahman Rahman Huq, Chartered Accountants in 2011.



Lt. Col. Md. Quaderuzzaman (Rtd)
General Manager

A veteran freedom fighter Lt. Col. Md. Quaderuzzaman (Rtd.) is serving as General Manager (Admin & HR) in Shasha denims Ltd. since 2010. He has a twenty five years experience of leadership, administration, security, HR, crisis management and staff job. He passed out from BMA as a Second Lieutenant in 1976. He got his BA in 1995. After his retirement from army, he served Meghna Group of Industry, Senakalyan Sangstha etc.

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SDL has installed a fine technology environment friendly machine which allows to produce any kind of indigo shade in terms of tones and depth of colors. This machine included other features that are not used yet by any other factory in the world.



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CHAIRMAN'S REVIEW



SDL is continuously improving production process with innovation as well as engaging skilled human resources to the required areas through conducting research and development so that they could manufacture world class products at a competitive prices and satisfy the valued customers to the fullest.

In the name of Allah, the most Merciful, the most Graceful.

Distinguished Shareholders,

Assalamu Aalaikum!

It is a great pleasure and pride being able to extend a warm welcome to you at the 20th Annual General Meeting of Shasha Denims Ltd. (SDL) and present the financial performance and achievements of the Company for the year ended on 30 June, 2017.

On behalf of the Board of Directors, I convey my heartfelt gratitude for your continued support and encouragement towards the Company.

It is your kind patronage and untiring assistance that have always resulted in an enduring success for this Company.

It definitely adds to our delight and dignity to note that we are now a two-decade old Company. This fact, reminds us about the promise of delivering services to our esteemed customers and satisfaction to our Stakeholders and the Shareholders as well.

In its 20 years of existence, SDL has transformed and flourished the denim landscape of Bangladesh through its innovation and integrity. The Company continues to grow with the values and vision set by its Founder over two decades ago.

Our Business Performance

Though we have faced some adverse situations in 2016-2017, the audited financial statements reveals that the Company was able to maintain sustainable business in 2016-17.

The considerable business was possible due to earnest enthusiasm and relentless efforts of our dedicated employees and also positive response of our valued customers, patronage from the respected shareholders above all the valuable inputs and prudent monitoring of the Board.

In Shaa Allah, we will be able to achieve a notable business growth in 2017-2018 as our Management is capable enough to formulate the Company's business strategy as well as turn it into action cautiously coping up with the nation's economic condition, the Company's current business scenario and the ultimate target as well.

Today, after the completion of our 20 years successful journey, I am proud to announce that we have been able to position ourselves nationally and internationally as one of the leading Denim manufacturing and exporting companies in the industry by maintaining every bit of passion, persistence and rigorousness throughout the entire journey.

Taking this opportunity, I am pleased to announce that your Company is meeting its targeted expectations in all areas through a satisfactory growth in its business, profitability and investments. The overall financial indicators provided below illustrate the performance:

1. We earned a total gross revenue of BDT. 4,333 million as export income in 2016-2017, against BDT. 4,111million in 2015-2016.
2. Total assets of the Company stands at BDT. 7,112 million as on June 30, 2017 from BDT. 6,615 million as on June 30, 2016 showing growth 15%.
3. After facing all the challenges, consolidated EPS of SDL and its subsidiaries stands at BDT. 5.23 for the year 2016-2017 compared to BDT. 4.99 in 2015-2016.

Focus and Strategy

We are operating in a different environment now that we did just a few years ago. During the year under review, our focus and strategy was concentrated on sustainable long-term growth of business. To make it happen in line with developing strategy, we had engaged some significant methods too.

We offered our clients a number of new variations of quality denim, improved operational efficiency and productivity with the support of our state-of-the art technology as well as kept operating cost rationalized.

To cope up with the current market's demands through strengthening overall risk management and corporate governance system, we paid maximum attention in launching our latest production infrastructures ensuring its optimum capacity and also expanded the production facilities.

The Board of Directors of SDL feels and believes in keeping and maintaining a consistent dividend policy. As such, considering the capital structure of the Company and also the future business plan, the Board has recommended 31% Dividend in which 25% cash dividend and 6% stock dividend inclusive of 12.50% Interim Cash Dividend for the year 2016-2017.

SDL recognizes that its people are its most valuable asset. We truly value the contributions of our employees towards the Company and have adopted policies to reward them accordingly.

I believe that in the coming days, our employees directed by our efficient Management Team will set a benchmark for the entire denim industry ensuring high quality denim production and prompt delivery.

Our Six Day-to-Day Strategic Priorities

- **Putting Customers First:** In doing business, customers are our main focus; because their satisfaction is our ultimate success. Our devoted people are engaged in meeting the needs of our valued clients regularly through delivering Company's high quality denim products with proper care and maintaining a harmonious relationship with our customers.
- **Growing Revenue:** When we serve customers well, the revenue we earn is the outcome. We generate revenue by exporting various types of denim products which help to raise diverse sources of income through economic cycles.
- **Managing Expenses:** We focus on operating efficiently by thoughtfully managing our resources and exercising discipline to invest in the areas that matter most to our clients and stakeholders.
- **Living Our Vision and Values:** We seek to bring our vision and values to life in all that we do, demonstrating who we are through our actions.
- **Connecting with Communities and Stakeholders:** We believe there is a connection between our success and the success of our key stakeholders- customers, communities, investors and team members. These are relationships we nurture every day.
- **Managing Risk:** Strong risk management has been a cornerstone of our success. So we continue investing significantly in this area.

Our Products

To meet up the high-end customers' demand and fulfill their fashion craving, SDL is continuously improving production process with innovation as well as engaging skilled human resources to the required areas through conducting research and development so that they could manufacture world class products at a competitive prices and satisfy the valued customers to the fullest.

For continuous product development and coping up with the current craze over the years, Shasha Denims has become a trusted source to the buyers. Its premium designs and specifications in quality have made SDL unique to its customers.

Utilization of IPO Fund

The Company has already spent its maximun amount received from IPO fund to purchase the required machineries designed for the new plant expansion in factory area. Some of those machineries are already installed, some would be set up shortly. We hope to make a remarkable growth and profit once the extension project is successfully done.

Social Causes Programs

In accordance with the above stated strategies and actions, for ensuring the maximum security to the lives of common people; since inception, Shasha Denims has been contributing in education, healthcare and environment related sectors to improve the social and economic conditions of the Country.

It made significant contributions during audited year through its charitable Shasha Foundation.

Education has a long lasting impact on the Country's development, Healthcare on the other hand enables in building a healthy nation.

Financial Aid for Students

SDL focuses on education of all types-general, vocational and technical education; encourage students for having special diploma/degree for an enlightened society and as such provide need based financial support to meritorious students of different section of the society.

The Company has its plan to increase the volume of the fund in the near future for ensuring a bright

To cope up with the current market's demands through strengthening overall risk management and corporate governance system, we paid maximum attention in launching our latest production infrastructures ensuring its optimum capacity and also expanded the production facilities.

and ornamented future to the financially challenged brilliant students of the Country.

Good Governance

I would like to restate that our Board maintains its effective role in policy formulation and discharging best possible Corporate Governance. The Board has always remained focused on maximizing shareholders' value through formulating policies and guidelines towards ensuring sustainable profitability, minimizing risks and establishing good governance in all spheres of Company's operations. And the Management of the Company highly prioritizes Corporate Governance.

In Compliance with Bangladesh Securities and Exchange Commission' (BSEC) regulations and to further strengthen our corporate governance system, two Independent Directors have been inducted into the Board.

Future Stance

Looking into the future, we see new conflicts and new challenges. We also see new hope and new opportunities. We firmly believe that challenges are everywhere; hence we should be prepared anytime anywhere, as opportunities always come hand in hand with challenges, and opportunities only favor those who are prepared. We are prepared and will continue to be even better prepared to face the challenges and make the best use of the opportunities.

I believe that our relentless and out-and-out service with enriched and quality products as well as the support of our efficient workforce, prudent resources management process, better risk management capacity and corporate governance will bring sustainable growth that will maximize the value for the stakeholders in the years ahead.

Respected Shareholders,

I would like to extend our gratitude to Bangladesh Securities and Exchange Commission (BSEC), National Board of Revenue (NBR), Registrar of Joint Stock Companies and Firms (RJSC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), the regulatory authority-Bangladesh Textile Mills Association (BTMA). Bangladesh Export Processing Zone Authority (BEPZA) also other regulatory bodies and everyone in the Shasha Family for their valuable guidance, support and co-operation.

I would also like to express my sincerest appreciation to my fellow Board Members for their generous assistance, advice and leadership. The management team and all levels of our devoted employees who worked very hard to take the Company forward and accordingly brought tremendous successes during this tough time.

I strongly believe that if we all could take the ownership of our Company and the dedication and hard work of our well-built teamwork is continued, that day is not so far when we will be able to make our Shasha Denims the 'Global Leader' in the Industry.

May the Almighty Allah help us and be with us always here and hereafter, Ameen.



Parveen Mahmud
Chairman

MANAGING DIRECTOR'S ROUND UP



We always keep a constant eye to the need of current market and also analyze the market behavior very rigorously to meet the demands of our customers.

Respected Shareholders,

It is an absolute delight and honor for me in presenting the performance of your Company Shasha Denims Ltd. (SDL) for the audited financial year 2016-2017. Shasha Denims left behind another victorious period of the journey in terms of sustainable growth, product innovation and of course its momentum with the current market craze.

We have focused on our goal to set the trend and satisfy our high-end customers through introducing new and unique denim products as they need.

At this joyful moment, I greet you with warm wishes on behalf of the Management. My sincere and earnest gratitude to the Board of Directors of Shasha Denims for letting me work as the leader of this esteemed Company.

A Synopsis 2016-2017

Our journey during 2016-2017 was far tougher than that of the previous years. The year 2016-2017 is particularly characterized by challenging situations stagnated by stiff competition and other multifaceted circumstances. However, SDL has maintained sustainable business during 2016-2017

A comparative view of our performance :

Particulars	2016-2017	2015-2016
Revenue	4,333	4,411
Operating Profit	681	680
Profit Before Tax	526	578
Profit After Tax	459	482

Global Scenario 2016-2017

Economic condition of a country enormously impacts the operating policy, quantity of production and also revenue generation system specially in the export based manufacturing companies situated within the country which may have negative reflections on the financial position of other trade dependent countries.

Growth prospects of global economy have continued to weaken, and recent events such as the Brexit Vote, Worldwide Terrorist Attacks and the US Presidential Election have created elevated levels of uncertainty for businesses have a downbeat reaction in the worldwide monetary matter.

Bangladesh Scenario 2016-2017

However, global restlessness has negatively affected the financial situation of our country. Besides, some consecutive unexpected incidents within Bangladesh such as; Central Bank's reserve theft, ATM Booth Robbery and also the massive terrorists attacks in Gulshan Holey Artisan, Sholakia, Kishoreganj as well as a number of fanatic attacks on the country's minor community of the country poorly changed the growth scenario of Bangladesh and as such, local and foreign investors became vigilant and restrained from further investing even doing business here. As a result, nation's projected GDP growth rate (7%) fell down.

Moreover, natural disaster also impacted us very severely. In 2016-2017, heavy rainfall turned into flood and as such, economic condition broke down and a lot of people became unemployed.

However, I feel, we are a resilient economy as depicted by our average GDP growth of 6.3%. It is my opinion, that every hurdle is a learning lesson and an opportunity to explore in the future as we have seen other industries fill the gap left in the economy.

Prudent Approach

As part of our goal to become the 'Leader' in the country's denim industry, since inception, we have been continuing through developing and delivering exclusive world class products to our high-end customers. We always keep a constant eye to the need of current market and also analyze the market behavior very rigorously to meet the demands of our customers.

We believe our success depends on our ability to driving the growth, meeting the market demands, bringing diversification in products to satisfy our customers and make them loyal.

By working with integrity and keeping pace of sustainable business development; during the audited year 2016-2017, SDL produced highest quality finest products and also high-end segment items and delivered to its brand customers which are the first time ever in SDL's history.

To meet the customers' demand, SDL is in the process of expanding its factory and is expected to complete the work shortly. We hope business income of the Company would increased a notable portion once the expansion is successfully done.

In parallel with the factory extension, new and essential machineries including indigo machine have also been installed in the existing factory for more

production that saves 60% water and 40% chemicals in process in comparison to any other conventional dyeing machineries.

Our Strength

Today, where we have positioned ourselves, our achievement, our success all have been possible only for the support and untiring cooperation received from our respected customers, tenacious and efficient staff, valuable guidance of our Board of Directors, professionally qualified Management team and finally an excellent team work.

Our corporate ethics are grounded in good governance, statutory compliance and transparency. The Company has been regularly recognized by independent bodies for the values underpinning its business and is proud to be a standard bearer of the Bangladesh's Denim Industry.

From its commencement, SDL has embarked on a journey to grow its capabilities and become larger and better–through launching new technology, diversified products portfolio, new sales teams and new sales channels.

Future Stance

Always emphasizing on the current market needs and focusing on our core business, we hope to continue making our every effort to upholding our standard in the future.

We would carry on achieving our goals to meet needs of our customers and their fashion worth as well as other stakeholders in 2017 and onwards.

We are confident enough that the underlying resources and strengths of the Company, diversified business approaches, strong financial footing for on time deliveries, unique product portfolio, creativity and capability in bringing innovative products in the market will surely pave the way to reach our goals and establish ourselves as the 'Global Leader' in future.

Conformity in Compliance Regulation

As you know, good corporate governance system plays a vital role on effective business operation, long-term stability and also the sustainable growth of an organization. SDL governance system is designed to ensure transparency and accountability in all levels of doing business.

The Board of SDL provides leadership and direction to the Management, approves strategic and major policy decisions and supervises Management to attain preset goals and objectives of the Company.

We always try to apply the guidelines set out by the BSEC, BEPZA and the regularity authority-Bangladesh Textile Mills Association (BTMA) to reach to the peak of highest standards of corporate governance that is fully discussed in our corporate governance report.

In the coming years, with the best wishes from all of you and sincere efforts put in by our colleagues, we will surely do better than before.

We would face tougher challenges bravely and confidently to maintain a capital base level higher than that required by the regulators for meeting all essential investments and expenditures occurred to cope up with the time's demand.

Awards and Recognition

During its journey, SDL has won several prestigious awards including national award and recognition from different government and private sector & organizations.

As part of our goal to become the 'Leader' in the country's denim industry, since inception, we have been continuing through developing and delivering exclusive world class products to our high-end customers. We always keep a constant eye to the need of current market and also analyze the market behavior very rigorously to meet the demands of our customers.



Mr. Shams Mahmud, Managing Director of Shasha Denims Ltd. receives the National Gold Export Trophy from H.E. Sheikh Hasina, the Honorable Prime Minister of the People's Republic of Bangladesh

With much to our pleasure, we are informing you that for contributing remarkably in denim exporting and also earning an outstanding amount of foreign currency, the Company has won the prestigious Gold National Export Trophy three times for three consecutive financial years (2011-12, 2012-13 and 2013-14). We will make every effort to continue upholding this standard in the future.

Besides, the Company has achieved recognition for its performances and received the Gold Award as the best client from the Premier Bank Ltd.

In the current year, we have tried our best to provide requisite numerical and text information in Annual Report 2017. We hope the information provided will assist our stakeholders in the process of the assessment of asset quality, profitability, liquidity, corporate governance, and market share, contribution to the national exchequer, regulatory compliance and disclosure.

We sincerely hope our nation as well as the global economy will take a turn for a better tomorrow. However, we are adequately prepared for whatever challenges the future holds.

Our commitment to sustainable growth through carefully thought out planning, crucial presence in the Credit Rating Agency of Bangladesh (CRAB), strategic partnerships with other organizations as well as introduction of innovative and competitive designed products which would allow us to continue this progress.

To conclude, I would like to thank our workforce for their devotion and commitment in deliveries all over the year and look ahead to continuance in the approaching years.

I also thank all of our stakeholders, without their support and assistance it would have been quite difficult for us to reach the excellence in all sectors during this tough time.

I express my heartfelt gratitude towards our respected customers, the regulatory authority -Bangladesh Textile Mills Association (BTMA), Bangladesh Export Processing Zone Authority (BEPZA) also other regulatory bodies and everyone in the Shasha Family.

Finally, my special thanks goes to our Honorable Chairman and Members of the Board for their pragmatic vision, valuable inputs and patronage and the prudent Management Team for their commitments to expedite and execute our strategy over and above building the Company in this difficult stage.

Shasha has a fantastic heritage of negotiating in challenging time and situation and we anticipate the difficult environment in the foreseeable future. However, we are confident to carry out our long-term strategy successfully and meet our goals with the continued dedication and commitment of our people.

Thanking You All.

Shams Mahmud
Managing Director

FINANCIAL HIGHLIGHTS

SHASHA DENIMS LIMITED And its Subsidiary
Financial Highlights on Consolidated Financial Position

Amount in million except ratios and per share data

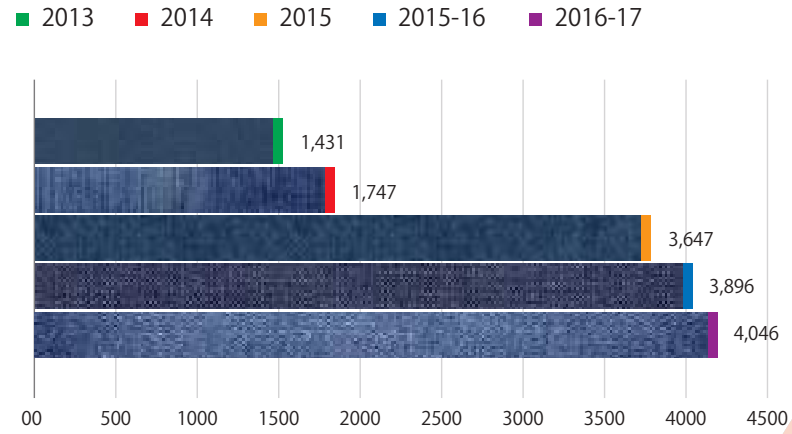
Particulars	2016-2017	2015-2016	2015	2014	2013	2012	2011
Total Assets	10,879	9,701	9,208	13,840	7,402	7,789	5,876
Paid up Capital	1,128	1,128	1,128	481	401	401	223
Number of Shares	113	113	113	48	40	40	22
Shareholders' Equity	5,339	5,059	4,777	2,852	2,995	2,824	1,546
Long Term Loan	888	1,024	1,086	1,190	1,271	1,538	1,819
Total Debts	4,259	3,889	3,910	4,052	3,989	4,524	4,033
Total Revenue	6,257	5,635	5,145	4,180	3,824	3,735	2,256
Gross Profit	1,208	1,095	1,105	796	798	934	653
Operating Profit	1,010	940	937	674	712	853	603
Profit before Tax	665	662	660	238	193	408	244
Profit after Tax	592	563	561	176	149	378	224
Liquidity Ratio							
Current Ratio	1.41	1.52	1.68	1.04	1.07	1.04	0.96
Time Interest Earned Ratio	3.75	3.66	3.37	2.57	2.46	2.96	2.81
Debt Equity Ratio	0.80	0.77	0.82	1.42	1.33	1.60	2.61
Operating Ratio							
Inventory Turnover Ratio	2.78	4.69	5.79	4.67	4.06	3.72	2.20
Assets Turnover Ratio	0.58	0.58	0.56	0.30	0.52	0.48	0.38
Profitability Ratio							
Gross Margin Ratio	19.30	19.42	21.48	19.05	20.86	25.00	28.93
Operating Income Ratio	16.88	17.37	18.76	16.64	18.62	22.85	26.72
Return on Assets (ROA)	5.75	5.96	4.87	1.66	1.96	5.53	4.73
Return on Equity (ROE)	13.68	13.93	19.08	8.60	7.29	21.46	17.26
Return on Investment (ROI)	11.24	11.13	13.89	5.41	4.32	10.98	9.87
Basic Earning Per Share	5.23	4.99	5.07	3.64	3.73	9.43	10.05
Fully Diluted EPS	5.23	4.99	4.97	1.56	1.32	3.35	1.98
Net Assets Value Per Share	47.34	44.86	42.35	59.32	74.76	70.50	69.45
Fully Diluted NAV Per Share	47.34	44.86	42.35	25.28	26.56	25.04	13.71
Dividend	**C-25% B -6%**	**C-25%**		**C-20% B-15%**	**-**	**B-20%**	**B-80%**

SHASHA DENIMS LIMITED
Financial Highlights on Financial Position of Shasha Denims Ltd.

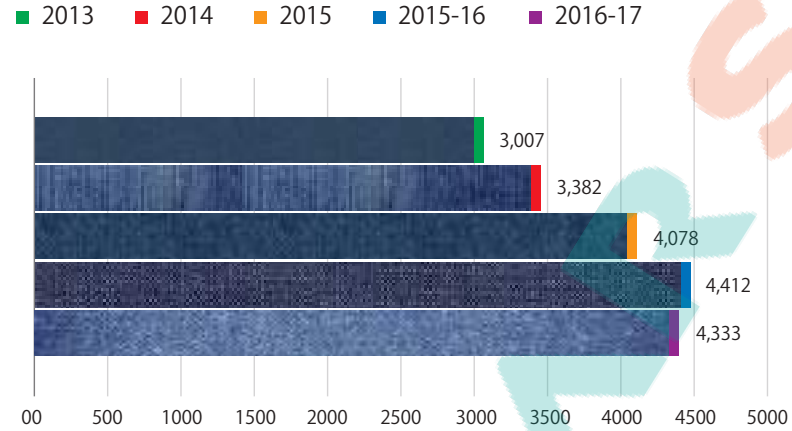
Amount in million except ratios and per share data

Particulars	2016-2017	2015-2016	2015	2014	2013	2012	2011
Total Assets	7,112	6,615	6,345	11,004	4,043	4,020	3,182
Paid up Capital	1,128	1,128	1,128	481	401	401	223
Number of Shares	113	113	113	48	40	40	22
Shareholders' Equity	4,046	3,896	3,647	1,747	1,431	1,227	1,103
Long Term Loan	-	34	49	89	129	93	72
Total Debts	2,702	2,416	2,410	2,553	2,426	2,657	1,962
Total Revenue	4,333	4,412	4,078	3,382	3,007	2,798	1,862
Gross Profit	834	804	777	720	623	479	434
Operating Profit	681	680	636	618	548	411	385
Profit before Tax	526	578	556	375	244	153	134
Profit after Tax	459	483	460	317	204	124	114
Liquidity Ratio							
Current Ratio	1.42	1.48	1.63	0.99	0.99	1.11	1.20
Time Interest Earned Ratio	4.80	4.72	4.25	3.55	2.91	2.68	2.70
Debt Equity Ratio	0.67	0.62	0.66	1.46	1.70	2.17	1.78
Operating Ratio							
Inventory Turnover Ratio	2.84	4.48	5.13	3.74	3.23	3.09	1.99
Assets Turnover Ratio	0.61	0.67	0.64	0.31	0.74	0.70	0.59
Profitability Ratio							
Gross Margin Ratio	19.24	18.23	19.05	21.28	20.73	17.12	23.28
Operating Income Ratio	15.72	15.42	15.60	18.27	18.23	14.69	20.69
Return on Assets (ROA)	6.69	7.45	5.30	4.21	5.07	3.43	3.36
Return on Equity (ROE)	11.57	12.80	17.05	19.93	15.39	10.61	10.58
Return on Investment (ROI)	11.57	12.77	16.87	19.28	14.91	10.20	9.70
Basic Earning Per Share	4.07	4.28	4.16	6.59	5.10	3.09	5.11
Fully Diluted EPS	4.07	4.28	4.08	2.81	1.81	1.10	1.01
NAV Per Share	35.87	34.55	32.34	36.35	35.72	30.61	49.55
Fully Diluted NAV Per Share	35.87	34.55	32.34	15.49	12.69	10.87	9.78

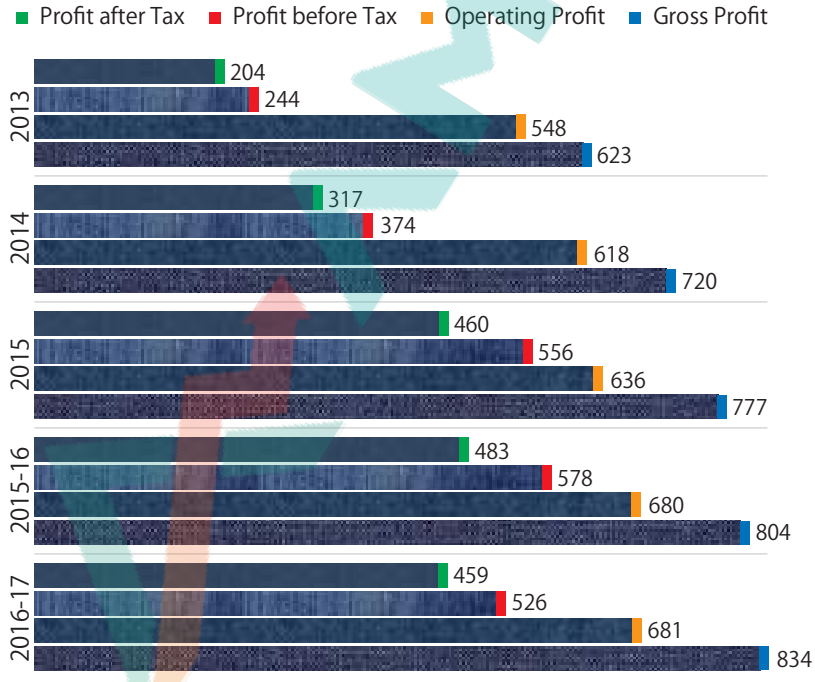
Shareholders' Equity



Total Revenue



Operational Result



STOCK

DIRECTORS' REPORT

Bismillahir Rahmanir Rahim

Honourable Shareholders,

Assalamu Aalaikum!

On behalf of the Board of Directors, I'm greatly pleased and honored to welcome you to the 20th Annual General Meeting (AGM) of the Company and present before you the Directors' Report, Auditors' Report and Audited Financial Statements for the year ended on 30 June 2017, wherein a brief description of the Company's performances, future prospects and various aspects of world market trend with highlights of the performances of Bangladesh Economy have also been incorporated in compliance with the Companies Act 1994, SEC's notification dated February 20, 2006 and listing regulations of Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. and other applicable rules and regulations.

The AGM may be treated as a Corporate Parliament where the shareholders exchange views, convey valuable opinions and future guidelines for the continuous growth of the Company. AGM gives an opportunity to a Company to benefit through providing fresh and new ideas in its every assembly. That is why we always give our utmost importance in arranging the AGM.



Global Economic Scenario

The world has entered into a period of greater political uncertainty. Now-a-days including political uncertainty, different kinds of uncertainties are weighing down the growth prospects of emerging markets especially in India, Mexico, Turkey, Saudi Arabia and other Middle East countries .

In recent times, the global economy has been rocked by a dramatic decline in oil prices, a surprising increase in the value of the dollar, a slowdown in China, uncertainty in Europe, and anticipation of a shift in US monetary policy.

Moreover, there has been a sharp divergence between monetary policy in the United States and policy in other major economies, contributing to exchange rate volatility. The result is a mixture of diverging performances.

Global growth is projected to slow to 3.1 percent in 2016 before recovering to 3.4 percent in 2017.

Growth prospects of global economy continue to weaken, and recent events such as the Brexit vote, worldwide terrorist attacks and the US presidential election created elevated levels of uncertainty for businesses which have a downbeat reaction in the international monetary issue.

Bangladesh Economy

Bangladesh is a developing country that is classified as a Next Eleven emerging market and one of the Frontier Fives. Bangladesh GDP growth rate with an average is 6.3 % from June 2007 to June 2016.

The economy is increasingly led by export-oriented industrialization. The Bangladesh textiles and garment sectors are the second largest in the world. Other key sectors include pharmaceuticals, shipbuilding, ceramics, leather goods and electronics. Bangladesh ranks fifth in the global production of fish and seafood. Remittances from the Bangladeshi diasporas provide vital foreign exchange.

According to the WB and IMF reports in 2015, the GDP grew to $205.3 billion taking Bangladesh to the 44th position in the world economy. The WB and IMF published the reports in April 2015. Maintaining over 6 percent GDP growth in the last six years is an outstanding achievement for Bangladesh. The progress has brightened Bangladesh's image in the international arena. Foreign investors will now show their interest to bring funds into Bangladesh. It will play a positive role in securing foreign loan and aid.

However, global restlessness has negatively affected the financial situation of our country. Besides, some consecutive unexpected incidents within the country such as; Central Bank's reserve theft, ATM Booth Robbery and also the terrorists attacks in Gulshan Holey Artisan, Sholakia, Kishoreganj as well as a

number of fanatic attacks on the country's minor community poorly changed the growth scenario of Bangladesh and as such, local and foreign investors became vigilant and restrained from further investing here. As a result, nation's projected GDP growth rate (7%) drastically fell down.

Moreover, natural disaster also impacted us very severely. In 2016-2017, heavy rainfall turned into flood and as such, economic condition broke down and a lot of people became unemployed.

But I feel we are a resilient economy as depicted by our average GDP growth of 6.3%. It is my opinion, that every hurdle is a learning lesson and an opportunity to explore in the future as we have seen other industries fill the gap left in the economy.

Industry Outlook

Bangladesh, the eighth most populous country overall, is the second-largest garment exporter in the world, trailing only the Chinese mainland. With its wage levels amongst the lowest in the region and with its abundant labour supply, Bangladesh is hugely in demand as a garment production base, securing its status as one of the world's major suppliers of low-cost, ready-made garments (RMG) over the past two decades. Many foreign companies now either have their own export-oriented production plants in Bangladesh or source garments for the international market from the country.

Bangladesh's garment sector has become one of its most important economic pillars, with clothing products accounting for almost 80% of its exports and more than 10% of its GDP. This thriving sector has contributed enormously to the country's development, creating jobs and generating foreign income, attracting FDI, triggering infrastructure projects and providing a host of other related business opportunities. As a result, the country's per-capita income has shot up from US$ 280 in 1990 to US$ 838 in 2013, an increase of almost 300%.

Ready Made Garments industry in Bangladesh, which includes knit and woven items along with specialized textile products, is the prime exporting sector. In spite of devaluation of image in country's RMG sector in the last few years due to fire and other accidental incidents, pressure from competitive low cost country like Cambodia, Vietnam and India etc, total RMG export of Bangladesh increased by about 10% to 12% in 2015.

Although, the global market for knit items is mostly concentrated in the North America and EU, other Asian and South American markets emerge as new export destinations. Due to very competitive labour cost and shift of orders from other countries where cost of production factors are going up, Bangladeshi exporters may still be in favorable position to foreign buyers and onward.

Bangladesh's denim industry is poised to enter a new era with massive expansion and significant up-gradation. Confidence of global buyers and troubles in China and Turkey has nourished this growth. Gradually, Bangladesh is gaining fresh grounds in overseas denim market with fashion and higher end products. Now, Bangladesh is a lucrative place for denim manufacturers because of its geographic location, availability of cheap labour and necessary up-gradation in technology. As a result market of denim fabrics has got a sound growth of 10% to 15% over the last several years.

Bangladesh has already started to act as an important player in the $60 billion plus global denim-wear market by exporting jeans and other denim products worth at least $3.5 billion (BDT. 24,500 crore) annually to the US and EU and other international markets. Moreover, in recent times, retailers and wholesalers from Japan, Turkey, India, and even from China are switching to Bangladesh as they started to realize Bangladesh as a reliable source for finely stitched wears at competitive prices.

Initially there were few established names in Bangladesh; but now there are 25 huge denim manufacturers around the country. Presently, Denim Industries in Bangladesh Produces 30 million yards of denim a month and Bangladesh is the second largest denim-made garments exporter after china. The international market analyst in the apparel sector foresee that the world demand of denim will reach to $55 to $65 billion dollar by the year 2016 and $70 to $75 billion dollar by the end of year 2021.

Global importers have realized that Bangladesh is not only competitive in price but fine stitches on denims are available here. More than 66 international brands have turned to Bangladesh in the last couple of years for importing denim products. "The demand of Denim fabrics is increasing both locally and internationally. The growth is now 15%-20% annually.

Bangladesh now exports denim products of $2 billion annually. The business is amazingly prospective. The intellectuals of the nation are highly optimistic and emphasize that the country should be considered as a place of investment for denim, not a source of import only.

Again they deem that it is high time to invest in the industry as the country is increasingly becoming a lucrative place of sourcing denim products also having claim that its export will reach $7 billion by 2021.

Our neighboring country India is also very positive about the denim business of Bangladesh. One of the Directors of an Indian Denim Company said, "Bangladesh is highly potential country for us as it supplies products to the European and United States market', and also said, "Bangladesh is a good source of garment products, even India imports from Bangladesh."

Shasha Denims Ltd.

From the commencement of journey in 1996, Shasha Denims (SDL) has been striding forward specially during the time of beginning commercial operations in 2000 and gradually moving forward, now has positioned itself as one of the leading 100% export based denim producers in Bangladesh.

The Company is suitably located in Dhaka Export Processing Zone (DEPZ) with the best available infrastructural facility. Through the support of highly professional and most modern computerized SLASHER DYEING technology, SDL is now a well managed and technically sound an organization and able to make a grade with the current craze as well as deliver the world class products to its valued clients.

Its plant is fully integrated with state of the art technology and the machineries from Switzerland, Germany, Belgium and USA and also the best real classical Indigo Denim.

Over the years, the company has been investing in R&D for its highest technological development to ensure the production of best quality denims which is incomparable to any other denim manufacturers in Bangladesh.

Now SDL is capable enough to take challenges to compete with any denim manufacturer in Bangladesh. The Company produces denim fabrics weighing from 4oz/yd2 to 15oz/yd2 for denim jeans.

The Company exports its products through export oriented RMG. The final destination of the product is EU, Australia and so on.

Shasha Denims is a trusted source for the world renowned buyers, and in most cases, it is the only nominated supplier for the buyers. Currently, the Company manufactures fabrics for the world reputed brands such as Marks & Spencer, George, Polo, Next, Tesco, Mexx, Walmart, JC Penny, Tommy, Gap, Lee Hang Fat, Adams, Woolworth, Gulden Pfenning, Li & Fung etc. and deliver the largest quantity from Bangladesh. Its present production capacity is 21.6 million yards per year.

As part of continuous endeavor of this operational excellence, SDL's expansion is going on in the existing premises with top of the line latest technology.

For that purpose, we have received an amount of BDT. 175 crore from IPO Fund. The Company has already spent its maximum amount from that fund for purchasing & installing the required machineries.

Some of those machineries are already installed, some would be set up shortly.

We have already done our most of the payments with the suppliers, now waiting to receive a small number of the machineries from them. We hope to make a remarkable growth and profit once the extension project is successfully done.

Performance of Shasha Denims Ltd. in 2016-2017

Shasha Denims Ltd. made sustainable performance under its existing capacity of working with integrity as well as maintaining sustainable business development. During the financial year, SDL utilized its maximum capacity without compromising the uppermost quality and finest product.

SDL produced and delivered finest quality high end segment product to its customers for giving them comfort through fulfilling their fashion cravings.

Despite the challenges posed by internal and external economical and political environment, Shasha Denims Ltd. maintained sustainable business in its business during the year 2016-2017. Production and Revenue of SDL were sustaining during mentioned audited year. Total Revenue of the Company recorded to BDT 4,333 million in 2016-2017 from BDT 4411 million in 2015-2016. It was registered slightly decreased compared to last year. Revenue decreased 1.77% during the year compared to last year. Revenue decreased due to overall decrease of Export during last quarter of the reported financial year.

Utilization of fund from IPO is almost done. Machineries installation work is going on. The Company couldn't add any income from new capital injection during the year as full expansion is yet to be completed. Cost of Production of the Company registered at BDT. 3,499 million in 2016-2017 as against BDT. 3,607 million in 2015-2016.

This indicated that cost of production decreased by 2.99% compared to last year. During the year Administrative and Selling & Distribution Expenses increased to BDT 111.36 million and BDT 41.23 million respectively which were BDT 88.90 million and BDT41.23 million in 2015-2016. This expenses increased due to yearly salary increment, increase of fees and charges, increase AGM expenses and other expenses. On the other hand financial income decreased by BDT57.08 million compared to last year. Financial income decreased due to unutilized IPO fund utilized for import of machineries. Resulting the above net profit before tax decreased to BDT525.61 million in 2016-2017 from BDT577.91 million in 2015-2016. Profit after tax stood at BDT 459.37 million in 2016-2017 which was BDT 482.71. Earnings per share recorded at 4.07 during the financial year 2016-2017 which was 4.28 in the last year.

Analysis of Key Operating and Financial Data for last five years

Key operating and financial data for the last five years

Amount in million except ratios and per share data

Particulars	2016-17	2015-16	2015	2014	2013
Total Assets	7,112	6,615	6,345	11,004	4,043
Paid up Capital	1,128	1,128	1,128	481	401
Number of Shares	113	113	113	48	40
Shareholders' Equity	4,046	3,896	3,647	1,747	1,431
Long Term Loan	-	34	49	89	129
Total Debts	2,702	2,416	2,410	2,553	2,426
Total Revenue	4,333	4,412	4,078	3,382	3,007
Gross Profit	834	804	777	720	623
Operating Profit	681	680	636	618	548
Profit before Tax	526	578	556	375	244
Profit after Tax	459	483	460	317	204

From the above, it is revealed that total assets and Shareholders' equity of the Company increased remarkably during the reporting year. Total assets of the company recorded BDT 7112 million which was registered 7.51% growth over last year. On the other hand Shareholder's Equity increased due to current year profit added to retained earnings as on 30 June, 2017. Company long term loan was fully paid off during the year but short term loan was increased by BDT 286 million due to increase of bill discounting to meet up import payment of raw materials.

Company's expansion program is going on. It is expected that it will be completed shortly. After completion of the project revenue of the company will be increased accordingly in the coming year from the expended project.

Company's expansion program is going on. It is expected that it will be taken another 9/10 months to complete the whole expansion. After completion of the works its production will be increased accordingly.

Key Performance Ratio

	2016-17	2015-16	2015	2014	2013
Gross Margin Ratio	19.24	18.23	19.05	21.28	20.73
Operating Income Ratio	15.72	15.42	15.60	18.27	18.23
Return on Assets (ROA)	6.69	7.45	5.30	4.21	5.07
Return on Equity (ROE)	11.57	12.80	17.05	19.93	15.39
Return on Investment (ROI)	11.57	12.77	16.87	19.28	14.91
Basic Earning Per Share	4.07	4.28	4.16	6.59	5.10
Fully Diluted Earning Per Share	4.07	4.28	4.08	2.81	1.81
Net Assets Value Per Share	35.87	34.55	32.34	15.49	12.69

Gross Margin Ratio and Operating Income Ratio decreased slightly due to increase of cost of production and operating expenses. Due to decrease of financial income, EPS of the Company decrease slightly but NAV of the company increased during the year.

Segment Information

Shasha Denims Ltd. produces a single product "denim fabrics" of varied specifications, compositions, colors and qualities. Hence, Company's 100% revenue is generated from its only product 'denim fabrics'. As per customers' requirements; on receiving the orders, SDL manufactures the products and supplies those to the respective customers' destination.

Shasha Denims Ltd. has remarkable investment in its subsidiary Companies which are engaged in producing and manufacturing separate products and services. Amongst the subsidiaries, **Energis Power Corporation Ltd. (EPCL)** generates electricity and supplies to Bangladesh Power Development Board (BPDB) and **Shasha Garments Ltd.** manufactures garments items for Gents, Ladies and Kids and export it to Europe and America. On the other hand, **Shasha Textile Ltd.** has been established for producing fabrics & its business operation will start shortly.

Operational and Financial result of Shasha Denims Ltd. and its subsidiary companies are given below:

Operational and Financial result of Shasha Denims Ltd. and its subsidiary companies are given below:

Business Segment
For the year ended on 30 June, 2017

Amount in BDT. million

Particulars	Shasha Denims Ltd.	Energis Power Cor. Ltd.	Shasha Garment Ltd.	Shasha Textile Ltd.	Consolidated
Revenue	4,333.17	1,287.18	636.26	-	6,256.61
Less: Cost of Goods Sold	3,499.53	972.46	576.71	.06	5,048.77
Gross Profit	833.62	314.71	59.55	(.06)	1,207.83
Less: Selling and Admn. Exp.	152.60	34.19	10.15	0.50	197.43
Operating Profit	681.03	280.53	49.40	(0.55)	1,010.39
Financial Exp.	190.25	187.51	6.03	-	383.80
Profit before Non-Op. Inc	490.78	93.02	43.37	(0.55)	626
Add: Non operating Income including interest income	34.83	(4.11)	7.26	0.41	38.39
Profit Before Tax	525.61	88.91	50.43	(0.15)	664.80
Less: Income Tax	66.24	-	6.83	-	73.19
Profit after Tax	459.37	88.91	43.64	0.15	591.76
Non-Current Assets	2,864.21	1,782.96	49.24	1,079.88	4,708.19
Current Assets	4,248.11	2,101.17	296.36	89.61	6,171.21
Total Assets	7,112.32	3,884.13	345.59	1,169.48	10,879.39
Non-Current Liabilities	68.77	887.99	0.29	-	957.07
Current Liabilities	2,997.99	1,250.94	134.38	0.6	4,383.38

Extraordinary Gain or Loss

Extraordinary gains or losses refer to infrequent and unusual gain or loss and which is not part of the Company's ordinary/day to day operations. There are no such a gains or losses during the year under reporting.

Capital Expenditure

In the year, the Company spent BDT. 41.01 million for purchase of capital machinery, building construction, vehicles and other assets purpose. The amount was spent from Company's own source other than IPO fund. Total written down value of fixed assets of the company as on 30 June, 2017 stood at BDT. 2,864 million from BDT. 2,691 on 30 June, 2016. The detail note on acquisition of Property, Plant and Equipment is given under the note no. 4 of the Financial Statements in the page no. 131.

Capital Infusion

During the year, there was no equity capital infusion in the Company. The existing paid up capital of the Company is BDT.1127.87 million. The Company issued ordinary shares through IPO of BDT.500 million in the earlier 2015 and subsequently the declared 15% stock dividend for the year 2014. As a result, paid up capital of the Company stood at BDT. 1127.87 million.

Capital structure of the Company has been given at Page no. 88.

Utilization of IPO Fund

SDL has already imported most of the machineries as per declaration in the prospectus. The Company has utilized BDT. 1318.38 million of IPO fund up to June, 2017 and remaining amount BDT.431.62 million is kept as unutilized as on 30 June, 2017. The Company has utilized BDT. 1,690.24 million from IPO fund up to September 30, 2017 as per declaration made in the last AGM.

Amongst all the newly imported machines, there is a dyeing machine having most modern and standard indigo technology which is the first indigo dyeing machine ever in Asia saves 60% water and 40% chemicals in process in comparison to any conventional indigo dyeing machine. The fine technology of this machine allows producing any kind of indigo shade in terms of tone and depth of color. This machine included other features which are not yet used by any other factory in the world.

Construction of Factory Building

Shasha Denims Ltd. planned to build a factory facility with prefabricated steel structure costing BDT.122,028,280 of IPO fund as declared in the prospectus. Subsequently, BEPZA issued new rules regarding the construction of multi-storied factory building in place of prefabricated steel structure to ensure maximum utilization of space available in BEPZA.



Newly constructed factory building of Shasha Denims Ltd.

In compliance with BEPZA rules, the Company constructed two four-storied factory buildings in its available space in the existing premises area. Total BDT.15,51,55,775/- was spent for construction of this two factory buildings. As per approval of 18th Annual General Meeting held on 21 May, 2015 the Company paid additional amount from its own fund.

Repayment of Term Loan and IPO Expenses

The Company has utilized a total amount of BDT.21,00,00,000/- from IPO proceeds as described in the prospectus in respect of Repayment of Term Loan for BDT.18,22,90,000/- and as IPO Expenses for BDT.2,77,10,000/-.

Changes of Utilization of IPO fund in the 19th Annual General Meeting for Machines and Investment in Shasha Millners & Textiles Ltd.

Due to changes in State-of-the art technology, efficiency of certain machineries and equipment have been upgraded by the manufacturer and supplier. Accordingly the Board decided to import latest machineries and change some machinery configurations, country of origin and capacity to increase production and quality. Accordingly the proposal of the Board was placed in the 19th Annual General Meeting held on 17th August, 2017 for the shareholders' approval. The Shareholders of the Company approved for investment in Shasha Millners & Textiles Ltd. for BDT.30 crore and BDT.111.80 crore for capital machineries & utility equipment as per list placed in the AGM.



Newly installed most modern and standard machineries in the extended plant.

In the last AGM, the Board informed that the Company has formed Shasha Millners & Textiles Ltd. to set up loom machine for producing denim fabrics. After having the approval of the Shareholders, Shasha Denims Ltd. deposited BDT.30 crore as share money deposit in Shasha Millners & Textiles Ltd. as investment in Shasha Millners and Textiles Ltd. The Board of Director in its Board Meeting held on 10 October, 2017 decided to return the share money deposit amount of BDT. 300 million from Shasha Millners & Textiles Ltd. after getting approval from shareholder in the 20th AGM as the Shasha Millner & Textiles Ltd. was not allowed any plot by BEPZA.

The Company has utilized BDT. 686.30 million for capital machineries up to June, 2017 and BDT. 1058.22 million up to September 2017.

Implementation Schedule

The Board of Directors recommended to extend the time limit for utilization of IPO funds up to 30 September, 2017 and placed the recommendation to the 19th AGM for shareholders' approval. As per the recommendation, the shareholders of the Company approved the time limit for utilization of IPO funds up to September, 2017.

The company has spent maximum amount of IPO fund for purchasing and installing of capital machineries. Some machineries are already installed. Installation of some machineries are going on. Some machineries are yet to be arrived in the factory premises from supplier. Considering the status of the machine installation progress it is considered that it would take another 9/10 months to complete whole expansion of the project.

Due to changes of cost of machine, exchange rate, state of art technology, carrying charge, govt. duty/ tax, budgeted allocation for procuring machines have been changed. In some cases budgeted allocation for procuring machines have been varied compared to prospectus/shareholders approval in the last AGM. Revised price of machineries have been placed in the 20th AGM for shareholders approval.

Moreover, some machineries are yet to be delivered by the suppliers. Installations of those machineries will be taken more time. Hence, the Company needs additional time to start operations of its new plant.

Subsidiary and Associates

Shasha Denims Ltd. (SDL) has three subsidiary companies which are:

- Energis Power Corporation Limited (EPCL)
- Shasha Garments Limited, and
- Shasha Textiles Limited

Energies Power Corporation Ltd. (EPCL):

Incorporation

Energies Power Corporation Ltd. (EPCL) was incorporated as a Private Limited Company on December 28, 2008. Within only four months; on April 20, 2009, it was registered as a Public Limited Company under the Companies Act, 1994.

Shareholding Status of EPCL

The Authorized and Paid up capital of EPCL is BDT. 150 crore and BDT. 98.37 crore respectively. Investment of Shasha Denim Ltd. in capital of EPCL is BDT. 98.34 crore i.e., Shasha Denims Ltd. holds 99.97% shares of EPCL.

Operation

The principal job of EPCL is generating power and supplying the electricity to National Grid. Its plant capacity is 55MW/hour at Sikalbaha, Cittagong. The Company has successfully commissioned on 10th January, 2010 and started its commercial operation from 06 May, 2010.

The Company has 6 (six) electric Generator set for producing electricity as well as supplying it to BPDB.

Power Purchase Agreement

To supply electricity to the Bangladesh Power Development Board (BPDB), the Company signed an agreement on power supply with BPDB. Initially the Company signed the contract with BPDB on 28 December, 2008 for a term of 3 years subsequently the agreement was extended for next 5 years from 9th February, 2014 vide contract No. 09932 with BPDB.

The contract includes the supply of Net Energy Output by the Company to BPDB and to make available capacity and BPDB agrees to accept and pay for the Dependable Capacity and Net Energy Output under the terms and conditions provided herein (Contract No: 09711) and Contract No. 09932). It also includes cost of electricity generation and procedure, cost of maintenance, effect of short/excess of generation of electricity, payment system etc.

Financial Result of Energis Power Corporation Ltd. (EPCL)

During the year EPCL earned revenue of BDT.1,287 million by generating and supplying 50 MW electricity to BPDB. The Company registered net profit after tax of BDT. 88.91 crore against BDT. 69.47 crore during the corresponding period of last year. Throughout the year, the Company was able to have had an uninterrupted production.

Financial Statement of EPCL has been given in page no. from 148 to 155.

Shasha Garments Limited

Incorporation

Shasha Garments Ltd. is a 100% Export oriented Garments industry located at Hashem Plaza (4th Floor), Ganakbari, Ashulia, Savar, Dhaka. Yearly production capacity of Five line Shasha garments Ltd. is 12,00,000 piece per year. The Company is expanded with a floor area of 30,000 sqft. Its total 613 manpower is engaged within the company. The Head Office of Shasha Garments is placed at House #23, Road # 129, Gulshan, Dhaka.

Nature and Capital Structure of the Company

Shasha Garments Limited is private limited Company incorporated on 18th November, 1991 under the Companies Act. 1993, The Authorized and paid up capital of the Company is BDT.50.00 million and BDT.15.60 million respectively. Shasha Denims Ltd. holds 96.40% shares of Shasha Garments Ltd.

Financial Results of Shasha Garments Ltd.

Shasha Garments Ltd. earned revenue BDT. 636.26 million during the year 2016-2017 by exporting garments wear to Europe. Basically Shasha Garments Ltd. manufactures denim made products like denim long pants for Gents, jeans pant, skirt, shirt for women and kids etc.

During the year 2016-2017, Shasha Garments registered net profit after Tax of BDT. 43.64 million which was BDT. 11.97 million during the corresponding year. Total assets of the Company stood at BDT. 345.59 million as on 30 June, 2017 from the assets at BDT. 238.59 as on 30 June, 2016.

Shasha Textiles Limited

Shasha Textile Ltd. was incorporated as a Public Limited Company on 18th September 2003. Shasha Denims Limited holds 99.57% shares of the Company. Authorized Capital and Paid up capital of Shasha Textiles Ltd. is BDT. 500 million and BDT.70 million respectively. Total assets of the Company as on 30 June, 2017 was BDT. 1,169 million. Commercial Operation of the Company is yet to be started. Due to delay of gas connection, the Company could not start its business operation till date.

Subsidiary of Shasha Denims Ltd. did not declare any dividend during the year.

Going Concern

The Board of Directors has reviewed the Company's present and potential business growth, performance, extension progress, liquidity, financial arrangement as well as overall business plans, strategies & become highly satisfied to see that the Company has adequate resources to continue its operation in the foreseeable future.

They are also pleased to find that the Directors' fee is appropriate to adopt going concern assumption and there is no material uncertainty in preparing the Financial Statements. And also there are no significant doubts or threats upon the Company's ability to continue as a going concern.

A separate report highlighting key financial track record, good practices in business and operations indicating to continuity as a going concern has been set out with this Annual Report.

Risk Management

Risk management refers to the practice of identifying potential risks in advance, analyzing those and taking precautionary steps to reduce/curb the risk. In the textile industries, various risk are encompasses around it.

The risk may occur adverse affect to the Company's sales and profit etc. Mostly, the risk arises from falling demand for the product, shortage of power, workers unrest, Raw Material Shortage along with other related risk such as Interest Rate Risk, Foreign Exchange Risk, Technology Risk, Market Risk, Political Risk and other regulatory risk etc.

The Company is aware of its risks concern and well prepared to meet those by systematic control. The denim industry of Bangladesh is hovering to enter a new era with massive expansion and significant up-gradation buoyed by confidence of global buyers and troubles in China and Turkey.

Over the years, SDL became one of the biggest and pioneer names in denim in Bangladesh. A great deal of marketing and modifications in production and a dynamic administration of management have led SDL to create a base of customer around 131 local buyers. To produce quality denim, SDL imported and installed world class machineries in its factory.

Fundamental Principles of SDL's Risk Management Philosophy are:

- Effectively managing & monitoring credit, interest rate, liquidity, market & operational risk and

providing for appropriate allocation of capital among the types of risk

- Managing risk in a forward-looking manner and identifying & analyzing those risks from the beginning with the help of steering risk strategies, models and parameters
- Creating maximum value for the shareholders, depositors and employees in the long term
- Being capable to meet up the current market's need by delivering the world class products to the valued clients also having a strong financial footing and establishing business relations amongst customers & the stakeholders that will last for many years through creating a brand image of SDL within the industry & help keeping sustainability in business growth.
- Besides efficiently managing of inventories, proper sourcing & timing, economic order quantity and handling credit facilities with the most organized way reduce SDL's cost of procurement. For power and electricity, Shasha is totally independent enabling itself to ensure low cost energy and uninterrupted production process.
- Greatly complying with the guiding principles of Bangladesh Textile Mills Association (BTMA)

Human Resources Development

Always giving the maximum focus on the right placement of human resources, we strongly believe that the efficient management & skilled workers are our greatest assets and as such recognize them as Building Blocks of the Company for their priceless efforts & performances.

We continue investing to our people for the enhancement and up gradation of their skills sets through conducting research and development and on-the-job training programs.

We have found that sensitivity to the needs and aspirations of individual employees is as conducive to successful human resource management as an accurate assessment of employee capabilities, potentials and attitudes.

We value the contributions of each employee exerts in the organization and adopt policy to reward them accordingly through providing various financial & non-financial benefits.

Corporate Governance

Corporate Governance is the system through which companies are directed, guided and controlled by the Board, keeping in view its accountability to the shareholders. The Board of SDL focuses on ethics, innovation and transparency.

The establishment of well founded corporate governance within the Company should continue in order to ensure a continuous profitable return to its shareholders and uphold a solid reputation amongst clients & partners.

Shasha Denims strives to maintain full compliance with the laws, rules and regulations that govern its business and keep pace with the highest standards.

The main objective of SDL's corporate governance is to develop a strong, sustainable and competitive Company in the best interest of its shareholders, employees, business associates and society at large.

SDL believes that a successful value added business could be achieved by developing a conspicuous reputation based on clients' satisfaction, business practices and communication with the market of course with due care on transparency and ethical standards.

A separate report on Corporate Governance is attached with this Annual Report.

Related Party Transaction

Compliant steps have been taken by the Board to avoid any conflict of interests that may arise, in transacting with related parties as per the definitions of BAS & BFRS. A statement of related party transaction has been presented in note 33 on page no. 147 with this report.

Shasha Denims Ltd. has investment in its associated companies maximum which is non operative. Details of Investment in associates Companies are shown in page no 132 of Financial Statements of the Company.

Financial Result and Proposed Dividend and Appropriation of Profit

Shasha Denims Ltd. posted profit before tax for the year ended on 30 June 2017 amounting BDT 525.61 millionwhile net profit after tax recorded from BDT482.71 million of 2015-2016 to BDT459.37 million in 2016-2017.

Considering the profit margin growth, it is need not to say 2016 is another successful year of the Company. Considering, present business position and future business prospect-based plan, the Board in its meeting held on 10 October, 2017 recommended total 31% Dividend in which 25% cash and 6% stock inclusive of 12.50% interim cash dividend for the year 2016-2017. The Directors are pleased to report the financial results for the year 2016-2017 and recommended the following appropriation.

	2016-2017
Retained Earning Brought forward	**1,518,479,808**
Cash Dividend paid for 2015-2016	(169,181,445)
Profit for the year 2016-2017	459,368,044
Profit available for appropriation	**1,808,666,407**
Less: Interim Dividend Paid @ 12.50% for the year 2016-2017	(140,984,538
Profit available for declaration as final dividend for the year 2016-2017	**1,667,681,869**

However it is mentionable that the Board of Directors of the Company in its meeting held on 24 January 2017 declared 12.50% interim cash dividend for the year 2016-17 out of the Profit available for declaration of distribution. Accordingly the Company distributed BDT.140,984,537.50 for 12.50% interim cash dividend which is included in the profit available for distribution.

Events Occurring After the Reporting Date

As at the date of this report, other than utilization of IPO fund the directors are not aware of any matter or circumstance that has arisen since the end of the year 2016-2017 that has significantly affected or may significantly affect the operations of the company.

The results of its operations or its state of affairs are not already reflected in this report other than dividend declaration.

Dividend

Shasha Denims Ltd. aims to declare commendable and sustainable rate of dividend to its shareholders. In this connection, the Board of Directors of Shasha Denims Ltd. in its 81st meeting held on 10th October, 2017 recommended total **31% dividend in which 25% cash and 6% stock inclusive of 12.50% interim cash dividend for the year 2016-2017**.

Management

The Management of SDL continuously improves the production process and human resources by conducting R&D and on the job training programs. SDL's Management is led by its Chairman who has achieved multi-dimensional experiences including business policy formulation and strategic management & been rewarded with several awards & recognitions for contributing tremendously in different business arena.

Managing Director proves the track records in leading the team & of course the Company at his tenure from the beginning till now and is responsible to oversee the day to day operations of the business.

Director (Operation) is the Head of the Factory. Including day to day operations of the business he also oversees Company's merchandising, procurement and production and directly reports to the Managing Director.

Director (Finance) is the Head of Head Office. He is the reporting authority of Company's Accounts Department, Commercial Department and treasury department. He directly reports to the Managing Director.

The Company has different departments to perform different activities. Departments' Heads have significant experiences in related business areas and are liable to monitor respective operations of SDL. The Company is managed by a team of qualified and experienced professionals in consonance with the strategy of the Board of Directors.

The Company formed various committees to oversee the different internal issues. SDL has around 675 workers in the factory and 243 executive and staff in the head office & factory total 918 employees were working in Shasha Denims Ltd. on 30 June 2017. Amongst different fringe benefits; the Company provides residential facility, festival bonus, profit sharing, production bonus etc.

Appointment of Auditors

The Auditors of the Company M/s Ahmed Zaker & Company, Chartered Accountants, Saiham Sky View Tower, (2nd Floor), 45 Shaheed Syed Nazrul Islam Sarani, Bijoy Nagar, Dhaka-1000 has carried out the audit of the Company for the year 2016-2017.

M/s Ahmed Zaker & Company, Chartered Accountants have completed consecutive more than three years of audit very creditably. As per provision of Bangladesh Securities and Exchange Commission's Order No. SEC/CMRRCD/2006-193/104/admin/26 dated July 27, 2011 exiting auditor is not eligible for re-appointment. Accordingly new auditor is to be appointed for the year 2017-2018. We have received a number of applications from some audit firms expressing their desire to work with the Company. The Audit Committee reviewed the profile and proposals of the Audit firms. They prepared short list of Audit Firm and recommended to the Board for their selection and recommendation of audit firm. On the recommendation of the Audit Committee, the Board of Directors will be proposing the appointment of M/s ACNABIN & Company, Chartered Accountants, BDBL Bhaban (Level-13 & 14), 12 Kawran Bazar, Dhaka-1215 as the statutory Auditor to the Shareholders in the 20th AGM for approval and

fix their fees. It may be mentioned that Audit fee for the year 2016-2017 is BDT 2 lac.

Independence of External Auditor

The Company's external auditors are prohibited from non-audit as prescribed by the Bangladesh Securities Exchange notification dated 07 August, 2015. The external auditor didn't engage to conduct other services like Taxation Service, Actuarial Service, Internal Audit Service, Broker-Dealer Services etc.

SDL's Taxation matters are performed by its own staff, legal matter is performed by M/s Satter & Co. On the other hand audit of utilization of IPO fund is conducted by M/s Pinaki & Co. and M/s Mazumder Sikder and Associates, Cost & Management Accountants has conducted the corporate governance audit of the Company.

Composition of the Board of Directors

The Board comprised seven Directors including Managing Director. Among the directors, Mr. Aftabur Rahman Jafree and Ms. Nishat Nahrin Hamid are the nominated directors from Shasha Garments Ltd. Ms. Parveen Mahmud and Ms. Zareen Mahmud are the sponsor directors of the Company.

To comply with BSEC Notification No. SEC/CMRRCD/2006-158/129/Admin/43 dated 03 July 2012, Mr. N K A Mobin FCA, FCS and Mr. Syed Mayeenul Huq were appointed on 5 May, 2016 and 8 November, 2014 respectively as the independent directors of the Company for three years term.

The Board of Directors embodies a range of talents, skills and expertise to provide prudent guidance with respect to the operations of the Company.

Directors' Re-Election

In accordance with the provision 124 of the Articles of Association of the Company, one-third of the number of existing Director will have to retire by rotation in the Annual General Meeting according to seniority. Accordingly the following Directors representing one-third of the number of existing Directors will retire in the 20th Annual General Meeting.

Ms. Parveen Mahmud

Mr. Aftabur Rahman Jafree

They are however eligible for re-appointment. As per BSEC notification three years terms of Mr. Syed Mayeenul Huq will be expired on 7 November, 2017. Being eligible, the Board of Directors appointed him for further three years as the independent director of the Company and recommended for Shareholders' approval in the 20th Annual General Meeting.

Board Meetings

The Board of Directors met four times during the year to discuss various issues regarding the business expansion, production, sales, utilization of IPO funds, efficiency of machineries and review matters relating to the operation of the Company.

In order to accelerate the performance of the Company-both operational and financial; the Board took a number of important decisions. The Board formed a Sub Committees named the Audit Committee. During the year, Audit Committee Meetings were held in different times to assist the Board to take decisions on respective issues.

Directors' Fee and Remuneration

The Director who engaged in the Company's day to day operations are receiving remuneration and other benefits from the company as disclosed in the Financial Statement at Note 27 Page no. 141. Non Executive Directors including Independent Directors are paid only attendance fee of BDT.10,000/- for attending per meeting.

Re-Appointment of the Managing Director

The working term of Mr. Shams Mahmud, the Managing Director of Shasha Denims Ltd. has already been expired in 20th Annual General Meeting. Being eligible to be re appointed; as per the Article of Association and Companies' Act 1994, the Board of Directors of Shasha Denims Ltd. in its 80th Board Meeting held on 10th October, 2017 has proposed to re appoint Mr. Shams Mahmud as the Managing Director of the Company for another term of next five years with an effect from 01 July, 2017.

The proposal would be placed in the upcoming AGM of the Company for the Shareholders' approval.

Audit Committee

As required by the BSEC, the Board constituted its Audit Committee. The Committee was formed with 4 (four) members of the Board and headed by Mr. N K A Mobin FCA, FCS Independent Director of the Company. The details of the Audit Committee including responsibility, qualifications and their report on the financial statements are given separately.

Board Meetings and Attendance

During the year, total 4 nos of Board Meetings were held. Two directors retired/resigned and two directors were appointed during the year.

Name of the Director	Position	Meetings Attended
Ms. Parveen Mahmud FCA	Chairman	4
Mr. N K A Mobin FCA, FCS	Independent Director	4
Mr. Shams Mahmud	Managing Director	3
Mr. Syed Mayeenul Huq	Independent Director	4
Mr. Aftabur Rahman Jafree	Director	4
Ms. Zareen Mahmud CPA, FCA	Director	4
Ms. Nishat N. Hamid	Director	3

Statement of Directors on Financial Reports

The Directors in accordance with SEC Notification No. SEC. SEC/CMRRCD/2006-158/Admn/02-08 dated February 20, 2006 confirms compliance with the financial reporting framework for the following:

a) The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 1994, Financial Institutions Act, 1993 and the Securities & Exchange Commission Rules, 1987, the rules and regulations issued by the Bangladesh Bank from time to time and other applicable laws and regulations.

These statements present fairly the Company's state of affairs, the result of its operation, cash flows and statement of changes in shareholder/ equity.

b) Proper books of accounts of the Company have been maintained.

c) 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.

d) The International Accounting standards, as applicable in Bangladesh have been followed in preparation of the financial statements.

e) Internal Control System is sound in design and has been effectively implemented and monitored.

f) There are no significant doubts upon the ability of the Company to continue as a going concern.

Shareholding Pattern

The shareholding pattern as on 30 June, 2017 as per clause 1.4(k) of the SEC notification No. SEC/ CMRRCD/2006-158/Admin/02-08 dated February 20, 2006 is shown at annexure-1 at page 47.

Corporate Social Responsibility

As the days progress, Corporate Social Responsibilities (CSR) are becoming an elemental part to attain long term sustainability and business growth for a large number of companies around this competitive corporate world. CSR is the dedication whereby companies contribute towards a better society through its business activities & social investments.

SDL is highly desirous to be seen itself as a Company that is making a positive contribution to the society. We acknowledge our responsibilities towards the society as a whole in which we live.

As one of the leading denim manufacturing companies in Bangladesh, Shasha Denims is fully aware of it and as such performs its CSR in a broad & expanded sphere.

We have considered our CSR towards the society touching in every sensible arena. We care for all of our valued stakeholders, ethical functioning, having respect for employees'-their rights and welfare, concern for human beings-their health & education, environment related issue and disseminate information on CSR policy.

SDL feels proud of strong participation in the CSR activities, accordingly the Company established 'SHASHA FOUNDATION' to help the Country's poor and underprivileged people. The Foundation provides monetary aid to the financially challenged meritorious students of different sectors of the country & also health care support to the poor people of Bangladesh.

We realize that sustainable development is an ongoing journey. We are well positioned & prepared to deliver the society according to our responsibilities in the short, medium and long-term.

A separate report on Corporate Social Responsibility has been attached with the annual report.

Health & Safety

Shasha Denims provides the greatest Health & Safety Policy to its employees/workers based on SDL's Corporate Business Principles and the Management and Leadership Principles which are mandatory for the whole SDL Group as well as committed to continual

improvement the standards of health & safety within the workplace.

The Company ensures utmost safety in the whole business operations process that meets or exceeds the requirements of the health and safety in which all activities are considered with a perspective of prevention of all types of accidents and protection of the people at work.

For ensuring maximum safety, while working in the factory inside, it is mandatory for every staff to dress up with the necessary uniform of aprons, mask, helmet, shoes etc.

We commit to perform systematic identification of hazards and to manage them with appropriate risk assessments and subsequent actions to minimize danger. This approach also minimizes threats to the business, protecting our shareholders' interests.

Business Ethics

In the denim industry of Bangladesh, SDL has now become a reputed brand for delivering innovation, performance and solutions of fashion craze. The key element of the long-term success is integrity and honesty in business dealings, a factor that contributes greatly to our long-standing relationships with clients.

All of our employees are instructed &expected to behave ethically in their words & deeds to set out through ethical principles.

We have designed our policy what would make SDL an excellent Company to work for maintaining its reputation all the way through exceptional client servicing and ethical business dealings. This is how we manage our business to a high standard consistently.

We have our plan to keep our business and relation growing with our valued clients & stakeholders and continue to provide them nothing less than the best.

Our Board, Management and the employees strictly follow & uphold the regulatory guidelines, instructions and all applicable laws, rules and regulations of the concerned Authority.

Outlook 2017-2018

The wide consumption of denim by fashion connoisseurs globally has created a new opportunity for Bangladesh. The industry in Bangladesh presently has 28 denim producing factories with total investment of over USD 834 million. The monthly productions of denim stands at 30 million yards per month while the demand of nearly 60 million yards. To fulfill the balance demand, imported 30 to 35 million yards per month from countries like China, India & Pakistan which average value is USD 75 million. The total investment in the denim sub-sector is USD 900 Million according to BTMA data.

Moreover global Market for Denim is forecast to reach USD 64.1 billion by 2020. In 2013-2014, export of denim products to the USA and EU markets rose by roughly 25 percent and gradually it is increasing. The total denim productions of the whole world are approximate 7 billion meters and within these total 70% fabric is produced in Asia.

The future of Bangladesh's denim industry is bright. The main challenges are building confidence in the global buyers ensuring political stability and making quality product with competitive price. The shift of orders from China and the rise in production cost in competitors' countries will help Bangladesh in boosting the denim industry to grab more market share.

To meet the growing demand of denim fabric to International market, the local mills are investing hugely on state-of-the-art imported machineries especially on the weaving & processing side and setting up large plants in the country.

The denim sector in comparison to other giant sectors in Asia is still evolving in Bangladesh. However due to competitive price, the denim industry over here is flourishing day by day now.

Considering the market and other issues, Shasha denims is going to build a new manufacturing unit using IPO fund. The installation works is partially done and its functional operation is expected to be started shortly. The rest of the machineries' installation & operational works is projected to be completed by the end of next financial year.

In the existing capacity, it is expected that the year 2017-2018 will be successful year of Shasha Denims Ltd. and Company will be maximized its revenue by using maximum capacity with quality product.

I assure you that your company will continue to maintain a prudent policy of expansion as well as dividends to benefit the shareholders in future as well.

Status of Compliance on Corporate Governance

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 issued under section 2CC of the Bangladesh Securities and Exchange Ordinance, 1969 is presented on page No. 78-81.

Appreciation

I am grateful to the Almighty Allah for the business success of the Company in the year 2016-2017even such amid turbulent business conditions and global economic downturn. The continued endeavors of the management and staff of the Company as well as timely support of the Board of Directors have substantially contributed to reach the Company the newer height of success.

I express my deep appreciation to the management and all members of staff for their dedicated & efficient services, their loyalty and relentless efforts for the Company's improvement.

I also would like to express my gratitude to the Members of the Board for their continuous support and wisdom without which the Company would not have been in its present position.

Again I take the opportunity of expressing my heartfelt gratitude to the Ministry of Commerce, Government of the Peoples' Republic of Bangladesh, Bangladesh Securities & Exchange Commission (BSEC), National Board of Revenue (NBR), Registrar of Joint Stock Companies & Firms (RJSC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), the regulatory authority-Bangladesh Textile Mills Association (BTMA),Bangladesh Export Processing Zone Authority (BEPZA)also other regulatory bodies who have supported us and extended their valuable co-operation and some Commercial Banks of Bangladesh namely Bank Asia Ltd., Premier Bank Ltd., United Commercial Bank Ltd., Dutch-Bangla Bank Ltd., the City Bank Ltd., Dhaka Bank Ltd., Sonali Bank Ltd., Agrani Bank Ltd, Janata Bank Ltd, and others for extending their cooperation and everyone in the Shasha Family for their valuable guidance, support & co-operation.

The Board would like to put on record its appreciation of hard work and dedication of the employees to the Company that contributed to its growth over the past years.We look forward to their continued support, co-operation and guidance that are our constant source of encouragement in the days ahead.

I conclude by conveying my very sincere and special thanks and heartfelt felicitations to our respected shareholders, valued customers/clients, patrons, well-wishers and external auditors for their support, assistance & patronage to facilitate our path towards the glory achieved so far by the Company.

We renew to them our promise to remain disciplined, compliant and result-oriented in all our endeavors and in return seek their co-operation.

May Allah SWT bless us all.

On behalf of the Board of Directors

Parveen Mahmud
Chairman

Annexure- 1

Shareholding Pattern of Shasha Denims Ltd. showing Parent/Subsidiary/Associated companies and other related parties as on 30-06-2017.

Particulars	Position	No. of shares held	%
Directors and Sponsor			
Ms. Parveen Mahmud FCA	Chairman	77,14,420	6.840%
Mr. N K A Mobin, FCA, FCS, CFC	Independent Director	Nil	
Mr. Shams Mahmud	Managing Director	1,20,19,340	10.657%
Mr. Aftabur Rahman Jafree Representative of Shasha Garments Ltd.	Nominated Director Shasha Garments Ltd.	6,210 23,70,840	0.006% 2.102%
Ms. Zareen Mahmud FCA	Director	30,24,270	2.681%
Mr. Anisul Islam Mahmud	Sponsor	2,73,24,000	24.226%
Mr. Sayed Mayeenul Huq	Independent Director	6210	0.006%
Ms. Nishat N. Hamid Representative of Shasha Garments Ltd.	Nominated Director Shasha Garments Ltd.	Nil	
Chief Executive Director, Chief Financial Officer, Company Secretary, Head of Internal Audit and their spouses and children's			
Mr. Aslam Ahmed Khan FCA	Company Secretary	Nil	
Mr. Sarwar Hossain FCA	Chief Financial Officer	Nil	
Mr. Mohammad Anamul Hasan	Head of Internal Audit	50,000	0.044%
Top 5 salaried Executives other than those Executives mentioned under (III)			
Mr. Mohammad Jamal Abdun Naser	Director, Operation	6,90,000	0.612%
Mr. Md. Ahasanul Haque	Director, Finance	5,00,000	0.443%
Mr. Rafiqul Alam	DGM	1,20,800	0.107%
Mr.Syed Mohammad Hassan	AGM	90,000	0.079%
Mr. Mazharul Islam Bhuiyan	AGM	1,11,100	0.098%
Shareholders Holding 10% or more voting interest in the Company		Nil	

Annexure- 2

Involve of Directors in Other Organization

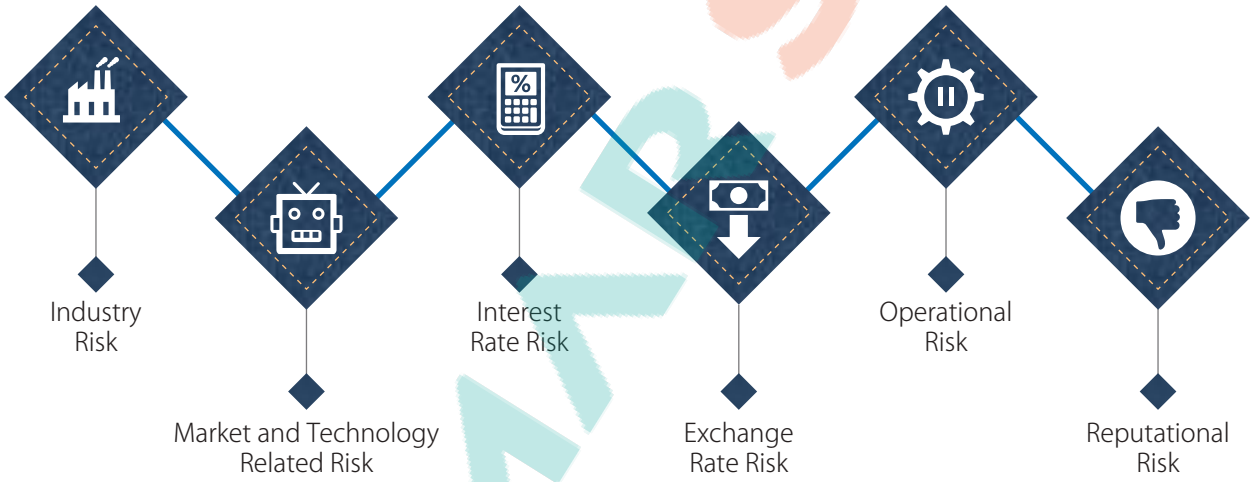
	Particulars	Directorship	Position in the Company
I	Ms. Parveen Mahmud FCA Chairman	Shasha Textiles Ltd.	Chairman
		Shasha Spinnings Ltd.	Chairman
		Shasha Apparels Ltd.	Chairman
		Shasha Millners & Textile Limited	Director
		Grameen Telecom Trust	Managing Director
		Grameen Danone Foods Ltd.	Director
		Grameen Krishi Foundation	Director
		Grameen Health Care Services Ltd.	Director
		Grameen Fabrics & Fashions Ltd.	Director
		Grameen Distribution Ltd.	Director
		Grameen Fisheries and Livestock Lt	Director
		Grameen Capital Management Ltd.	Director
		Grameen Phone Ltd.	Director (Nominated)
		Linde Bangladesh Ltd.	Director
		BRAC International	Director
		Manusher Jonno Foundation	Director
		MIDAS	Chairman
		Campaign for Popular Education (CAMPE)	Director
		RDRS-Bangladesh	Member-Trustee Board
		Ghashful	Board Member
2	Ms. Zareen Mahmud FCA Director	Shasha Textiles Ltd.	Director
		Shasha Spinnings Ltd.	Director
		Shasha Apparels Ltd.	Director
		Energis Power Corporation Ltd.	Director
		Shasha Garments Ltd.	Director
		Shasha Telecom Ltd.	Director
		Form Icon Ltd.	Managing Director
		Shasha Denims Ltd. (unit-2)	Director (Nominated)
		Ghashful	Board Member
3	Mr.Shams Mahmud Managing Director	Shasha Textiles Ltd.	Managing Director
		Shasha Spinnings Ltd.	Director
		Shasha Apparels Ltd.	Director
		Energis Power Corporation Ltd.	Chairman
		Shasha Garments Ltd.	MD
		Shasha Telecom Ltd.	Director
		Form Icon Ltd.	Director
		Shasha Denims Ltd. (unit-2)	MD
		Trade Matrix Bangladesh Ltd.	MD
		Shasha Millners & Textile Limited	Director
4	Mr. Aftabur Rahman Jafree Director Nominated by Shasha Garments Ltd.	Ghashful	CEO/Executive Director
5	Mr. N K A Mobin Independent Director	Emerging Credit Rating Ltd. (ECRL)	MD/CEO
		Biman Bangladesh Airlines Ltd.	Director
		Viana Tex Ltd.	Independent Director
6	Mr. Syed Mayeenul Huq Independent Director	CARSA	Board Member
7	Ms. Nishat N Hamid Director Nominated by Shasha Garments	Shasha Millners & Textile Limited	Director

RISK MANAGEMENT AND BUSINESS CONTINUITY

As a textile Company, Shasha Denims Ltd is undergone through a variety of risks that are inherent in carrying out the business activities. Effective management of risks enhances the Company's ability to achieve business, market, procurement, financial and social goal and to meet its legal and compliance requirement, thereby protecting and enhancing the shareholders value. Shasha's risk management process enables management to identify, manage and prepare for risks in an informed, controlled and transparent manner. Shasha Denims Ltd. is committee to manage those Risks that arisen the course of the business to an acceptable level, so as to maximize the opportunities and minimize the impact.

The Board of Directors of Shasha Denims Ltd. has overall responsibility managing risks. Whilst the Board approves and reviews risk management policies and strategies of the Company, the management establishes the procedures to implement the policies and strategies.

The risks which encompasses with Shasha Denims Ltd. is exposed to and how the company manages them is discussed in the following :



(A) INDUSTRY RISK AND CONCENTRATION OF INDUSTRY RISK

1) Market Demand:

Market Risk is the Risk which may happen when market demand is fallen. Company's sales and revenues are dependent on the aggregate demand of its products. Any economic recession, changes in requirements, national income and other related factors may cause to decline the market demand of the Company products.

Management Perception:

Strong brand loyalty of the Company's products to its customers has enabled the Company to capture significant market share in the sector. Additionally, the Company is continuously penetrating into the market and upgrading the quality of the products to minimize the market risks.

2) Competition and globalization effects:

SDL is operating in a free market economy regime. The Company might have to face stiff competition from its competitors. Easily availability of global products in the local markets adds to the competition, challenging the profitability of the business.

Management Perception:

Bangladesh is the prime source of cheapest labor in the world, gaining comparative advantages for its industries over their global competitors. Other overhead costs are also low in Bangladesh. As a result, the Company has been able to maintain its cost of products most competitive. Moreover, over the last few years the Company has built a trustworthy relationship with its customers, which helps the Company avoid competition with others.

3) Raw Materials and Energy costs:

Instability in raw materials and energy costs may hamper the profitability of the Company significantly. A recent government decision regarding escalation of electricity prices will put a huge pressure on the product cost of the local businesses.

Management Perception:

Our management believe that efficient management of inventories, proper sourcing & timing, economic order quantity and efficient handling of credit facilities can reduce the cost of procurement. For power and electricity, SDL is totally independent, enabling itself to ensure low cost energy and uninterrupted production process.

B) Market and Technology Related Risks

1) Market risks refer to the risk of adverse market conditions affecting the sales and profitability of the Company. Such as, shortage in raw material supplies, inefficient labor supplies, fall in product demand, etc. which signifies the adverse external and internal business environment. Those types of risks may impede the success of the business.



Participation in the International Fair in Vietnam

Management Perception:

The Company operates in the back-ward linkage industry of Garments sector in Bangladesh. The product of the Company (denim fabrics) is ultimately consumed by the garment manufacturers, who finally export their finished goods to the foreign markets. Examples of SDL's ultimate consumers include such world renowned brand name as Marks & Spencer, George, Polo, Next, Tesco, Mexx, Wall-mart, JC Penny, Tommy, Gap, Lee Hang Fat, Adams, Woolworth, Gulden Pfenning, Li & Fung. It is notable that Bangladesh has recently been one of the prime denim producers in the world because of its low cost and superior quality. Therefore, aggregate demands of the Company products remain always at high.

2) Technology risks stems from the contemporary changes in the technology which make the existing technology obsolete or reduces its cost efficiency compared to that of the competitors. New entrant may come forward with a more sophisticated technology which can give a threat to the cost efficiency of the Company.

Management Perception:

The plant and machinery implanted in the Company's manufacturing plant, which are imported from world renowned brand name, are efficient and cost effective in its kind. The management of the Company is aware of any technological changes in the future.

C) Interest Rate Risks

The Company is exposed to volatility of market-wide interest rates of bank loans. Due to several macroeconomic and market driven factors, interest rates on short term and long term bank loans may fluctuate over time. Inflationary pressure, increased demand for bank loan, increased volatility in money market, restrictive monetary policy, increased Government borrowing from banking sector, etc. may compel the Company's loan giving institutions to increase their interest rates. If the interest rates are increased beyond what the Company expects, then its cash flow and profitability will be affected adversely. This would also affect its value of shares.



Approaching the Buyers in the International Fair

Management Perception:

The management of SDL always emphasizes on the management of its finance to maintain an optimum capital structure of the Company, so that the cost of capital remains minimum. The management prefers procuring the long-term fund with minimum fixed interest rate and the short-term fund with reasonable competitive rate. In addition, the management of the Company has decided to liquidate a part of its outstanding bank loan with the IPO proceeds to reduce the interest burden of the Company and to keep the Gearing Ratio at a satisfactory level.

D) Exchange Rate Risks

A business involved in overseas transactions may face a potential loss arising from fluctuation of foreign currency rates. The loss may be aggravated due to consistently downwards trends of Bangladesh Taka against other foreign currencies.

Management Perception:

SDL settles its foreign transaction through US Dollars in cases of both export and import. While the value of functional currency fluctuates, the loss or gain arising from currency fluctuation for export automatically sets off against the loss or gain arising currency fluctuation for import. As the value of export is always greater than the value of import, some balance is created in the foreign currency transaction. Furthermore, the Company is contemplating about setting a system of hedging on foreign currency transactions in the future.

E) Operational Risks

Possible failure of human resources, failure of the production systems, inefficient internal control procedures and most importantly, being a first mover in the industry may cause for the Company to make it a total unsuccessful venture.

Management Perception:

SDL has some key experts in this field who have academic and practical knowledge and also highly trained. We have also a system of on-job training facilities so that the employee can have the opportunity to reshape their skills. Most importantly, SDL has procured latest technology and world famous brand machinery for its plant to ensure smooth operation of the production process. Finally, our research team is dedicated to continuous developments of our products to satisfy the customers demand perfectly.

F) Other Risk Factors

The company may face by other risk factors i.e. a) Potential or existing government regulations b) Potential changes in global or national policies c) Political unrest d) Natural Climates and e) possible slowdown in economic growth in Bangladesh etc.

The significant risks in the Company's business were reviewed, monitored and reported and mitigating measures were evaluated by the Board and Management on a regular basis.

SDL has some key experts in this field who have academic and practical knowledge and also highly trained. We have also a system of on-job training facilities so that the employee can have the opportunity to reshape their skills. Most importantly, SDL has procured latest technology and world famous brand machinery for its plant to ensure smooth operation of the production process. Finally, our research team is dedicated to continuous developments of our products to satisfy the customers demand perfectly.

CONTRIBUTION TO THE NATIONAL EXCHEQUER AND THE ECONOMY

A Corporate House is presumed to have some inherent involvement with the people, the nation or the economy as a whole while performs business. It has some certain responsibilities towards the society, the government on ruling, stockholders directly or indirectly attached with the organization.

Those responsibly may be performed through contributing as payment tax, VAT, levy, excise duty, surcharge, savings development, creating employment, donation to the government fund, contribution in CSR, implementation of government policies, contribution to the national yearly budget etc.

We aspire to be known as an organization that builds enduring relationship with and delivers value to our customers, shareholders, employees, government and community where we do business.

As a shareholder, you would be proud to have your Company's contribution towards the Country. The Company is now all set to increase and enhance its contribution to the national economy in the years to come.

Our Priorities

- Paying fair share of taxes to the Government
- Creating employment
- Maximizing shareholders' value
- Taking environmental initiatives
- Supporting community
- Financial aid for the insolvent students
- Healthcare assistance to the underprivileged people
- Providing strong returns to the shareholders

In our way to participate in the nation building activities, our Company has made significant contribution regularly to the Government by paying every year Tax, VAT, Stamp duty etc. & still contributing to the same.

Shasha Denims Ltd. pays Tax at 15% rate and also VAT/Custom duty on its products. The Company is also responsible for deducting Tax and VAT on various payment and depositing it to the Government exchequer on time.

Employment

Through creating employment opportunity and a well trained workforce, we are trying to solve the Country's big crisis of unemployment problem slightly & make an economic bang in the nation building endeavors.

SDL employed as many as 918 employees as on June 30, 2017. During the year 2016-17, the Company paid total BDT. 311 million as salary and wages to its employees.

Tax Payment

SDL contributes to the economy by paying due corporate income tax and value added tax, as per prevailing laws and regulations. During the year 2016-2017 SDL paid income tax of BDT. 63.40 million. The Company also responsible for deduct and collect VAT/ Tax at source on payment against various supplies and dividend payment.

Payment of Dividend

We recognize our fiduciary duty to our shareholders and seek to establish constructive relationships. We are focused on maximizing long-term & sustainable shareholders' value through strong financial performance and returns.

SDL paid cash dividend to its shareholders for the year 2015-16 BDT. 281.97 million as 25% cash dividend and 6% stock dividend. Besides, the Company also paid dividend @ 20% cash dividend and 15% stock dividend for the year 2014. However the Company paid 12.50% interim cash dividend.

Market Capitalization

Shasha started its journey with a capital of BDT. 200 million in the year 1996. At the end of the year 2016-17, its total size of paid up capital is BDT. 1128 Million equivalent to market capitalization of BDT. 7331 Million.

SDL always gives its utmost priority to the valued shareholders. Over the past few years, Shasha has been paying a satisfactory dividend to its shareholders capturing the exalted position of one of the top ranking companies in the industry.

AMARSTOCK

FORWARD LOOKING STATEMENT

The Forward-Looking Statements and information included in the Annual Report are related to future, not any past events. This declaration comprises data of the Company's financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations or forecasts and therefore, subject to certain risks and uncertainties.

These statements include reports regarding our intention, belief or current expectations concerning our customer base, estimates on future growth through our different business lines and overall business, market share, financial result and other aspects of our activity and situation involving in the manufacturing company.

These statements in this document could be identified by words such as 'expects', 'looks forward to', 'anticipates', 'intends', 'plans', 'believes', 'seeks', estimates', 'will', 'project' or other relevant words of similar meaning.

Such forward-looking statements, by their nature, are not guarantees of future results or outcome as there are diversified factors, many of which are beyond control of Shasha Denims, affect the company's operations, performance, business strategy could cause the actual results, performance or achievements of the company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Some of the factors that may affect the business environment include the following but not limited to:

1. Changes in general economic and market conditions of Bangladesh as these directly impact the company's business processes.
2. Developments in the financial markets, including fluctuations in interest and exchange rates.
3. Any increase in market volatility, deterioration in the capital markets, decline in the conditions for the credit business, uncertainty related to the financial market and liquidity crisis.
4. Changes in law or in supervisory regulations and guidelines from the regulatory authority-Bangladesh Textile Mills Association (BTMA).
5. Any uncertain changes in the contract with the buyers.
6. The effect of and changes in fiscal, monetary and tax policies.
7. The effect of changes in accounting policies and practices.
8. Changes caused due to natural calamities and general political environment.
9. Changes to our credit rating.
10. Risks and uncertainties in connection with: disposing of business activities, certain strategic reorientation measures and technological changes.
11. The risk that new products or services will not be accepted by new customers or business partners.
12. Degree of competitions in the business areas in which we operate.
13. The ability to retain and recruit qualified personnel.

Finally, we caution that the aforementioned list of crucial factors that may affect future results is not final. When relying on any future oriented statement, to make any decision with respect to the export based manufacturing company, investors and other should carefully consider the previous all risk factors and other uncertainties and potential events as well.

When relying on any future oriented statement, to make any decision with respect to the export based manufacturing company, investors and other should carefully consider the previous all risk factors and other uncertainties and potential events as well.

MYPSTOCK

FUTURE PROSPECTS

The competitive price of denim has built Bangladesh a major sourcing hub of trendy denim products for the global buyers. Their amazing response shows the heights of progress the country has made in the denim sector.

Amongst the new textile items, denim fabrics and its diversified design & quality is gradually becoming the flagship product for the local exporter. The ability to supply denim fabrics at a competitive price has helped the country to gain the great global market access. The growth of denim in terms of production, export and investment marked a 30%-35% rise in the local market.

To meet up the domestic demand, the local denim factories need to import denim from China, India, Pakistan and Indonesia. It is expected that an additional denim fabric will come locally as a good number of denim manufacturing factories are supposed to start production very shortly.

Bangladesh has made strong progress over recent years, halving poverty and growing the economy by about 6 percent each year. But, like every sectors, challenges remain here too.

Including high investment cost, lack of R&D, inadequate local yarn supply as well as dependent on imported chemical; the main challenges are building confidence into the mind of global buyers ensuring political stability and making quality product with competitive price.

We hope that the shift of orders from China and rise in production cost in competitors' countries may bring a positive vibes for Bangladesh through boosting up the denim industry to grab more market share.

The global denim market will cross $65 billion in the next four to five years. It is expected that by 2020, every four of five denim products in Europe would be sourced from Bangladesh.

The Bangladesh aims at fetching $7bn by exporting denim products which would help the RMG sector to achieve $50bn export target by 2021. The denim sector in comparison to other giant sector in Asia is still evolving in Bangladesh. However due to competitive price, the denim industry over here are flourishing day by day.

To keep pace with the current customers' demand, SDL is expanding its factory which work is in progress and expected to be completed very soon. We hope the revenue of the Company will increase considerably more once the expansion work is successfully done.

We are optimistic through utilizing optimum of its current capacity; SDL will be able to maximize its revenue as well as deliver classy products to its valued customers and will make the year 2017-2018 another successful year like the previous record.

Again, we hope SDL's prudent policy of factory expansion would make its shareholders benefited all the way through delivering their highest dividends in future and ahead.



AMARSTOCK

HUMAN RESOURCES MANAGEMENT



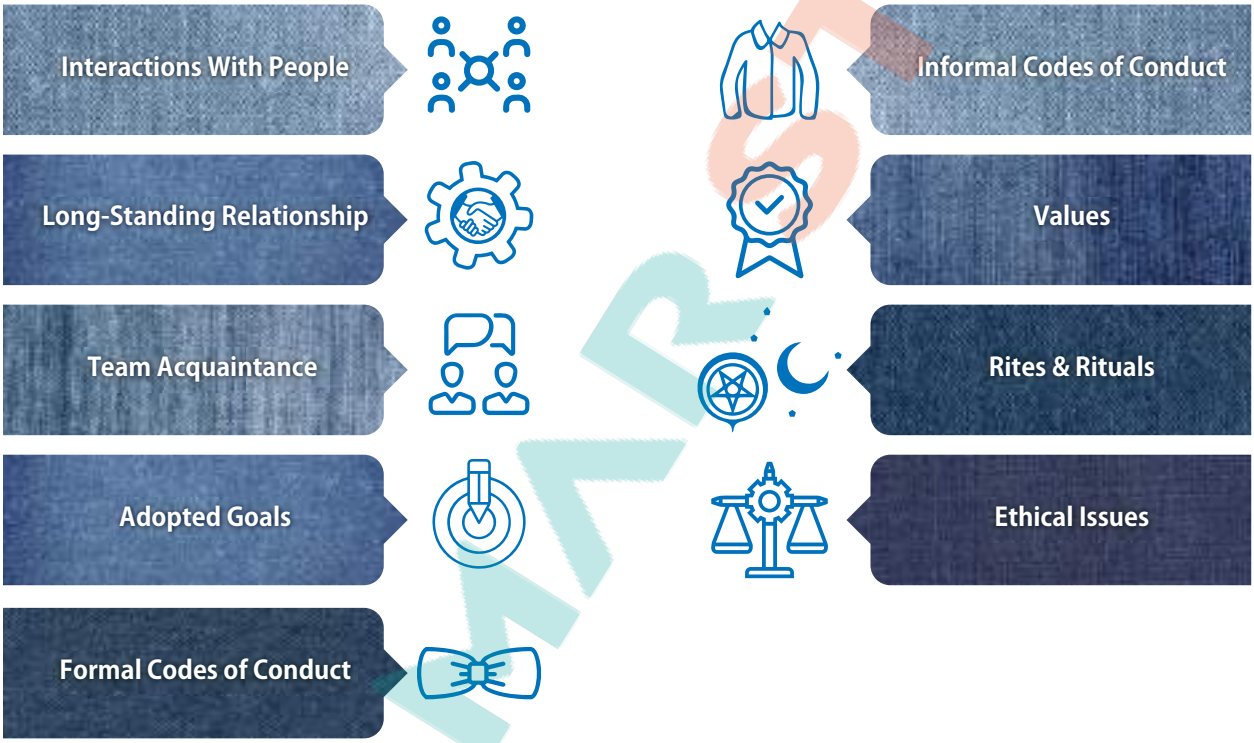
AMSTOCK

CORPORATE CULTURE

Corporate Culture, a cumulative trait of the corporate people that develop organically over time and through it, a company's employees and management interact and handle within the Company and also the outside business transactions. Corporate culture is rooted in an organization's goals, strategies, structure, and approaches to labor, customers, investors and the greater community.

We have a culture where success is celebrated, no matter how big or small it is. Our professionalism inspires us to trust each other and value the openness and honesty exist in our working relationship.

SDL brings everyone opportunities to express their hidden talent and cherishes them in exploring and harnessing that unique strength through their work. Maintaining such culture and developing it in a sustainable manner is one of our greatest responsibilities.



Interactions with People

We always try to build and maintain a harmonious relationship and network with all of our stakeholders that lead to trust. Gradually, human interactions turn into good results of balance decision-making, fruitful accord as well as evolve the culture for productive collaboration. Through ongoing collaboration as well as socialization and monitoring, the idea revolves into a viable solution to address a new market opportunity, re-engineer a core process, solve a problem or create business value.

Long-Standing Relationship

The harmonious relationship that we build with our esteemed clients not only for the time being, Shasha Denims continues and turn it into a long standing affiliation providing a broad range of finest products and services and fulfill their demands as 'Client Satisfaction' is our ultimate goal. Throughout the way gradually, they become our loyal customers.

We are confident, if our knowledge base gets proper coordination and consolidation, we would be able to holding our strength to persistently deliver such excellent products and tremendous services to our valued clienteles.

Team Acquaintance

Effective team interaction is one of the core keys for taking a business to its meaningful heights. In SDL, we always believe that the results of our united efforts

make a stronger contribution towards the overall goals, vision, mission and values of our Company.

Building effective team and establishing their clear roles and responsibilities is essential for any organization. Our business runs by an effective team endeavors comprising of its dedicated employees where trust and cooperation exist amongst the members.

They consider and respect every member's thoughts and ideas as highly valuable, share information to each other, facilitate communication, find out the creative solutions together and thus by, ensure greater productivity in the workplace.

Adopted Goals

Our goal is to widen our customer base and make them loyal through maintaining direct communication and adopting varied marketing strategy for different individuals. We are always highly responsive to our clients' affair and working relentlessly to provide them our top-notch products and services which they always deserve and demand.

Formal Codes of Conduct

An ethical code of conduct is the foundation to get succeed in a business. An organization's solid code of ethics can help the company to have competitive advantages, a positive reputation in the market place; can be enough to secure a sizable market share from its larger competitors.

To run the business keeping ourselves transparent; from the inception, we encompass some code of ethics in our business policy regulating conduct to leveraging a values-based code that inspires principled performance among employees, management and executives.

Informal Codes of Conduct

We recognize that our employees have their respective commitments away from the workplace and encourage the working pattern that keeps a balance between the family life and the career.

We also aim to attract and maintain a diverse employee base with a wide variety of individual characteristics, perspectives and experiences in every part of our business and integrate those systematically which help to building and reinforcing a common bond amongst the organizational members.

Values

To support the vision, shape it to corporate culture and have a valid reflection of the Company's principles; we emphasize the importance of corporate values and ethical responsibilities approaching the continual success of our organization.

As a responsible business entity, we demonstrate our values and principles through our diversified policies on employment, human rights, environment as well as in the manners what we uphold and expect from others.

Rites and Rituals

What's more important to long-term prosperity is the Company's culture-the inner values, rites and rituals that strongly influence its success, from top management to the bottom pool. We set up explicit guidelines for diagnosing the state of one's own corporate culture and for using the power of culture to wield significant influence on how the business gets done.

Ethical Issues

We have utilized our time and resources for formulating and maintaining an active and robust ethics program which greatly impacts our corporate culture.

Whenever we take decision, we remain very careful not to exceed our company's ethical standards. As a business organization, our success depends on the success of our people. So we make sure that we create an environment where all of our employees feel involved and able to perform their best.

REPORT ON HUMAN CAPITAL MANAGEMENT

Human Capital Management (HCM) is an approach to employee staffing that perceives people as assets (human capital) whose current value can be measured and future value could be enhanced through investment.

It is a set of practices related to people resource management. These practices are focused on the organizational need to provide specific competencies and are implemented in three categories: **Workforce Acquisition, Workforce Management and Workforce Optimization.**

Core HR is changing, moving from being about information storage to a more strategic process that syncs with business goals.

Today we find ourselves in a landscape where the job market is employee-led, and core HR functions are increasingly combining with talent management.

Attracting and retaining talent is becoming a major challenge for companies, and company leaders now want to align people and systems with overall organisational goals.

In order to secure the durability and its culture; an organization focuses on strategic talent planning and supports HCM through rating, rewarding and holding employees accountable for achieving specific business goals, creating innovation and also supporting them for continuous improvement.



Shasha Denims considers its Human Resources as Human Capital. To ensure long-term sustainability, the Company is relentlessly pursuing its vision to transform the human resources into human capital through focusing the following areas specifically and strategically.

Strategy Translation

In reality, employees at grassroots level are often unable to relate what the vision and strategy is, and therefore they cannot identify the right ways in which their efforts would contribute to the overall business strategy.

To execute the organization's goal and measurements, it needs to translate the vision and strategy and also clearly define it to every employees of the organization individually as their separate target and contribution.

Fundamentally, the process of aligning individual goals with the business strategy serves to focus every employee's attention and efforts on work as well as improves the ability to prioritize their tasks as per importance, increases clarity, team work and communication that has an identifiable influence on business success.

This ultimately ensures that human capital is optimally deployed throughout the organization.

Workforce Planning

Planned Human Resource set up can make a significant difference in organizational performance. Planning strategically and ensuring the right number of people for the right place in the right time, SDL's HR experts play key roles to have an excellent organizational performance as well as achieve its strategic goal accordingly.

Compensation Management

For any organization, 'compensation and benefit' is one of the major motivators for its employees. To attract and retain real talent in the Company, there is no alternative but attractive and competitive compensation policy. SDL always ensures the best compensation practices in the industry.

Career Planning

One of the major requirements or desires of an employee from the employer is career plan. Shasha Denims clearly defines the career plan for its employees. Here more than 60% of employees working in SDL more than five years.

Performance Management

To appraise good performers and inspire their best performances, competency based performance management system is highly required for any organization. Considering this, SDL practices Competency based Performance Management Model to recognize and reward them accordingly and thus by ensures their continuance of such performances.

Learning Management

Employees pass significant amount of time in the organization. So the development of an employee highly depends on the environment of the workplace. For this reason, SDL provides an excellent learning environment and ensures the maximum growth of its employees. Like training, on the job training, management meeting, one to one instruction, JIT, counseling etc.



REPORT ON HUMAN RESOURCES MANAGEMENT

"Unless not fully sentient with the significant role of the HR; an organization cannot attain evolution through its human capital."

Always recognizing its people as the valuable assets, SDL is ensuring long-term sustainability through persistently pursuing the vision to transform the human resources into human capital. For a continual success, a Company should attract, develop and retain its qualified skilled people.

SDL has exigent working environment where merit and performance help the individual to explore their true potential. SDL's employees get the benefit from its strong business principles, fast-moving and entrepreneurial spirit and the broad opportunity for individual and team success.

We value the contributions an employee exerts in the organization and adopt policy to reward their efforts accordingly.

Human Resource Strategy

- Attracting qualified personnel through creating a secured workplace
- Retaining competent employees by creating a motivated workspace
- Encouraging employees to express professional skills and give them the opportunity to develop and grow accordingly
- Maintaining a spirit of ambition, efficient decision making, flexibility and quick responses to changes
- Creating a strong management team
- Upholding an environment that supports a balance between work and life
- Ensuring equal opportunities with regard to employment, work facilities, assignments, training, job development and salaries
- Aligning the interests of employees with the interests of the organization

Staffing

In absence of a good staffing system, no organization can exist for a long duration or reach its final destination. In every organization, all the resources like money, material, machineries etc. are controlled and utilized properly by its man power. Hence it is excessively important that all the personnel in an organization should be appointed at the job according to their ability, talent, aptitude and expertise which can only be possible through a good staffing system.

A good staffing system ensures an organization maximum and efficient utilization of its resources, reduces cost of production by appointing the right persons at the right places, ensures receiving best from the employees through creating their job satisfaction and helps maintaining co-ordination amongst the employees.

SDL comprises a group of enterprising men and women who are distinguished by their initiative, diligence, imagination & ambition. The Company's work is driven by a sense of teamwork and solidarity that exceeds Company's hierarchy. The people of SDL belongs a culture of integrity and leadership that leads towards creativity and innovation. They form a community in which people's potential and talents are cultivated to reach to the organization's objective and also ensures them a safe and secured life. High quality employees are trained and fostered with the goal to become the tomorrow's leaders.

SDL consistently seeks to recruit who can strengthen this diversity, but still support its corporate culture. Likewise, as the Company has grown and extended its operations, the increased number of applications from highly qualified people indicates interest towards the Company for its ideology and distinct position in the industry.

Shasha Denims places a special emphasis on ensuring that new positions are filled by the most proficient candidates; in terms of their education, experience and capacity.

SDL recruitment strategy is based on attracting highly skilled and experienced candidates through employee networks, selective head hunting and advertisement. Human Resource Department assists the Management Committee to recruit diverse talent for the organization.

Company's Contribution towards the Staff Applying the Best HR Practices

We carry out one of the best HR practices in our organization which leads creating opportunity and attractiveness for the new hires and also the retention of competent personnel upholding their wholehearted effort and loyalty towards the organization. The parameters of our best HR practices are as follows:

Congenial Working Environment

At SDL, we believe that sustainable success can be reached only through our people. No other asset in the company is as important as the people that contribute their endeavors to our culture as well as our business results. Therefore, we engage all the necessary energy and attention to protect our staff, employees, customers and any other people involved in the company and make a congenial working environment for all of them accordingly.

Safe and Healthy Organization

From the concept of 'Safety is Non-Negotiable', Shasha Denims provides the greatest Health and Safety Policy to its people based on SDL's Corporate Business Principles and the Management and Leadership Principles which are mandatory for the whole SDL Group.

We integrate Safety and Health in the management of our business in such a way that exceeds or meets the requirements of the health and safety in which all activities are considered with a perspective of prevention of all types of accidents and protection of the people at work.

For ensuring maximum safety; the factory staffs are always dressed up properly wearing necessary aprons, mask, helmet, shoes which is mandatory while working in the factory inside.

We commit to work through seeking out systematic identification of hazards and to manage them with appropriate risk assessments and subsequent actions to minimize danger. We establish emergency and contingency plans to deal with residual risks. This approach also minimizes threats to the business, protecting our shareholders' interests.

Equal Employment Opportunity

SDL creates equal opportunity for all of its employees and doesn't allow any discrimination against any person on the basis of race, religion, color, gender, age, or citizenship in recruiting, hiring, placement, promotion or any other condition of employment.

Employee Development

A strategic skills-improvement plan is a key factor to ensure Company's success in a rapidly changing world. We make sure each employee's development opportunities and willingness to keep pace with these changes maintaining a competitive working environment and management approaches that prioritizes these factors.

Recognition of Achievements

We acknowledge the achievements of employees in terms of monetary and non-monetary values. In recognition to the performances, we give letter of appreciation as well as consequently promote the deserving candidates.

Personal and Professional Life Balancing

We maintain the exact time schedule so that the employees could enjoy the opportunity to staying happily with their family members after the office hour. As a result, a balance between their personal life and professional life is maintained peacefully.

We never discourage people to take leave when it is required. Also we arrange some social events where the family members are invited and gathered.

Job Satisfaction

Encouraged by the organization, SDL's people are always engaged in synergetic teamwork and their every effort is made to facilitate communication and the flow of information. So a complete job satisfaction exists in the mind of its people. Employee initiative and responsibility are promoted through challenging assignments where rewards are determined by results.

Employee Retention

SDL believes that the loyal and dedicated employees are the main source of its success and achievements. To keep up a long lasting harmonious relationship with its dedicated employees, the Management of SDL

maintains the following strategies: Career Progression Opportunity, Provident Fund, Gratuity, Health Insurance, Festival Bonus, Incentive Bonus, Production Bonus, Pick up and Drop Off Transportation Facility for bringing them employees to workplace etc.

Employee Turnover

Employee Turnover rate at SDL is very minimum compared to other companies. There are a good number of employees who are continuing with the Company from the very starting of its journey.

The real challenge is to keep unwanted turnovers (resignation) at a lowest level and we may state that we could meet this challenge with success.

Incentive and Rewards

As per the recognition of the contributions towards the Company, the employees who perform greatly in organizational goal achievement are always rewarded differently through financial, non-financial benefits, incentives etc.

Employee Welfare Activities

To reward our employees' excellent performances and motivate them for better more, we promote their good deeds through the following adequate number of our welfare facilities and measures:

Provident Fund

The SDL's employees enjoy the contributory provident fund facility at 10% of basic equivalent to their (employees') contribution.

Gratuity

As per the rule of BEPZA, every staff of SDL is cherished with the gratuity benefit and enjoys a tension free happy life.

Production Bonus

All the employees of SDL have the facility of enjoying production bonus every month depends on the production of its premium quality elite items.

Dormitory Facility

The Company also provides dormitory facility for its factory workers and also some head office staff and ensures them a secured life.

Transportation Facility

The top executives of Shasha Denims get the pleasure from having full time car facility provided by the Company. To give the best comfort, transportation service is also allotted for the other employees of SDL through the Company's own vehicle during office hour as picking up and dropping off from home to office and office to home.

Hospitalization and Medical Check-Up Benefit

SDL affords hospitalization benefit for all its employees. Amount is spent to share the cost of hospitalization of employees and also medical check-up benefit for his/her dependent family members.

Maternity Benefit

At SDL, female employees and the spouses of male employees are entitled to get this privilege.

Health Insurance

The Company offers health insurance facility for its entire staff and has an arrangement with most of the renowned hospitals in Dhaka for their free medical check-up once in every year.

Annual Picnic

To get rid of daily monotonous life, SDL organizes annual picnic for all of its employees.





Employees' Participation and Joyous Moments of Annual Picnic

REPORT ON GOING CONCERN

Day to day, businesses are becoming competitive as well as challenging. Every company requires assessing its ability to continue as a Going Concern.

Going concern is a fundamental accounting concept that underlies the preparation of financial statements of companies. It's an assumption that a Company will continue in operation and that there is neither the intent nor the need to either liquidate it or to cease trading.

It implies for a business the basic declaration of intention to keep running its activities at least for the next year which leads the Company to prepare financial statements.

The purpose of this going concern statement is to bring together the requirements of Company law, accounting standards and listing rules on going concern.

The Board of Directors of Shasha Denims Ltd. has made an evaluation if there exists any material uncertainty that may cast significant doubt upon the company's ability to continue as going concern.

The Directors' assessment of whether the Company is a going concern entity involves making appropriate inquiries including review of budget and future outcome of inherent risks involved in the business.

Considering the following major indicators, SDL's Board members have reached the conclusion that the financial statement for the year ended June' 2017 is prepared based on the going concern assumption.

FINANCIAL INDICATIONS

Positive Net Current Assets

SDL has positive net current assets of BDT. 1,251 million as on 30 June 2017. It signifies Company's ability to meet its short-term obligations using the short-term assets.

Fixed Term Debt with Realistic Renewal or Repayment

At the close of financial year 2016-2017, total borrowing as short term loan from other banks and financial institutions was about BDT. 2,702 million. Based on our past experience, it can be said that there is every possibility that a major part of the debt would be renewed further or can be repaid from our existing cash flow.

Less Reliance on Short Term Borrowing/Current Liabilities

At the end of the financial year 2016-2017, total short term borrowing/current liabilities of the company were BDT. 2,998 million, representing only 98% of total Liabilities that indicates the company has least reliance on short term borrowings.

Continuous Financial Support by Lenders/Valued Investors

The Company carries a very good track record and reputation in the settlement of its obligation with the lenders, investors, and clients. So, we enjoy easy and fair access to the funding sources to meet our increasing need for growth.

Positive Key Financial Ratios

The Company's financial ratios indicate its sound financial strength and good prospects which is evident from the financial synopsis given in this Annual Report.

Consistent Payment of Dividends

The Company has been paying dividend consistently to its shareholders over many years. Financial highlights are incorporated in this Annual Report shows company's stability and long-term vision in dividend payment records.

Credibility in Payment of Obligations

SDL has strong credibility in terms of payment of its obligation to the lenders/investors. The Company is very particular in fulfilling the terms of loan agreements without any exception and has never defaulted.

Performance Growth

SDL has maintained sustainable business in its operational performance. Company's total investment in capital machineries was BDT. 202.36 million in 2015-2016. Total operating revenue was BDT.4,333 million and total profit after tax is BDT.459.37 million. All those indicators support Company's continuance in foreseeable periods.

OPERATING INDICATIONS

No Key Management Turnover

During the year 2016-2017, the Company has not experienced any event of turnover in key management position. Employees have long-term communication

and loyalty to the Company. Average length of services of a management level of employees at Shasha Denims Ltd. is 10 (approx) years.

World Class Product

Now, SDL has become a trusted source for the buyers over the years for continuous product development and coping up with the current craze through its premium quality World Class Products. Its exclusive design and specification made SDL unique to the international buyers.

Good Business Expansion

With continuance of such operational excellence, Shasha Denims is going to build a new manufacturing unit in DEPZ extension area with top of the line latest technology that saves 60% water and 40% chemicals.

The machineries' installation work is mostly done. The rest of the installation and operational works are projected to be completed shortly. These represent company's intention for perpetuity.

Good Market Reputation and Clients' Satisfaction

The Company has been building up step by step good market reputation and clients' satisfaction through introducing a varied specifications, compositions, color and finest quality of denims and also delivering it to its valued clients in a professional and expert manner as well as fulfilling their fashion craving and as such able to hold an exalted position in the list of top 5 in denim manufacturing industry of Bangladesh.

Corporate Environment and Employee Satisfaction

There exists a very good corporate environment in SDL. It's an excellent workstation having a friendly environment that leads the employees to maintain an easy and comfortable communication amongst all. Thus, all levels of employees stay at Shasha Denims keeping themselves fully satisfied.

The Company endeavors to be honest and practices fair treatment to all employees which ensures good corporate environment. The Company pays a very competitive compensation package that includes a good number of employee benefits like provident fund, gratuity, employees welfare fund, incentive bonus, production bonus, transport facility to the entitled employees, health insurance, group insurance etc.

Pay scales are frequently revised to give effect of inflation as well as align with the industry level that escorts to clutch the employees' satisfaction.

OTHER INDICATIONS

Maintenance of Sufficient Capital base as required by law

As on 30 June, 2017, the Company's total equity fund stands at BDT. 4,045 million as against BDT. 3,896 million as on 30 June, 2016. On the other hand, as on the date of the reporting, the paid up capital of the company is 1128 million. The Board has recommended 6% stock dividend for the year 2016-17.

The above stated situation also indicates to its ability and intention to continue for the foreseeable future and long term vision.

Satisfactory Credit Rating

Shasha Denims Ltd. has been rated as A1 long term credit rating and ST-3 Short term credit rating by Credit Rating Agency of Bangladesh (CRAB) based on audited financials statement, Bank liability position and other available information up to the date of rating declaration.

Changes in Government Policy

Management anticipates no significant change in legislation or government policy, which may materially affect the business of the company. Based on the above indication, directors feel it appropriate to adopt going concern assumption and there is no material uncertainty in preparing the financial statements. Adequate disclosures have been made in the financial statements and different sections of the annual report to understand the appropriateness of going concern basis in preparing financial statements.

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SUSTAINABILITY AND RESPONSIBILITIES



CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Leaving social concerns behind, we cannot expect to step forward to build a prospective country. As the days progress, Corporate Social Responsibilities (CSR) are becoming an elemental part to attain long term sustainability and business growth for a large number of companies around the world. CSR is the dedication whereby companies contribute towards a better society through its business activities and social investments.

For growing up with the sustainable and socially equitable development, we focus and prioritize three major components- People, Planet and Profit.

From the belief that success is measured by more than financial results, to integrate social responsibility into SDL core business decisions, we always try to come up with special initiatives of CSR at every strides of our business process.

It is also considered by customer satisfaction and employee engagement, strong governance practices and support from communities where we serve.

CSR is rooted in our values and informs how we conduct business, develop products and services and deliver according to our goals & commitments.

We carry out with some socially responsible initiatives prioritizing three main areas: Customers, Employees and Social Development.

Being a responsible business entity, to ensure maximum comfort as well as security to the lives of common people; from its inception, Shasha Denims has been trying to enrich economic and social indicators of the society through supporting and developing the following sectors: Education, Poverty Alleviation, Standard of Living, Healthcare, Environment etc.

We envision CSR strategy that reveals SDL intent for Caring, Supporting and Returning to society where we anchored our business more than two decades ago-this is how we define CSR and search and support interventions encompassing this scope.

Customers

As an export based denim manufacturer, we tend to provide customers a wide range of quality products maintaining a momentum with the current market craze so that they could fulfill their fashion crave. To meet up the demand of time, we have undertaken several initiatives including factory expansion and significant up gradation of products.

In line with producing and delivering the finest products for its brand customers, SDL is also manufacturing special items for the high end segment and thus fostering to develop a healthy diversified denim market.

Employees

SDL strongly believes that the efficient management and skilled workers are its greatest assets and recognizes them as the Building Blocks of the Company.

The Company takes the responsibilities to its workforce taking care of the personnel's' welfare and ensuring proper safety and security at the work place.

We encourage and motivate our workers through delivering them various financial and non-financial benefits i.e.; pick up and drop off service during office hour by company's own vehicles, the Company provides dormitory facilities for the staff. All levels of employees from head office also enjoy lunch facility at office time offered by the office.

Besides, we continue investing in our people for enhancing and upgrading their skills sets through conducting research and development and on-the-job training programs.

The Company creates equal opportunity for all of its employees and doesn't allow any discrimination against any person on the basis of race, religion, color, gender, age, or citizenship in recruiting, hiring, placement, promotion or any other condition of employment.

Social Development

Believing in sustainable development for all, Shasha Denims is committed and concerned to make generous contributions for a broad range of socio-economic causes through CSR; specially Education, Health, Environment, Arts and Culture, Different Community Development Projects etc. Project and policies are initiated on long term basis accompanied with sustainability and advancement.

Financial Aid for Student

From a strong faith that education is must for an enlightened society, SDL always focuses on all types of education; general, vocational and technical education, encourages students in achieving special diploma/degree to glorify the society and as such provides need based financial support to meritorious students of different sectors of the society.

The Company believes that educational support and vocational training to the students will help human development through employment creation, job placement, take entrepreneurship, poverty alleviation etc.

At present, 200 students are receiving monthly scholarships from Shasha Foundation, a welfare trust of Shasha Denims Ltd. SDL also provides scholarships and stipends to ICAB Women Students, Acid Survivor Students, UCEP-Bangladesh, Ghasful KG Educare School, Chittagong inclusive of SDL's staff and workers' children.

Through receiving financial aid from the Foundation, 17 students have already completed their education and become doctors, executives in different organizations and also self contingent.

The Company has its plan to increase the volume of the fund in the near future for ensuring a bright and ornamented future to the financially challenged brilliant students of our Country.

Healthcare Assistance

For having continuous commitment to society, SDL is intensely concerned about Health and Healthcare related affairs specially for the nation's underprivileged people to build up a healthy nation.

As such, SDL has been contributing in health care support through providing financial assistance to the needy people. The Company also extends its kind hand for critical medical treatment of its staff, workers and other patients who are financially in poor condition. Besides, SDL sponsors eye camps through Ghasful.

Fostering Art and Culture

Art and Culture is an artistic trend to demonstrate the intellectual essence of a country. From that believe, SDL always support young and promising talents and any kind of efforts to explore the Country's rich cultural heritage.

In continuation of our endeavor, we patronize Paglapir Shangeet Bidyaloy, Rangpur where disadvantaged children are enjoying opportunity to learn music mostly Bhawaiya, Baul and folk songs in parallel their regular education.

We wish to build an art enriched Bangladesh for our next generation.

Sports' Indulgent and Inspiring Expedition

Last year, the Company sponsored a team under the leadership of Ms. Nishat Mozumder for expedition of the Mount Elbrous, highest pick of Europe.



Inspiring in mountain expedition through sponsoring the voyage

The whole voyage was amazingly victorious and the team successfully conquered the top pick of Europe.

Socio-Economic Development

Besides focusing on those mentioned sectors, SDL provides its financial assistance to various social causes and also contributes them in different ways through the welfare trust 'Shasha Foundation'.

SDL is also concerned even for its deceased employees' family and has taken responsibility towards their orphans for completing their education by providing financial aid through the Shasha Foundation.

We will also try to engage our employees in diverse community and voluntary works. On the whole, SDL will contribute to sustainable development of the Company through its continual and active CSR initiatives.

ENVIRONMENTAL AND SOCIAL OBLIGATIONS

Today, our planet is running out of steam because it doesn't have any longer its own natural means to compensate men's ecological print.

Every business keeps an impact on the environment. To keep free the environment from any awful effect, there are some legal obligations that need to be followed. The requirements are relatively simple for any businesses even for a workplace.

It helps minimizing the likelihood of any environmental problems, costs of unnecessary waste and damage of the business, strengthens the Company image and helps us to win business from our competitors.

Many businesses have realized that acting in a socially and environmentally responsible way is more than just a legal duty. Going beyond environmental and social compliance can bring business benefits. It affects the bottom line and ensures a long-term success of any business.

Environmental protection legislation is consistently being reviewed locally and internationally. To cope up with the reviewed legislation, we always maintain the following environmental obligations:

- We minimize in using energy and water within our premises and processes in order to conserve supplies and reduce the consumption of natural resources.
- To keep away from causing any environmental hazard, the factory uses water treatment plant to purify the wastage water and stays vigilant about any type of green pollution.
- We always purchase preferable products, and services for all our daily operational needs that do the least damage to the environment.
- We conserve natural resources by adopting pollution prevention practices.
- In order to extend the life of equipments, we take some initiative through preventive maintenance scheduling, purchasing and reworking used equipments etc.
- We regularly inhibit including prevention and repair of leaks, checking for leakages and keeping records of the most sensitive equipments.
- We regulate work includes the disposal, maintenance, servicing and dismantling of refrigerators, freezers, air-conditioning equipment and heat pumps and the decommissioning of fire protection equipment and extinguishers.

Environmental compliance is now a fact of life for business and training of risk management is a good way to learn everything about environmental compliance. As such, SDL organizes several Training and certification program on Risk Management.

Exceeding environmental obligations not only means avoid the penalties for breaches but it also brings opportunities to make substantial savings. Shasha Denims understands one such saving through reusing, recycling and reprocessing materials that would otherwise be discarded as waste.

As we cherish the fact that we have always been transparent regarding our business practices, the Company does not generally come to be perceived as being environmentally unsound.

However, towards strengthening our brand as being a responsible corporate, we have ensured that our headquarters, factory and other subsidiary companies are operated keeping all the environmental guidelines in mind.

Moving forward, we are determined and will continue upholding the highest environmental and social standards to build the company leader in the industry.

ENVIRONMENT RELATED INITIATIVES

Modern World is changing frequently. With the passage of time, we are becoming more dependent on technology which has both positive and negative impacts to our life.

Though every day we are coming up with new technologies for the benefit of mankind; but sometimes, we, the human beings, do some inhuman activities which cause a great harm to our ecological systems, atmosphere even our health.

Realizing the importance of a living friendly planet, SDL is continuously making its efforts to harmonize the green preservation and pollution control through some possible corporate activities.

As a responsible business entity, in order to support the economy and contribute to the betterment of the society as a whole, we are committed to create green endeavors for green business operations through the followings:

- SDL integrates and considers the environmental concerns and its impacts during the time of decision making and executing the activities.
- We provide environment-friendly office equipments, information and solutions which are supported by our clients as well as our employees to preserve the eco-system.
- We strictly comply with environment-related laws and regulations.
- We are determined to fulfill our social responsibilities through minimizing usage of energy and water within our own premises and also in the factories in order to conserve of resources and the reduction of waste & cost as well.
- We place high priority on thoroughly educating our staff on a routine basis about our environmental principles to ensure that they conform to these principles in the performance of their work.
- We usually purchase computers, monitors, printers, fax machines, copiers and other office equipments keeping in mind that those are functional, cost effective & eco friendly.
- SDL encourages its employees using laptop computers instead of standard desktop computers in order to consume 90% less energy.
- The employees of the Company are very careful to turn off computers, monitors, printers, copiers and lights and also main switch off at the end of daily works and that is strictly maintained.
- We usually prefer using email instead of sending memos and faxing documents for reducing time and papers as well.
- To reduce the usage of papers, we print both sides of a paper and also re-use the fresh side of a rough paper for drafting or taking internal print out and it always saves a handsome amount of money.
- LCD monitors are used here for lesser power consumption.
- We are trying to set up a paperless office.
- All the cars of the Company even the pool's cars for transportation are CNG converted to reduce air pollution and cost as well.
- All the air coolers are being operated on auto temperature basis which helps limited running of compressor unit and subsequently saving electricity.
- Energy savings bulbs are always used in the office premises in everywhere. We have our plan to use LED lights all over the places of our head office, factory and subsidiary companies for the least consumption of power.
- We usually do and will try to maintain in selecting and purchasing preferable products, supplies and services for all of our daily operational needs that do the slightest harm to the environment.

INTEGRATED REPORTING

An integrated report is a concise communication about how an organization's strategy, governance, performance and prospects lead to the creation of value in the short, medium and long term in the context of its external environment. It enhances the way of an organization's thinking, planning and reporting the story of its business.

Integrated Reporting Can Be a Game Changer. Many organizations are finding that a fundamental change in reporting requires much more than a focus on the end report. It requires a deeper understanding of all the building blocks of the business value creation process.

For the first time ever, we have presented our 2017 Annual Report as an 'Integrated Report', using the IR Framework issued by the International Integrated Reporting Council. The cycle of integrated reporting will act as a force for financial stability and sustainability by focusing on value creation over time.

It helps businesses to think holistically about the ultimate plans and strategy as well as manage key risks to build investors and stakeholders' confidence and accordingly improve future performance to drive a global evolution in corporate reporting.

An integrated report aims to provide insight about the resources and relationships used & affected by an organization.

Scope of the Report

Our report highlights fiscal year financial performance in accordance with the Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) issued by the Institute of Chartered Accountants of Bangladesh (ICAB).

In preparing our 2017 report, we have referred to the 'Annual Report Review Checklist' issued by both Institute of Chartered Accountants of Bangladesh (ICAB) and South Asian Federation of Accountants (SAFA) and the 'Integrated Reporting Checklist' which is in line with the integrated reporting elements issued by the International Integrated Reporting Council (IIRC).

The financial statements and other disclosures for the year of 2016-17 are in accordance with the requirements of

- Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs);
- Companies Act 1994;
- Securities and Exchange Rules 1987;
- The Income Tax Ordinance 1984;
- The Income Tax Rules 1984;
- And other applicable laws & regulations of the Country.

The non-financial information provided in our 2017 report has been published from internally maintained records.

Our corporate governance practices report has been drawn in reference from the revised Corporate Governance Guidelines (CGG) issued by Bangladesh Securities and Exchange Commission (BSEC).

External Assurance

Shasha Denims obtains external assurance from the following two firms during the period under consideration, the outcomes of which are duly published in this report:

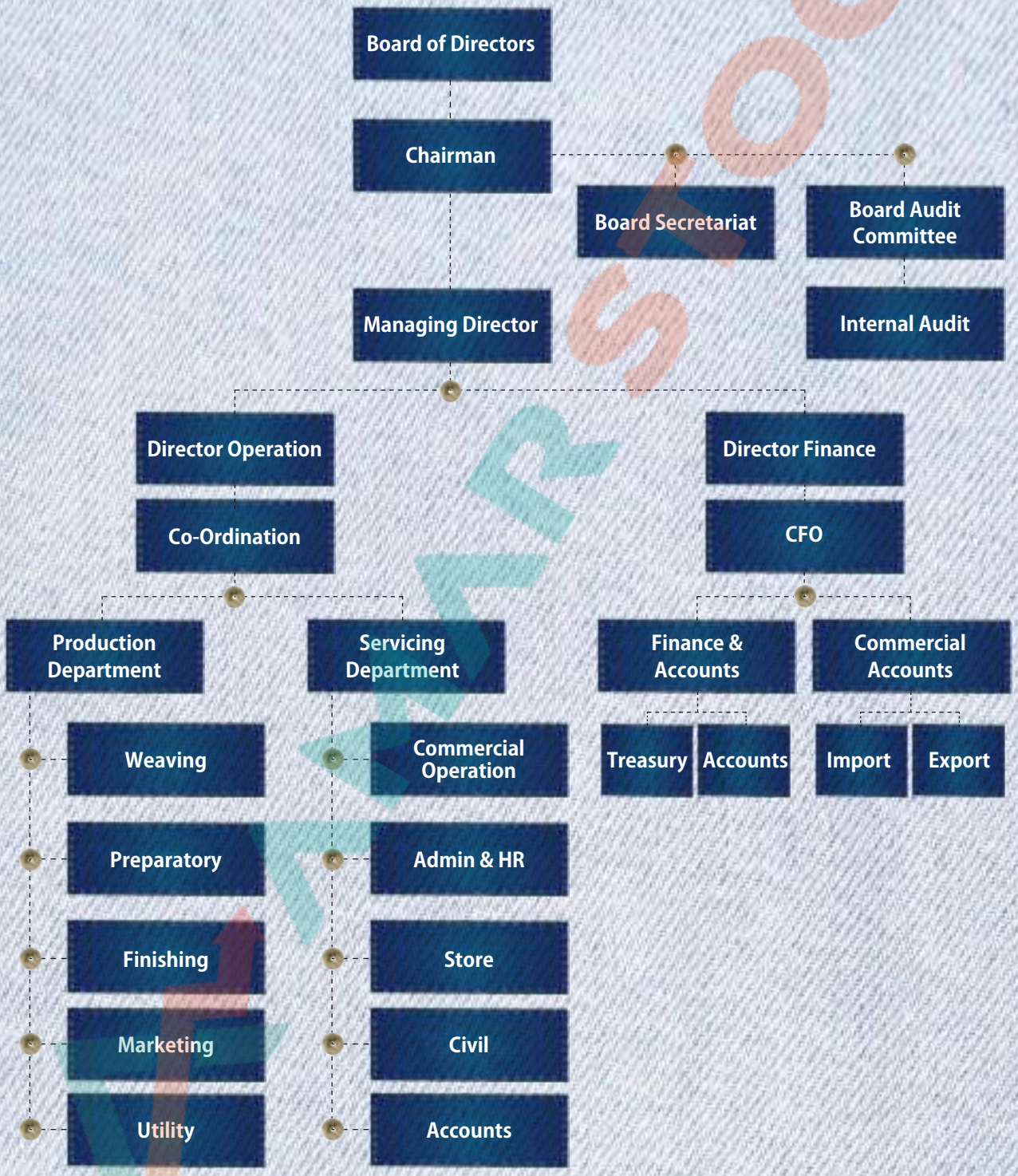
Sl. No.	Description of Report	External Assurance
1.	Financial Statements Audit Report	Ahmed Zaker & Co.
2.	Corporate Governance	Mazumdar Sikder and Associates
3.	Credit Rating Report	Credit Rating Agency of Bangladesh

Availability of the Annual Report

The printed hard copy of the Annual Report is distributed to all the shareholders, prior to holding the Annual General Meeting, giving required period of notice. For extended use of the report by our stakeholders, soft copy of the report is available in our website.

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CORPORATE ORGANOGRAM



REPORT ON CORPORATE GOVERNANCE GUIDELINE

The Board of Directors of Shasha Denims Ltd. has adopted these Corporate Governance Guidelines to assist the Board in the exercise of its responsibilities. These Guidelines reflect the Board's commitment to observe corporate governance processes that best serve the interests of the Company and its stockholders. The Board formulates the vision, objectives and strategic goals of the Company. The dynamism, guidance and stewardship of the Board drives the company towards sustainable growth. The management 's role is to execute those directives in a professional, proactive and, at the same time, ethical manner.

Board of Directors

The Board of Shasha Denims Ltd. consists of 7 (seven) directors including Managing Director and Managing Director is playing the role of ex-officeo directors as per Articles of Association of the Company. The Board ensures that the company achieves superior financial results and stewards its leadership position in the industry. The Board Members include persons of high caliber, with academic and professional qualification in the field of business and profession. The dynamism, foresightedness and wisdom of Board Directors deliver the appropriate policies, strategies and guideline to the run the company smoothly to achieve the Company goal. The Board discharges its responsibility and duty properly with view to achieve Company's objective.

The Board reviews the financial result, production, quality, export, import, market, product and gives appropriate direction as per changing economic and market environment. The Board reviews the policies and manuals of the various segments of business in order to establish effective management systems.

BOARD SIZE AND COMPOSITION OF THE BOARD

The Board of Shasha is comprised of 7 (seven) directors including the Chairman and Managing Director. The Chairman of the Company elected by the Board of Directors in the Board Meeting. Amongst the total directors Mr. Aftabur Rahman Jafree and Nishat N. Hamid are the representative directors of Shasha Garments Limited and Mr. N K A Mobin FCA, FCS, CFC and Mr. Syed Mayeenul Huq are the independent directors of the Company. Other three Directors are sponsor directors of the Company. All of the Board Directors of the Company are highly educated in finance & accounts, laws and other educational background and they have optimum level of knowledge, composure and technical outstanding.

APPOINTMENT OF INDEPENDENT DIRECTOR

As per Bangladesh Securities and Exchange Commission notification dated August 7, 2012, the Board of Directors of Shasha Denims Ltd. appointed two Independent Directors in the Company. Mr. N K Mobin FCA, FCS, CFC was appointed as Independent Director in its Board Meeting held on 5 May, 2016 which was confirmed and approved by the Shareholders in the 19th Annual General Meeting held on 17 August, 2016. Mr. Syed Mayeenul Huq was appointed as Independent directors on 8 November, 2014. Subsequently the appointment of Mr. Syed Mayeenul Huq was confirmed in the 18th Annual General Meeting by the Shareholders.

Mr. N K A Mobin FCA, FCS, CFC is one of the sponsor Directors of the Emerging Credit Rating Ltd. (ECRL). Currently he is the Managing Director and Chief Executive Officer of the company. Professionally a chartered Accountant and the fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB) since 1992 and completed his Article ship from KPMG-Rahman Rahman Huq. Chartered Accountants during 1982-1986. He is also the fellow member of the Institute of Chartered Secretaries of Bangladesh (ICSB) and a member of the Institute of Financial Consultants (IFC) of USA. He did complete his BBA and MBA in Finance from University of Dhaka during 1977-1982.

Mr. Syed Mayeenul Huq is an advocate of Supreme court of Bangladesh. He obtained M.A in Economics from University of karachi in Pakistan and B.A (Hon's) in Economics from University of Dhaka. Mr. Syed Mayeenul Huq doest hold any shares more than one percent shares of the total paid-up shares of the company.

Mr. N K A Mobin and Mr. Syed Mayeenul Huq does not have any other relationship with Company and other directors of the company. They doesn't have any other connection with other parties as prohibited in the BSEC notifications.

TERM OF BOARD MEETING

As per the provisions of the Companies Act, 1994 and Articles of Association, one-third of the Board members who are subject to retire by rotation, retire every year and approval of shareholders is sought for the re-appointment of such retiring members, if eligible. Approval of shareholders was sought for appointment of Independent Directors. As per Corporate Governance Guidelines, term of the Independent Director is for three years and upon completion of the term they are eligible for re-appointment by the shareholders for another one term for three years.

MEETING OF THE BOARD

The Company plans and prepares the schedule of the Board and Board Committee meeting in advance to assist the Directors in scheduling their program. The schedule of meeting and agenda for meeting is finalized in consultation with the Chairman of the Company. The agenda of the meeting is pre-circulated with detailed notes and supporting documents.

As per laws, the Board of Directors must meet at least four times a year. The Company held a minimum of one Board meeting in each quarter as required under the Companies Act. 1994. During the year under review the Board met times on the following dates:

i) 17 July, 2016, 23 October, 2016, 24 January, 2017 26 April, 2017.

ATTENDENCE OF DIRECTORS

All Directors pays the best effort to attend the Board Meeting on time. The directors who cannot attend the meeting are granted leave of absence by the Board since they have applied for leave of absence. Information regarding attendance of the directors in the meeting is attached as a separate report with the annual report. The list of the Board members and their attendance in the meeting is stated below:

Sl #	Name of the Director	Status	Meeting held	Attended
1	Parveen Mahmud	Chairman	four	four
2	Shams Mahmud	Managing Director	four	three
3	N K A Mobin	Independent Director	four	Four
4	Zareen Mahmud	Director	four	Four
5	Aftabur Rahman Jafree	Director (Nominated by Shasha Garments)	four	Four
6	Syed Mayeenul Huq	Independent Director	four	Four
7	Nishat N. Hamid	Director (Nominated by Shasha Garments)	Four	three

INFORMATION GIVEN TO THE BOARD

As part of the regulatory requirement the Company provides the following information to the Board. Such information is submitted either as part of the agenda papers in advance of the meeting or by way of presentations and discussion materials during the meeting. Few of the agenda are presented below:

- Business activities and performance evaluation
- Quarterly, half yearly and annual results of the Company
- Minutes of the meeting of Audit Committee and Subsidiary Company
- Information regarding capital expenditure
- Policy regarding managing core risks and others.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Board of Directors of Shasha Denims Ltd. formulates strategies and policies for the Company to run the business efficiently and effectively. The Board of Directors always monitor and oversee the policies and procedures whether it is properly implemented or not. The affairs of the company are in full control of the Board and the Board makes the affairs accountable and transparent to the shareholders and others. The Board members perform the following the major tasks:



Addressing the major policy, regulatory and strategic issues and providing proper guidelines



Ensuring that the senior Management Team has the requisite skills and experiences to perform their functions effectively for maximizing shareholders value.

Monitoring the financial performance, production, quality, sales, market etc.



Monitoring the adequacy, appropriateness and operations of internal control.





Evaluating and approving capital expenditure and performance of the company



Monitoring significant business risks and reviewing how they are managed.

Evaluating the monthly/ quarterly/yearly performance and approving the financial Audit Report



Periodic and timely reporting to the sharsholders about the affairs and performance of the Company.



REMUNERATION OF DIRECTORS

Remuneration, performance and other related perquisites/benefits of Directors are paid monthly which is reviewed and approved by the Chairman considering company's business growth. During the period remuneration paid to the Directors are disclosed in the financial statement. Non Executive Board of Directors are now getting BDT.10,000/- for attending per meeting.

DELEGATION OF AUTHORITY

The Board of Directors designated and specified some delegation to the Managing Director as well as the most senior officials of factory management and head office management. The Management may exercise any kind of activities with consultation with Managing Director to perform its day to day smoothly . In addition, the Board has delegated certain responsibilities to the management on some matters within defined parameters. These include development and recommendation of strategic plans for consideration by the Board reflecting the long term objectives and priorities established by the Board.

MATERIAL CONTRACT

Since the end of the previous financial year, no material contracts involving the interest of any directors or

controlling shareholder of the Company has been entered into by the Company or subsidiary company. There is no such contract between the Company and any of Directors regarding any future compensation to be made to them.

ROLE OF THE CHAIRMAN AND MANAGING DIRECTOR

Chairman of the Board and Managing Director of the Company are different persons. The responsibility of the Chairman and the Managing Director are separate.

Role of the Chairman

The Chairman is elected by the Board. The Chairman is responsible for the overall leadership and efficient functioning of the Board of Directors. She is responsible for organizing business of the Board, ensuring its effectiveness and setting its agenda to the best interest of the stakeholders. The Chairman is not involved in the day-to-day business of the Company.

Role of the Managing Director

Subject to the control and supervision of the Board of Directors, the business and affairs of the Company are managed by the Managing Director. The Managing Director is responsible for overall activities of the business. He also responsible to implement, manage and administer corporate business strategy, ensure adherence to policies and procedures, applicable regulations and laws, and monitoring exceptions and serious deviations, manage the overall human resources and skills/competencies pool to ensure the effective and efficient running of the company, represent the company with customers, suppliers, governments, financial institutions, the media, the community and the public. He has controled the company on a day-to-day basis and is accountable to the Board for its financial and operational performance.

APPOINTMENT AND REMUNERATION OF MANAGING DIRECTOR

The Board of Directors of Shasha Denims Ltd. in its Board Meeting held on 1 July, 2012 appointed Mr. Shams Mahmud as the Managing Director of the Company which is duly expired. The board of director in its board meeting held on 10 October, 2017 recommended for re-appointment for the next five years. The proposal for re-appointment will be placed in the upcoming AGM for shareholders approval. Remuneration of the Managing Director is fixed BDT. 2.5 lac per month.

MANAGEMENT TEAM

The management team is the Executive Committee of Shasha headed by the Managing Director. The management team is responsible for managing and running the affairs of the Company. Any requirement and decision relating to the company decided in the Executive Meeting. The Committee is consisted of the following executives.

Mr. Shams Mahmud
Managing Director

Mr. Jamal Abdun Naser
Executive Director (Operation)

Md. Ahasanul Haque
Executive Director (Finance)

Mr. Sarwar Hossain
CFO

Lt. Col. Md. Quaderuzzaman
General Manager

The Management team works to achieve the strategic goals & mission of the company set by the Board of Directors. The Management team meets on randomly to monitor the business performance of the company.

APPOINTMENT OF CFO, COMPANY SECRETARY AND HEAD OF INTERNAL AUDIT

The Board of Directors of Shasha Denims Ltd. appointed CFO, Company Secretary and Head of Internal Audit and defined their job responsibilities. According to their job description they perform their activities properly. CFO and Company secretary also attend in the Board Meeting regularly.

DIVIDEND POLICY

The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.

The Board of Directors has established a dividend policy which forms the basis for the proposals on dividend payment that it makes to the shareholders taking into consideration the business performance of the Company and its strategic objectives.

SUBSIDIARY COMPANY

Shasha Denims Ltd. belongs three subsidiary companies and according to the corporate governance guidelines, activities are also followed in the subsidiary companies relating to :-

- Composition of the Board of Directors of Shasha Denims Ltd. should be composed including the requirement to appoint independent director
- Independent Director of Shasha Denims Ltd. are also appointed in the Subsidiary company.
- Minutes of Subsidiary Company are also place in the Board meeting of Shasha Denims Ltd. for review.
- Review the Financial Statements of Subsidiary company in the Audit Committee Meeting of Shasha Denims Ltd.

COMMUNICATION WITH SHAREHOLDERS

The Company assumed that regular communication between the Company and Shareholders is one the important issue. The company has adopted a detailed policy on information disclosure and communication. In compliance with continuous disclosure requirements, The Company's policy is that shareholders will be informed in a routine manner of all major developments that impact the business of the company and also be able to make them informed.

Shasha Denims Ltd. provides Information to the Shareholders as per requirement of BSEC circular. The following information is provided to the shareholders to comply with rules.

- Financial Performance on quarterly basis
- Price Sensitive information regarding Adoption of audited financial statements, declaration of dividend, AGM related activities etc.
- Price Sensitive information regarding when any event occur.

Way of Information

All financial results and key performance indicators as well as other relevant financial and non-financial data are sent immediately to Stock Exchanges for their kind information and disseminate to the shareholders through their website. This information is also posted to our website side by side also publish news in two widely published newspaper.

Besides, the company send Annual report to the all shareholder through courier services.

Shasha believes in transparency and accountability to the society as a whole through establishment of an efficient and effective Corporate Governance regime. It has been attempted in this report to present the governance practices and principles being followed at Shasha Denims Ltd., as evolved over the years, and as best suited to the needs of the Company's business and stakeholders.



AJES STOCK

MAZUMDAR SIKDER AND ASSOCIATES

Cost & Management Accountants

Certificate on Compliance of Conditions of Corporate Governance Guidelines to the Shareholders of Shasha Denims Limited

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

Such compliance to the codes of Corporate Governance is the responsibility of the company. Our examination was limited to the procedures and implementation thereof as adopted by the management in ensuring compliance to the conditions of Corporate Governance.

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

Place -Dhaka.
Date- October 18, 2017

Mazumdar Sikder and Associates
Cost & Management Accountants

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

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SHASHA CG REPORT **2016-2017**

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

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
1.	**Board of Directors:**			
1.1	Board's Size: The number of the board members shall not be less than 5(Five) and more than 20 (Twenty)	√		
1.2	**Independent Directors:**			
1.2(i)	One fifth(1/5) of the total number of directors	√		
1.2(ii) a)	Does not hold any share or holds less than 1% shares of the total paid-up shares.	√		
1.2(ii) b	Not connected with any Sponsor/ Director/ Shareholder who hold 1% or more shares of the total paid -up shares on the basis of family relationship	√		
1.2.(ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	√		
1.2(ii) (d)	Not a member, director or officer of any stock exchange.	√		
1.2 (ii) e)	Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market.	√		
1.2(ii) f)	Not a partner or an executive or was not a partner or an executive during the preceding 3(three) years Of any statutory audit firm.	√		
1.2(ii) g)	Not be an independent director in more than 3 (three) listed companies.	√		
1.2(ii) h)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBFI.	√		
1.2(ii) i)	Not been convicted for a criminal offence involving moral turpitude.	√		
1.2(iii)	Nominated by the board of directors and approved by the shareholders in the AGM.	√		
1.2(iv)	Not remain vacant for more than 90 (ninety) days.	√		
1.2(v)	Board shall lay down a code of conduct of all Board members and annual compliance of the code to be Recorded.	√		
1.2(vi)	Tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	√		
1.3	**Qualification of Independent Director (ID):**			
1.3(i)	Knowledge of Independent Directors.	√		
1.3(ii)	Background of Independent Directors.	√		
1.3(iii)	Special cases for qualifications.			N/A

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Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
1.4	**Individual Chairman of the Board and CEO.**	√		
1.5	**The Directors' Report to Shareholders:**			
1.5(i)	Industry outlook and possible future developments in the industry.	√		
1.5(ii)	Segment-wise or product-wise performance.	√		The company operates in a single product segment- denim fabrics.
1.5(iii)	Risks and concerns.	√		
1.5(iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√		
1.5(v)	Discussion on continuity of any Extra-ordinary gain or loss.	√		
1.5(vi)	Basis for related party transactions.	√		
1.5(vii)	Utilization of proceeds from public issues, rights issues and/or through any others.	√		
1.5(viii)	Explanation of the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, and Direct Listing.			N/A
1.5(ix)	Explanation about significant variance occurs between Quarterly Financial performance and Annual Financial Statements.	√		
1.5(x)	Remuneration to directors including independent directors.	√		
1.5(xi)	Fairness of Financial Statement.	√		
1.5(xii)	Maintenance of proper books of accounts.	√		
1.5(xiii)	Adoption of appropriate accounting policies and estimates.	√		
1.5(xiv)	Followed IAS, BAS, IFRS and BFRS in preparation of financial statements.	√		
1.5(xv)	Soundness of internal control system.	√		
1.5(xvi)	Ability to continue as a going concern.	√		
1.5(xvii)	Significant deviations from the last year's.			N/A
1.5(xviii)	Key operating and financial data of at least preceding 5 (five) year.	√		
1.5(xix)	Reasons for not declared dividend.			N/A
1.5(xx)	Number of board meetings held during the year and attendance.	√		
1.5(xxi)	**Pattern of shareholding:**			
1.5(xxi)a)	Parent/Subsidiary/Associated Companies and other related parties.	√		
1.5(xxi)b)	Directors, CEO, CS, CFO, HIA and their spouses and minor children.	√		
1.5(xxi)c)	Executives.	√		
1.5(xxi)d)	10% or more voting interest.	√		
1.5(xxii)	**Appointment/re-appointment of director:**			
1.5(xxii)a)	Resume of the director	√		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
1.5(xxii)b)	Expertise in specific functional areas.	√		
1.5(xxii)c)	Holding of directorship and membership of committees of the board other than this company.	√		
2.	**CFO,Head of Internal Audit (HIA) and CS:**			
2.1	Appointment of CFO, HIA and CS and defining their responsibilities.	√		
2.2	Attendance of CFO and CS at the meeting of the Board of Directors.	√		
3.	**Audit Committee:**			
3(i)	Constitution of Audit Committee	√		
3(ii)	Assistance of the Audit Committee to Board of Directors.	√		
3(iii)	Responsibility of the Audit Committee.	√		
3.1	**Constitution of the Audit Committee:**			
3.1(i)	At least 3 (three) members.	√		
3.1(ii)	Appointment of members of the Audit Committee.	√		
3.1(iii)	Qualification of Audit Committee members.	√		
3.1(iv)	Term of service of Audit Committee members.	√		
3.1(v)	Secretary of the Audit Committee.	√		
3.1(vi)	Quorum of the Audit Committee.	√		
3.2	**Chairman of the Audit committee:**			
3.2(i)	Board of Director shall select the Chairman.	√		
3.2(ii)	Chairman of the audit committee shall remain present in the AGM.	√		
3.3	**Role of Audit Committee:**			
3.3(i)	Oversee the financial reporting process.	√		
3.3(ii)	Monitor choice of accounting policies and principles.	√		
3.3(iii)	Monitor Internal Control Risk management process.	√		
3.3(iv)	Oversee hiring and performance of external auditors.	√		
3.3(v)	Review the annual financial statements before submission to the board for approval.	√		
3.3(vi)	Review the quarterly and half yearly financial statements before submission to the board for approval.	√		
3.3(vii)	Review the adequacy of internal audit function.	√		
3.3(vii)	Review statement of significant related party transactions.	√		
3.3(ix)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors.	√		
3.3(x)	Disclosure about the uses/applications of funds raised by IPO/RPO/Right issue.	√		
3.4	**Reporting of the Audit Committee:**			
3.4.1	Reporting to the Board of Directors.			
3.4.1(i)	Activities of Audit Committee.	√		
3.4.1(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any			

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
3.4.1(ii)a	Conflicts of interests.			N/A
3.4.1(ii)b	Material defect in the internal control system.			N/A
3.4.1(ii)c	Infringement of laws, rules and regulations.			N/A
3.4.1(ii)d	Any other matter.			N/A
3.4.2	Reporting to the Authorities.			N/A
3.5	Reporting to the Shareholders and General Investors.	√		
4	**Engagement of External/Statutory Auditors:**			
4(i)	Non-engagement in appraisal or valuation services or Fairness opinions.	√		
4(ii)	Non-engagement in designing and implementing of Financial Information Systems.	√		
4(iii)	Non engagement in Book-keeping or accounting	√		
4(iv)	Non-engagement in Broker-Dealer services.	√		
4(v)	Non-engagement in Actuarial services	√		
4(vi)	Non engagement in Internal Audit services.	√		
4(vii)	Non-engagement in services that the audit committee determines	√		
4(viii)	Possessing no share by any partner or employee of the external audit firm during the tenure of their audit assignment of that company	√		
4(ix)	Audit/certification services on compliance of corporate governance	√		
5	**Subsidiary Company:**			
5(i)	Composition of the Board of Directors.	√		
5(ii)	At least 1 (one) independent director to the subsidiary company.	√		
5(iii)	Submission of Minutes to the holding company.	√		
5(iv)	Review of Minutes by the holding company.	√		
5(v)	Review of Financial Statement by the holding company.	√		
6	**Duties of Chief Executive Officer and Chief Financial Officer:**			
6(i)a)	Reviewed the materially untrue of the financial statement.	√		
6(i)b)	Reviewed about compliance of the accounting standard.	√		
6(ii)	Reviewed about fraudulent, illegal or violation of the company's code of conduct.	√		
7	**Reporting and Compliance of Corporate Governance:**			
7(i)	Obtain certificate about compliance of conditions of Corporate Governance Guidelines.	√		
7(ii)	Annexure attached in the directors' report.	√		

Shams Mahmud
Managing Director

EVALUATION OF QUARTERLY FINANCIAL STATEMENTS

In compliance with the BSEC directives Shasha Denims Ltd. prepared quarterly financial statements as per BAS-34 and submitted the same to Dhaka Stock Exchange, Chittagong Stock Exchange and BSEC regularly. Quarterly Financial Statements are reviewed and approved by Audit Committee and Board of Directors respectively. After reviewing the Financial Statements the Board of Directors of the Company declared 12.50% interim cash dividend for the year 2016-2017 on the basis of half yearly performance ended on 31 December, 2016. All price sensitive information and quarterly financial statements were published in at least two daily news paper and also available in our web site.

Consolidated financial performance for the year 2016-2017 of the Company was consistent all over the year. Significant deviations were not happened during the year. Comparative consolidated quarterly financial performance is stated below:

Amount in million

Balance Sheet	2016-2017			2015-2016		
	31-Mar-17	31-Dec-16	30-Sep-16	31-Mar-16	31-Dec-15	30-Sep-15
Non-Current Assets	4,661	4,946	4,904	4,379	3,977	3,823
Current Assets	5,448	5,047	4,785	4,934	5,230	5,235
Total Assets	10,108	9,993	9,689	9,312	9,208	9,058
Capital & Reserve	5,176	5,187	5,014	4,905	4,777	4,692
Non-Current Liabilities	994	1,011	1,041	1,067	1,119	1,094
Current Liabilities	3,739	3,596	3,436	3,142	3,113	3,075
Income Statement						
Revenue	1,568	1,623	1,305	1,465	1,445	1,151
Less: Cost of Goods Sold	1,292	1,284	1,053	1,176	1,123	929
Gross Profit	276	338	251	289	321	222
Less: Administrative & Selling Exp.	49	42	49	75	36	24
Operating Profit	226	296	202	213	285	198
Add: Financial Income	4	9	14	22	23	28
Less: Financial Expenses	85	104	73	84	115	87
Profit before Non-Operating Income	145	201	142	152	193	138
Add: Non-operation income/(loss)	3	-	5	-	-	1
Profit before Income Tax	148	201	147	152	193	139
Less: Income Tax						
Current Tax	18	29	23	23	27	20
Deferred Tax	-	-	-	-	-	-
Net Profit after Tax	131	173	124	129	166	119
Earnings Per Share	1.16	1.53	1.10	1.14	1.50	1.08

COMPLIANCE REPORT ON BAS AND BFRS

SL. No	BAS Title	BAS Effective Date	Remarks
BAS-01	Presentation of Financial Statements	Adopted on or after 1st January 2007	Applied
BAS-02	Inventories	Adopted on or after 1st January 2007	Applied
BAS-07	Statement Of Cash Flows	Adopted on or after 1st January 1999	Applied
BAS-08	Accounting Policies, Changes in Accounting Estimates and Errors	Adopted on or after 1st January 2007	Applied
BAS-10	Events after the Reporting period	Adopted on or after 1st January 2007	Applied
BAS-11	Construction Contracts	Adopted on or after 1st January 1999	N/A
BAS-12	Income Taxes	Adopted on or after 1st January 1999	Applied
BAS-16	Property, Plant &Equipment	Adopted on or after 1st January 2007	Applied
BAS-17	Leases	Adopted on or after 1st January 2007	Applied
BAS-18	Revenue	Adopted on or after 1st January 2007	Applied
BAS-19	Employee Benefits	Adopted on or after 1st January 2004	Applied
BAS-20	20Accounting of Government Grants and Disclosure of Government Assistance	Adopted on or after 1st January 1999	N/A
BAS-21	The Effects of Changes in Foreign Exchange Rates	Adopted on or after 1st January 2007	Applied
BAS-23	Borrowing Costs	Adopted on or after 1st January 2010	Applied
BAS-24	Related Party Disclosures	Adopted on or after 1st January 2007	Applied
BAS-26	Accounting and Reporting by Retirement Benefit Plans	Adopted on or after 1st January 2007	N/A
BAS-27	Separate Financial Statements	Adopted on or after 1st January 2010	Applied
BAS-28	Investments in Associates	Adopted on or after 1st January 2007	Applied
IAS-29	Financial Reporting in Hyperinflationary Economics	Adopted on or after 1st January 2013	N/A
BAS-32	Financial Instruments: Presentation	Adopted on or after 1st January 2010	Applied
BAS-33	Earnings per Share	Adopted on or after 1st January 2007	Applied
BAS-34	Interim Financial Reporting	Adopted on or after 1st January 1999	Applied
BAS-36	Impairment of Assets	Adopted on or after 1st January 2005	Applied
BAS-37	Provisions, Contingent Liabilities and Contingent Assets	Adopted on or after 1st January 2007	Applied
BAS-38	Intangible Assets	Adopted on or after 1st January 2005	Applied
BAS-39	Financial Instruments: Recognition and Measurement	Adopted on or after 1st January 2010	Applied
BAS-40	Investment Property	Adopted on or after 1st January 2007	N/A
BAS-41	Agriculture		N/A

Sl. No	BFRS Title	Adoption Status of ICAB	Remarks
BFRS 1	First-Time adoption of international Financial Reporting Standards	**Adopted as BFRS 1,** Effective on or after 1 January 2009	N/A
BFRS 2	Share –based Payment	**Adopted as BFRS 2,** Effective on or after 1 January 2007	N/A
BFRS 3	Business Combinations	**Adopted as BFRS 3,** Effective on or after 1 January 2010	Applied
BFRS 4	Insurance Contracts	**Adopted as BFRS 4,** Effective on or after 1 January 2010	N/A
BFRS 5	Noncurrent Assets Held for Sale and Discontinued Operations	**Adopted as BFRS 5,** Effective on or after 1 January 2007	N/A
BFRS 6	Expiration for and Evaluation of Mineral Resources	**Adopted as BFRS 6,** Effective on or after 1 January 2007	N/A
BFRS 7	Financial Instruments: Disclosures	**Adopted as BFRS 7,** Effective on or after 1 January 2010	Applied
BFRS 8	Operating Segments	**Adopted as BFRS 8,** Effective on or after 1 January 2010	N/A
BFRS 9	Financial Instruments	**Adopted as BFRS 9,** Effective on or after 1 January 2013	Applied
BFRS 10	Consolidated Financial Statements	**Adopted as BFRS 10,** Effective on or after 1 January 2013	Applied
BFRS 11	Joint Arrangements	**Adopted as BFRS 11,** Effective on or after 1 January 2013	N/A
BFRS 12	Disclosure of Interests in other Entities	**Adopted as BFRS 12,** Effective on or after 1 January 2013	Applied
BFRS 13	Fair value Measurement	**Adopted as BFRS 13,** Effective on or after 1 January 2013	Applied

REPORT OF THE AUDIT COMMITTEE

The Audit Committee is formed with members having relevant experience in finance and accounting to oversee the audit of Company's financial reports as well as adequacy of company's internal control. The Audit Committee comprises of members of the Board.

The Committee is empowered, among other things, to examine any matter relating to the financial affairs of the Company and to review all audit and inspection programs, internal control systems and procedures, accounting policies and adherence to compliance requirements. This would ensure that a sound financial reporting system is in place, which is well managed providing accurate, appropriate and timely information to the Board of Directors and stakeholders.

The Head of Internal Audit and Compliance has direct access to the Committee. The Committee is directly reportable to the Board.

COMPOSITION OF AUDIT COMMITTEE

As per requirement of BSEC circular, The Board of Directors of Shasha Denims Ltd. formed an Audit Committee headed by Company's Independent Director Mr. N K A Mobin FCA, FCS, CFC. The Committee is composed of 4 (four) members of the Board. The members of the Audit Committee is as under:

Sl #	Name	Position	Qualification
1	N K A Mobin	Chairman	FCA, FCS, CFC
2	Syed Mayeenul Huq	Member	BA (Hon's), MA (Economics) and LLB
3	Zareen Mahmud	Member	CPA, FCA
4	Aftabur Rahman Jafree	Member	MA

RESPONSIBILITY OF AUDIT COMMITTEE

INTERNAL CONTROL

The Board of Directors is primarily responsible for ensuring that a proper and effective control system is in place to run the operations of the Company. It is meant to ensure smooth functioning of the company alongwith compliance of all internal and external rules and regulations.

An effective internal control also ensures that measures taken to minimize operational risks and detect errors in various operational areas to ensure timely rectification. Although a full scale control system is not possible to establish, but it helps the Management to keep effective control over operations and minimize deviations as far as possible.

The Audit Committee among others is also responsible for:

- Assisting the Board in its oversight of i) the integrity and reporting of the Company's quarterly, half yearly and annual financial statements, ii) the qualifications, independence and performance of the Company's internal and external auditors.
- Assisting the Board with respect to internal control, accounting policies, auditing and financial reporting practices.
- Overseeing the performance of the Company's internal audit function, independent audits and regulatory inspections.
- Overseeing the Company's compliance with the rules of good corporate governance.

INTERNAL CONTROL AND COMPLIANCE

The Company has a separate department for internal control and compliance. The department operate independently and has given responsibilities by the Audit Committee. The major responsibility of audit department is under:

- to ensure that the Company operates within the principle, policies, framework and procedures formulated by the Audit Committee.
- to ensure the regulatory compliance in its day to day activities.
- to provide the Board and Management with detail information regarding business activities of the company.

MEETING AND ATTENDENCE

During the year 2016-2017, under review the Audit Committee of Shasha Denims Ltd. met 4 (four) times on the following dates.

i) 27 July, 2016

ii) 23 October, 2016

iii) 24 January, 2017

iv) 26 April, 2017

Name	Position	Attended During the Year	Percentage
Mr. N K A Mobin	Chairman	Four	100%
Mr. Syed Mayeenul Huq	Member	Four	100%
Ms. Zareen Mahmud	Member	Four	100%
Mr. Aftabur Rahman Jafree	Member	Four	100%

FUNCTIONS AND ACTIVITIES

During the year, principal activities were as follows:

Control Issues

- Reviewed Internal Control and risk management system
- Considered the effectiveness of the Company's Internal Controls over financial reporting

FINANCIAL RESULTS

- Reviewed reports from the Chief Financial Officer on the Quarterly and annual financial statements, including other financial statements and disclosures prior to their publication.
- Reviewed the Annual Report, these reviews incorporated the accounting policies and key judgments and estimates underpinning the financial statements as disclosed in Notes to the Accounts.

INTERNAL AUDIT MATTERS

- Received reports from the internal auditors
- Monitored the performance of the internal audit function
- Reviewed appropriate systems and controls are in place for effectiveness of internal audit function
- Monitored Independence of Audit Work

GOVERNANCE AND COMPLIANCE

- Reviewed compliance with existing laws and regulations.
- Reviewed financial of subsidiary

EXTERNAL AUDIT MATTERS

- Reviewed the effectiveness and independence of the Statutory auditors
- Recommend appointment, remuneration of the statutory auditor
- Reviewed the annual audit activities and audit report.

ACKNOWLEDGEMENT

The members of the Audit Committee express their gratitude and thanks to the Board of Directors, Management and Auditors for their cooperation while performing its duties and responsibilities.

N K A Mobin FCA, FCS, CFC
Chiarman- Audit Committee



FMSTOCK

MD & CFO'S DECLARATION

The Board of Directors
Shasha Denims Limited
House No #23, Road No #129
Gulshan-01, Dhaka-1212

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

Dear Sir,

In Compliance with the corporate governance guidelines of the Bangladesh Securities & Exchange Commission, we the undersigned do hereby certify to the board of Directors that:

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

A) These statements do not contain any materially untrue statements or omit any material facts or contain statement that might be misleading.

b) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standers and applicable laws.

ii) There are to the best of knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or violation of the company's code conduct.

Sincerely Yours,

Shams Mahmud
Managing Director

Md. Sarwar Hossain FCA
Chief Financial Officer

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INFORMATION RELATING TO THE CAPITAL OF THE COMPANY

Shasha Denims Ltd. is a strong Capital Base Company. The Company started its business with paid up BDT. 20 million now its existing paid up capital stood at BDT.1127.88 million. Authorized Capital of the Company is BDT. 2250 million dividend into 200 million ordinary shares and 25 million redeemable preference shares at BDT.10 each. The Company raised paid up capital by BDT. 500 million through IPO. The Company is listed with DSE and CSE. The market capitalization of the Company is BDT.11,971 million as on 30 June, 2017. The market price of share of Shasha Denims Ltd. was BDT.68.10 as on 30 June, 2017. Sector and range wise shareholding of Shasha Denims Ltd. as on 30 June, 2017 are as follows:

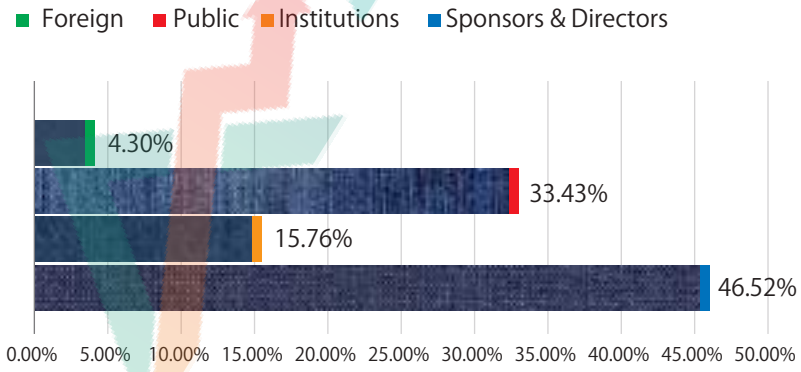
The Paid up Capital of Shasha Denims Ltd.

		Amount (BDT.)	Percentage
Sponsor & Directors	:	524,652,900/-	46.52%
Institutions	:	17,771,344/-	15.76%
Foreign	:	4,849,463/-	4.30%
Others	:	37,701,533/-	33.43%
		1,127,876,300/-	**100%**

The Range of Shareholdings

Shareholding Range	No. of Shareholders	No. of Shares	Percentage
Up to 500 Shares	7227	1,270,836	1.13%
501 to 5000 shares	1151	2,474,283	2.19%
5001 to 10,000 Shares	308	2,356,127	2.09%
10001 to 20000 shares	214	3,162,992	2.80%
20001 to 30,000 shares	102	2,513,691	2.23%
30001 to 40000 shares	55	1,909,452	1.69%
40001 to 50000 shares	48	2,189,366	1.94%
50001 to 1,00,000 shares	88	6,196,000	5.49%
100001 to 1000000 shares	66	17,622,758	15.62%
1000001 and above shares	12	73,092,125	64.81%
Total	**9,271**	**112,787,630**	**100%**

Sector Wise percentage Shareholding



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CREDIT RATING

Shasha Denims Limited has been rated as AA3 (pronounced as Double A Three) long term credit rating and ST-2 Short term credit rating by Credit Rating Agency of Bangladesh (CRAB) based on audited financials statement up to 30th June, 2017, un audited financial statements up to 31 March, 2017 and Bank liability position as on 13 June, 2017 and other available information up to the date of rating declaration. The date of rating was on 21 June, 2017. The outlook on the rating is Stable.

LONG TERM RATING	SHORT TERM RATING	OUTLOOK	DATE OF VALIDITY
AA3	ST2	Stable	30 June, 2018

CRAB considered financial performance, revenue, export, receivable, payable, capital base, asset quality, liquidity position, management experience and prospect of the industry while assigning the rating reflects the strengths of the company which is long operating history, moderate to high revenue growth, robust order book and track record of good repayment despite moderate to high leverage.



INTEGRATED REPORTING CHECKLIST

Sl. No.	Particulars	Content Reference	Page No.
1	**Elements of an Integrated Report**		
1.1	**Organizational Overview & External Environment**		
	An integrated report should disclose the main activities of the organization and the environment of which it operates	Note 1	127
	An integrated report should identify the organization's mission and vision, and provides essential context by identifying matters such as the organization's:		
	culture, ethics and values		
	ownership & operating structure including size of the organization, location of its operations	Corporate Profile	7
	principal activities & markets	Note 1	127
	Key quantitative information:	Directors' Report	33-46
	The number of employees, revenue and number of countries in which the organization operates highlighting, in particular, significant changes from prior periods		
	Significant factors affecting the external environment and the organization's response:		
	The legitimate needs and interests of key stakeholders		
	Macro and micro economic conditions, such as economic stability, globalization and industry trends		
	Market forces, such as the relative strengths & weaknesses of competitors & customers' demand		
	The speed & effect of technological change		
	Societal issues, such as population and demographic changes, human rights, health, poverty, collective values and educational systems		
	Environmental changes, such as climate change, the loss of ecosystems, and resource shortages as planetary limits are approached		
	The legislative & regulatory environment in which the organization operates		
	The political environment in countries where the organization operates and other countries that may affect the ability of the organization to implement its strategy		

ANNUAL STOCK

Sl. No.	Particulars	Content Reference	Page No.
1.2	**Governance**		
	An integrated report should show how does the organization's governance structure support its ability to create value in the short, medium & long term.	Report on Corporate Governance	72-76
	An integrated report needs to provide an insight about how such matters as the following are linked to its ability to create value:		
	The organization's leadership structure, including the skills & diversity	Report on CG & Corporate Organogram	72-76 & 71
	Specific processes used to make strategic decisions and to establish & monitor the culture of the organization, including its attitude to risk & mechanisms for addressing integrity & ethical issues	Risk Management and Human Resource	49-51 & 56-62
	Particular actions those charged with governance have taken to influence and monitor the strategic direction of the organization and its approach to risk management		
	Whether the organization is implementing governance practices that exceed legal requirements/ Key Policies		
	The responsibility those charged with governance take for promoting & enabling innovation		
	How remuneration and incentives are linked to value creation in the short, medium & long term, including how they are linked to the organization's use of and effects on the capitals.		
1.3	**Performance**		
	An integrated report needs to explain the extent to which the organization has achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals.	Chairman's Review and MD's Round Up	22-25 & 26-29
	An integrated report should contain qualitative and quantitative information about performance:	Directors' Report	33-46
	Quantitative indicators with respect to targets and risks and opportunities, explaining their significance, their implications, and the methods and assumptions used in compiling them		
	The state of key stakeholder relationships and how the organization has responded to key stakeholders' legitimate needs & interests		
	The linkages between past & current performance, and between current performance and the organization's outlook.		
	KPI's that combine financial measures with other components or narrative that explains the financial implications of significant effects on other capitals and other causal relationships may be used to demonstrate the connectivity of financial performance with performance regarding other capitals. In some cases, this may also include monetizing certain effects on the capitals.		
	Include instances where regulations have a significant effect on performance (e.g., a constraint on revenues as a result of regulatory rate setting) or the organization's non-compliance with laws or regulations may significantly affect its operations.		

Sl. No.	Particulars	Content Reference	Page No.
1.4	**Risks & Opportunities**		
	An integrated report should explain what are the specific risks and opportunities that affect the organization's ability to create value over the short, medium & long term, and how is the organization dealing with them.	Risk Management & Business Continuity	49-51
	This can include identifying:		
	The specific source of risks and opportunities which can be internal, external or commonly a mix of the two		
	The organization's assessment of the likelihood that the risk or opportunity will come to fruition and the magnitude of its effect if it does.		
	The specific steps being taken to mitigate or manage key risks or to create value from key opportunities, including the identification of the associated strategic objectives, strategies, policies, targets and KPIs.		
1.5	**Strategy & Resource Allocation**		
	An integrated report should describe its strategic direction (Where does the organization want to go and how does it intend to get there).	Vision & Mission	10
	An integrated report needs to identify:		
	The organization's short, medium and long term strategic objectives		
	The strategies it has in place or intends to implement, to achieve those strategic objectives		
	The resource allocation plans it has to implement its strategy		
	How it will measure achievements and target outcomes for the short, medium and long term.		
1.6	**Outlook**		
	An integrated report should explain what challenges and uncertainties is the organization likely to encounter in pursuing its strategy and what are the potential implications for its business model and future performance	Chairman's Review, MD's Round Up	22-25 & 26-29
	The discussion of the potential implications including implications for future financial performance which may include:	Risk Management & Business Continuity and MD's Round Up	49-51 & 26-29
	The external environment and risks & opportunities with an analysis of how these could affect the achievement of strategic objectives		
	The availability, quality and afford quality of capitals the organization uses or affects including how key relationships are managed and why they are important to the organization's ability to create value over time.		
	An integrated report may also provide lead indicators, KPIs or objectives, relevant information from recognized external sources and sensitivity analysis. If forecasts or projections are included in reporting the organization's outlook, a summary of related assumptions is useful. Comparisons of actual performance to previously identified targets further enables evaluation of the current outlook.	Ratio Analysis, Integrated Reporting	30-32
	Disclosures about an organization's outlook in an integrated report should consider the legal or regulatory requirements to which the organization is subject.	Integrated Reporting	70

Sl. No.	Particulars	Content Reference	Page No.
1.7	**Basis of preparation & presentation**		
	How does the organization determine what matters to include in the integrated report and how are such matters quantified or evaluated?	Integrated Reporting	70
	An integrated report describes its basis of preparation and presentation, including:		
	A summary of the organization's materiality determination process:		
	Brief description of the process used to identify relevant matters, evaluate their importance and narrow them down to material matters		
	Identification of the role of those charged with governance and key personnel in the identification and prioritization of material matters.		
	A description of the reporting boundary and how it has been determined		
	A summary of the significant frameworks and methods used to quantify or evaluate material matters		
2	**Responsibility for an integrated report**		
	An integrated report should include a statement from those charged with governance that includes:	Integrated Reporting	70
	An acknowledgement of their responsibility to ensure the integrity of the integrated report		
	An acknowledgement that they have applied their collective mind to the preparation & presentation of the integrated report		
	Their opinion or conclusion about whether the integrated report is presented in accordance with the Framework		
3	**Other Qualitative Characteristics of an Integrated Report**		
3.1	**Consistency & Comparability**		
	The information in an integrated report should be presented:		
	Comparison of information over time in the form of ratio	Ratio Analysis	30-32
3.3	**Materiality**		
	An integrated report should disclose information about matters that substantively affect the organization's ability to create value over the short, medium and long term.	Directors' Report	33-46
3.4	**Assurance of the Report**		
	The policy and practice relating to seeking assurance on the report,	Integrated Reporting	70
	The nature and scope of assurance provided for this particular report		
	Any qualifications arising from the assurance, and the nature of the relationship between the organization and the assurance providers	Not Applicable	

ANP STOCK


AUDITORS' REPORT AND
FINANCIAL STATEMENTS

Auditors' Report

To the Shareholders of Shasha Denims Limited

We have audited the accompanying financial statements of Shasha Denims Limited which comprises the Consolidated Statements of Financial Position as at June 30, 2017 along with Consolidated Statement of Profit and Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), Companies Act. 1994, the Securities & Exchange Rules 1987 and other applicable rules and regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, In making those risk assessments, the auditor considers internal control relevant to 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 consolidated 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 consolidated financial statements give a true and fair view of the consolidated financial position of Shasha Denims Limited as of June 30, 2017 and of its consolidated financial performance and cash flows for the financial year ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act. 1994, the Securities & Exchange Rules 1987 and other applicable rules and regulations.

Other matter

The individual financial statements of Energis Power Corporation Limited, Shasha Garments Limited and Shasha Textiles Limited are audited and authorized by Mahfel Haque & Co; Chartered Accountants for the year ended on June 30, 2017 who have expressed unmodified opinion on these financial statements.

Report on other legal and regulatory requirements

We also report that:

a. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b. In our opinion proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;

c. The company's Consolidated statement of Financial Position, Consolidated Statement of Profit & Loss and other comprehensive income and consolidated Statement of Cash Flows dealt with by the report are in agreement with the books of accounts;

d. The expenditure incurred were for the purpose of the Company's business.

Place: Dhaka;
Dated: October 15, 2017

Ahmed Zaker & Co.
Chartered Accountants

Shasha Denims Limited

Consolidated Statement of Financial Position

as at June 30, 2017

Particulars	Note	Amount in Taka	
		30 June 2017	30 June 2016
ASSETS			
NON-CURRENT ASSETS		**4,708,191,058**	**4,545,834,747**
Property, Plant & Equipment	4.00	3,737,865,630	3,797,320,238
Intangible Assets	5.00	3,486,468	3,855,390
Capital work in progress	6.00	918,418,771	696,238,930
Investment in Associates	7.00	48,420,189	48,420,189
CURRENT ASSETS		**6,171,205,479**	**5,155,228,760**
Inventories	8.00	1,816,859,869	968,055,817
Materials In Transit	9.00	72,748,419	107,635,359
Accounts Receivable	10.00	2,544,304,233	2,486,151,728
Interest Receivable	11.00	1,622,714	4,719,100
Deposit for Share	12.00	374,248,146	72,334,462
Advance, Deposit & Prepayments	13.00	607,765,836	361,219,688
Cash and Cash Equivalent	14.00	753,656,260	1,155,112,605
TOTAL		**10,879,396,537**	**9,701,063,507**
EQUITY AND LIABILITIES			
CAPITAL & RESERVE		**5,339,373,522**	**5,059,356,106**
Share Capital	15.00	1,127,876,300	1,127,876,300
Share Premium Account	16.00	1,250,000,000	1,250,000,000
Retained Earnings	17.00	2,087,604,100	1,807,586,684
Revaluation reserve		873,893,122	873,893,122
Non Controlling Interest	18.00	**199,569,928**	**197,998,984**
NON CURRENT LIABILITIES		**957,069,353**	**1,060,331,950**
Long Term Loan	19.00	451,599,095	599,481,385
Financial Liability	20.00	436,400,000	391,600,000
Deferred Tax Liability	21.00	69,070,258	69,250,565
CURRENT LIABILITIES		**4,383,383,734**	**3,383,376,467**
Accounts Payable	22.00	686,526,861	23,497,753
Liability for Expenses	23.00	89,773,777	270,639,702
Provision for Tax	24.00	232,658,415	188,062,004
Current Portion of Long Term Loan	25.00	-	33,091,839
IPO Fund Received	26.00	3,436,928	3,457,928
Short Term Loan	27.00	3,370,987,753	2,864,627,241
TOTAL		**10,879,396,537**	**9,701,063,507**

The annexed notes 1 to 37 form an integral part of these financial statements.

Chairman **Managing Director** **Company Secretary** **Chief Financial Officer**

Signed as per our separate report on same date

Place: Dhaka
Date: October 15, 2017

Ahmed Zaker & Co.
Chartered Accountants

Shasha Denims Limited

Consolidated Statement of Profit or Loss and other Comprehensive Income

for the year ended 30 June, 2017

PARTICULERS	Notes	TAKA	
		2016-2017	2015-2016
Revenue	28.00	6,256,605,210	5,634,908,505
Less: Cost of Goods Sold	29.00	5,048,773,797	4,540,378,151
Gross Profit		**1,207,831,413**	**1,094,530,354**
Less: Administrative Expenses	30.00	152,002,133	115,970,241
Less: Selling & Distribution Expenses	31.00	45,433,320	38,282,204
Operating Profit		**1,010,395,960**	**940,277,909**
Add: Financial Income	32.00	32,845,521	89,915,542
Less: Financial Expenses	33.00	383,801,463	368,355,283
Net Financial Expenses		**350,955,942**	**278,439,741**
Profit before Non-Operating income		**659,440,018**	**661,838,168**
Add: Non-Operation Income/(loss)	34.00	5,544,062	(125,119)
Profit/(Loss) before WPPF		**664,984,080**	**661,713,049**
Less: Workers Profit Participation (Central) Fund		188,513	-
Profit/(Loss) before Tax		**664,795,567**	**661,713,049**
Less: Income Tax			
Current Tax	35.00	73,213,080	98,286,141
Deferred Tax		(180,307)	(43,117)
Net Profit/ (loss) for the year after Corporate Tax		**591,762,794**	**563,470,025**
Profit attributable to:			
Owners of the Company		**590,191,851**	**563,028,308**
Non-Controlling interest		**1,570,943**	**441,717**
Basic Earnings Per Share (EPS)	36.00	**5.23**	**4.99**

The annexed notes 1 to 37 form an integral part of these financial statements.

Chairman **Managing Director** **Company Secretary** **Chief Financial Officer**

Signed as per our separate report on same date

Place: Dhaka
Date: October 15, 2017

Ahmed Zaker & Co.
Chartered Accountants

Shasha Denims Limited

Consolidated Statement of Changes in Equity

for the year ended 30 June, 2017

Particulars	Share capital	Share Premium	Retained earnings	Revaluation reserve	Total
Balance as on 01.07.16	1,127,876,300	1,250,000,000	1,807,586,684	873,893,122	5,059,356,106
Net profit for the period	-	-	590,191,851	-	590,191,851
Adjustment on Subsidiary			(8,452)		(8,452)
Final Cash dividend (15%) (2015-16)			(169,181,445)		(169,181,445)
Interim Cash dividend (12.5%) (2016-17)			(140,984,538)		(140,984,538)
Balance as on 30.06.17	**1,127,876,300**	**1,250,000,000**	**2,087,604,100**	**873,893,122**	**5,339,373,522**

Consolidated Statement of Changes in Equity

for the year ended 30 June, 2016

Particulars	Share capital	Share Premium	Retained earnings	Revaluation reserve	Total
Balance as on 01.07.15	1,127,876,300	1,250,000,000	1,433,748,060	873,893,122	4,685,517,482
Net profit for the period		-	563,028,308	-	563,028,308
Interim Cash Dividend (10%) (2015-16)			(112,787,630)		(112,787,630)
STL Adjustment			(2,308,738)		(2,308,738)
Tax Charge after assesment			(1,179,689)		(1,179,689)
Prior year adjustment-EPCL			(72,913,628)		(72,913,628)
Balance as on 30.06.16	**1,127,876,300**	**1,250,000,000**	**1,807,586,684**	**873,893,122**	**5,059,356,106**

Chairman **Managing Director** **Company Secretary** **Chief Financial Officer**

Signed as per our separate report on same date

Place: Dhaka
Date: October 15, 2017

Ahmed Zaker & Co.
Chartered Accountants

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Shasha Denims Limited

Consolidated Statement of Cash Flows

for the year ended June 30,2017

PARTICULERS	TAKA	
	2016-2017	2015-2016
Cash flow from operating activities		
Collection from Turnover	6,233,418,863	5,612,334,771
Payment for cost & other expenses	(5,473,021,376)	(4,634,426,600)
Financial Expenses	(387,629,236)	(392,106,107)
Central Fund (RMG-30%)	(188,513)	-
Income Tax Paid	(70,520,592)	(65,113,279)
Net cash provided by operating activities	**302,059,146**	**520,688,785**
Cash flow from investing activities		
Acquisition of Fixed Assets	(181,596,060)	(262,907,669)
Capital work in progress	(222,179,842)	(696,238,929)
Advance for Land & Land Development	(64,336,665)	-
Pre-Operational Expenses	-	388,695
Deposit for Shares	(442,180,177)	(49,365,382)
Received from Office Dec. Sale	-	1,300,000
Net Cash provided by investing activities	**(910,292,744)**	**(1,006,823,285)**
Cash flow from financing activities		
Dividend Paid	(310,165,983)	(112,787,630)
Dividend Income	6,519,810	-
Long Term Loan	(147,882,290)	(166,363,596)
Current Portion of Long Term Loan	(33,091,839)	14,441,541
IPO Fund Transferred	(21,000)	(588,460)
Share Money Deposit	140,258,043	46,436,854
Financial Liability	44,800,000	44,800,000
Short-Term Loan	506,360,512	79,383,846
Net Cash provided by financing activities	**206,777,254**	**(94,677,445)**
Increase/ (decrease) in cash and bank balances	**(401,456,344)**	**(580,811,945)**
Cash and bank balances on opening	**1,155,112,605**	**1,735,924,551**
Cash and bank balances on closing	**753,656,260**	**1,155,112,605**

Chairman **Managing Director** **Company Secretary** **Chief Financial Officer**

Signed as per our separate report on same date

Ahmed Zaker & Co.
Chartered Accountants

Place: Dhaka
Date: October 15, 2017

AMARSTOCK

Shasha Denims Limited

Notes to the Financial Statements

As at and for the half year ended June 30, 2017

1.0 Reporting Entity

1.1 Company Profile

1.1.1 Shasha Denims Limited (the parent company)

Shasha Denims Limited a Private Limited Company with an incorporation date on 28th October 1996 had been converted into a Public Limited Company on 1st day October 1997 under the companies Act 1994. Registered office of the companies is at House # 07, Road # 117, Gulshan, Dhaka.

1.1.2 Shasha Garments Limited

Shasha Garments Limited originally limited as a Private Limited Company on 18th November 1991 under the companies Act.1913. Registered office of the companies is at House # 07, Road # 117, Gulshan,Dhaka.

1.1.3 Energis Power Corporation Limited

Energis Power Corporation Limited (the Company) was incorporated in Bangladesh on December 28, 2008 as a Private Limited Company. On April 20, 2009 the Company registered itself as a Public Limited Company under the Companies Act, 1994. The registered office of the Company is situated at House # 07, Road # 117, Gulshan,Dhaka.

1.1.4 Shasha Textiles Limited

Shasha Textiles Limited was originally incorporated as a Public Limited Company on 18th September 2003, Regd. No. C-50512(807) under the companies Act.1994 Registered office of the companies is at House # 07, Road # 117, Gulshan; Dhaka.

1.2 Nature of Business

1.2.1 Shasha Denims Limited

The main activities of the company were concentrated in Manufacturing, Dyeing, Weaving & Finishing of Denim Fabric and exporting the same.

1.2.2 Shasha Garments Limited

The main activities of the company were concentrated in Manufacturing various types of garments, shirt, children wear, female wear and exporting the same.

1.2.3 Energis Power Corporation Limited

The principal activity of this Company is to set up power plants for generation and supply of electricity. The plant, capacity of 55 MW at Sikalbaha, Chittagong has successfully commissioned on 10 January, 2010 and started its commercial operation from 06 May, 2010 and supplying to National Grid of Power.

The company signed a Power Purchase Agreement (PPA) with Bangladesh Power Development Board (BPDB) on 28 December 2008 for a term of 3 years to provide 55 MW net electricity to Bangladesh Power Development Board (BPDB). This agreement is subsequently renewed on 12 May 2014 for another 5 years for a plant capacity of 35 MW to 55 MW.

1.2.4 Shasha Textiles Limited

The main activities of the company were concentrated in Textile and Textile related business. However, the company is yet to start its commercial operation.

2.0 Basis of Preparation:

2.1 Statement of Compliance:

The financial statements of the company under reporting have been prepared under historical cost convention in a going concern concept and on accrual basis in accordance with generally accepted accounting principles and practice in Bangladesh in compliance with the Companies Act 1994, The Securities and Exchange Rules 1987, International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), as Bangladesh Accounting Standard (BAS) and Bangladesh Financial Reporting Standards (BFRS) and other applicable laws and regulations.

2.2 basis of consolidated and separate financial statements

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2.2.1 Subsidiaries

Subsidiaries are entities controlled by the group. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date on which control ceases.

Name of the company	Operating segment	Ownership interests held by NCI	
		2016-2017	2015-2016
Shasha Garments Ltd.	100% export oriented garments	3.54%	3.54%
Shasha Textiles Ltd.	textile products	0.43%	0.43%
Energis Power Corporation Ltd.	Energy producing company	0.03%	0.03%

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the group.

2.2.2 Transaction eliminated on consolidation

The financial statements of the subsidiaries have been consolidated with those of Shasha Denims Limited in accordance with BFRS 10: Consolidated and Separate Financial Statements. Intra group balances and transactions, and any unrealized income and expenses arising from intra group transactions are eliminated in preparing consolidated financial statements.

2.2.3 Basis of preparation

The group has presented separate financial statements in addition to consolidated financial statements.

2.2.4 Non Controlling Interest

Non-Controlling Interest are measured at their proportionate share of the acquires identifiable net assets at the date of acquisition as per Pare 19 of BFRS-3 "Business Combinations."

The company presents the non-controlling interests in the consolidated statement of financial position within equity, separately form the equity of the owners of parent as per Part 22 of BFRS-10 "Consolidated Financial Statements".

Changes in Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transaction as per Para 20 of BFRS-10 "Consolidated Financial Statements".

The Company attributes the profit and loss to the owners of the parent and to the non-controlling interests even if the results in the non-controlling interest having a deficit balance as per provision of Para B94 of BFRS-10 "Consolidated Financial Statements".

When the proportion of the equity held by the non-controlling, interest changes, the company adjusted the carrying amounts of the controlling and non-controlling interests to reflect the changers in their relative interests in the subsidiary and recognized directly in equity for any difference between the amount by which the non-controlling interests are adjusted and the fair value of the considerations paid or received, and attribute it to the owners of the parent by as per provision of Para B96 of BFRS-10 "Consolidated Financial Statements".

Further details about non-controlling interest are given in Note-18 and Note -37 of these financial statements.

2.3 Reporting Period:

The financial period of the company covers the period from 1 July 2016 to 30 June 2017.

2.4 Date of Authorization

The board of directors has authorized these financial statements on October 10, 2017.

2.5 Reporting Currency and Level of Precision:

The figure in the financial statements represent Bangladesh Currency (Taka), which have been rounded off to the nearest Taka except where indicates otherwise.

3.0 Significant Accounting Polices:

Principal Accounting Policies:
The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these financial statements.

3.1 Foreign currency

Foreign currencies are converted into Taka at the rates ruling on the transaction dates. Monetary assets and liabilities are reconverted at the rates prevailing at the balance sheet date. Non-monetary assets and liabilities are reported using the exchange rate at the date of transaction. Differences arising on conversion are charged or credited to the profit or loss account.

3.2 Property, plant and equipment

3.2.1 Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner.

3.2.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the Statement Profit or Loss and other Comprehensive Income as incurred.

3.2.3 Depreciation

Shasha Denims Limited uses the reducing balance method to depreciate each item of property, plant and equipment.

The rates of depreciation, applied on reducing balance method, for the current and comparative year are as follows:

	2016-17	2015-16
Building & Civil work	5%	5%
Plant & Machinery	10%	10%
Generator, Sub-Sta., Elec.	10%	10%
Turbine	8%	8%
Local Machinery & Installation	8%	8%
Workshop Equipment	15%	15%
Fire Extinguisher	20%	20%
Office Equipment	20%	20%
Furniture & Fixture	15%	15%
Crockery & Cutlery	20%	20%
Air Conditioner	15%	15%
Sanitary Fittings	15%	15%
Vehicle	15%	15%
Office Decoration	15%	15%
Hydrant Line	15%	15%
ETP Plant	15%	15%
Other Assets	15%	15%
Deep Tube-Well	15%	15%
CC Camera	10%	10%
Oil Tanker	10%	10%
Furnace Oil Reserver	15%	15%

3.3 Investments

Investments include investment in subsidiaries and some other non operating companies which represents management vision to business expansion.

3.4 Capital Work in Progress

Capital Work in Progress comprises the capital expenditures incurred from the IPO proceeds. These items are classified in two categories: plant & machinery and Building & civil works. As both the items are qualifying assets, all expenses associated with these items are recognized as capital work in progress.

3.5 Inventories

Inventories are measured at lower of cost and estimated net realizable value. The cost of inventories is measured by using weighted average cost formula and includes expenditure incurred for acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses.

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3.6 Impairment

The carrying value of the Company's assets other than inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the Statement Profit or Loss and other Comprehensive Income.

3.7 Deposit for shares

Deposit for shares are investment of the company to its other sister concerns in which the company has significant interest and control. Deposit for shares are being provided with an objective to assist these companies being capable of running its business without interruption as well as the company can enhance its control over these companies.

3.8 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. The entity recognizes financial instruments and provides necessary disclosures only for the parent company and not for the consolidated status.

3.8.1 Financial assets

Financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transaction.

The company derecognizes a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets basically include cash and cash equivalents and accounts receivable.

(a) Accounts Receivables

Accounts receivables are initially recognized at nominal value which is the fair value of the consideration given in return.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash balances both in hand and at bank.

3.8.2 Financial Liability

All financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability.

The company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial liabilities include loans and borrowings both in short and long termed, bank liability generated from import of raw materials, accounts payable etc.

(a) Long term loan

The consolidated long term loan includes project loan of Energis Power Corporation Limited.

(b) Financial Liability

Financial Liability is associated with issued Redeemable Preference Shares by Energis Power Corporation Limited to a bank which was according to a agreement converted to financial liability due to non conversion to equity within a given timeline. However, the associated interest expenses are being recorded by the entity as per the said agreement.

(c) Accounts Payable

The company recognizes financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying benefits.

(d) Short Term Loan

Short term loan includes short term facilities from the associated banks of the entity named, Over Draft (OD) facility, Cash Credit Hypo (CCHP). It also includes Trade Payables incurred from procurement of goods through Letter of Credit (L/C) which is also duly accepted by the bankers of the entity waiting for maturity of payment as per the terms & conditions. It also includes other short term facility provided by the banks to the entity (if any).

3.09 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss and other comprehensive income.

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3.10 Employee benefit

The Company maintains defined contribution plan (provident fund) for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective trust deeds.

3.11 Revenue recognition

3.11.1 Export sales

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts etc. recognized according to BAS 18: Revenue. This usually occurs at the time of delivery of goods along with invoice. The company also considers the time of delivery as revenue recognition point.

3.11.2 Energy sales by EPCL

Revenue is initially recognized in the income statement upon supply of electricity based on net energy output on a monthly basis according to PPA agreement with BPDB. Net energy output is determined by the Joint meter reading and verification committee consisting of EPCL personnel's and BPDB representatives. The measurement of the revenue deriving from energy sales is determined after necessary adjustment, due assurance from the BPDB regarding the recoverability of the revenue.

3.12 Financial Income

Financial Income comprises interest income arising from the yet to be utilized IPO fund kept in Fixed Deposit (FDR) mode. However these deposits are being encashed as and when necessary to ensure the smooth construction of new factory building and importation of new machinery as declared in the prospectus.

3.13 Finance expenses

Finance expenses comprise interest expense on term loan, overdraft, and bank charges. It also includes bill discounting charge which evolves as the most effective financial arrangement of the parent company. All finance expenses are recognized in the Statement Profit or Loss and other Comprehensive Income.

3.14 Earnings per share

The company presents basic earnings per share (EPS) data for its ordinary shares and diluted EPS where applicable. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company net of non controlling interest on consolidated profit by the weighted average number of ordinary shares during the period, adjusted for the effect of change in number of shares for bonus issue. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant periods.

3.15 Statements of Cash flows

Cash flows from operating activities have been presented under direct method.

3.16 Events after the reporting period

Events after the reporting date that provide additional information about the Company's position at the reporting date are reflected in the financial statements. Material events after the reporting date that are not adjusting events are disclosed in a separate note, if any.

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4. Property, Plant & Equipment

Particulars	Original Cost				Depreciation				Written down
	Balance as at 01.07.16	Addition during the year	Sale/ Disposal	Total Cost as at 30.06.17	Balance as at 01.07.16	Sale/ Disposal	Charged during the year	Total as at 30.06.17	Value as at 30.06.17
Tangible Assets									
Land & Land Development	1,009,695,712	72,315,675		1,082,011,387	-			-	1,082,011,387
Building & Civil work	374,332,503	2,875,965		377,208,468	104,710,524		9,424,368	114,134,892	263,073,576
Plant & Machinery	1,739,341,921	25,037,761		1,764,379,682	1,052,625,652		70,684,217	1,123,309,869	641,069,814
Generator, Sub-Sta., Elec.	2,158,161,516	48,982,579		2,207,144,095	926,243,943		101,440,626	1,027,684,569	1,179,459,526
Turbine	602,625,301	-		602,625,301	281,615,901		25,680,752	307,296,653	295,328,648
Local Machinery & Installation	228,171,413	18,112,643		246,284,056	101,860,935		10,104,838	111,965,773	134,318,283
Workshop Equipment	3,707,628			3,707,628	2,776,953		139,601	2,916,554	791,074
Fire Door, Alarm & Extinguisher	11,801,571	246,882		12,048,453	4,075,165		1,053,650	5,128,815	6,919,638
Office Equipment	26,133,990	3,468,100		29,602,090	17,120,887		2,225,458	19,346,345	10,255,745
Furniture & Fixture	9,873,346	618,910		10,492,256	5,233,975		583,741	5,817,716	4,674,540
Crockery & Cutlery	142,482	5,970		148,452	67,274		17,340	84,614	63,838
Air Conditioner	10,732,573	81,000		10,813,573	7,125,092		626,776	7,751,868	3,061,705
Sanitary Fittings	24,788			24,788	22,537		338	22,875	1,913
Vehicle	101,910,750	3,863,202		105,773,952	41,906,251		9,567,796	51,474,047	54,299,905
Office Decoration	14,116,432	1,474,757		15,591,189	4,490,401		1,219,391	5,709,792	9,881,397
Hydrant Line	998,026			998,026	784,204		32,073	816,277	181,749
ETP Plant	7,095,097			7,095,097	3,526,470		535,294	4,061,764	3,033,333
Other Assets	33,942,847	3,025,618		36,968,465	13,239,380		2,547,729	15,787,109	21,181,356
Deep Tube-Well	11,281,790			11,281,790	5,010,799		654,974	5,665,773	5,616,017
CC Cemera	1,792,902			1,792,902	854,197		93,871	948,068	844,834
Oil Tanker	20,982,405	1,470,000		22,452,405	1,999,771		3,796,527	5,796,298	16,656,107
Furnace Oil Reserver	11,287,184			11,287,184	5,541,630		604,311	6,145,941	5,141,243
Total	**6,378,152,181**	**181,579,062**	**-**	**6,559,731,243**	**2,580,831,943**	**-**	**241,033,670**	**2,821,865,613**	**3,737,865,630**
Property, Plant & Equipment as at 30 June 2016	6,281,007,407	100,144,774	3,000,000	6,378,152,181	2,461,509,224	2,420,451	121,743,169	2,580,831,943	3,797,320,238

5. Intangible Assets

Particulars	Original Cost				Amortization				Written down
	Balance as at 01.07.16	Addition during the year	Sale/ Disposal	Total Cost as at 30.06.17	Balance as at 01.07.16	Sale/ Disposal	Charged during the year	Total as at 30.06.17	Value as at 30.06.17
Software Development	5,680,767	17,000	-	5,697,767	1,825,377	-	385,922	2,211,299	3,486,468
Intangible Assets as at 30 June 2016	5,680,767	-	-	5,680,767	1,622,462	-	202,915	1,825,377	3,855,390

5.1 Allocation of Depreciation & Amortization

Factory	237,118,299
Administrative	4,301,291
Total	**241,419,590**

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		Amount in Taka	
		30.06.17	30.06.16
6.00	**Capital Work in progress**		
	Particulars		
	Plant & Machinery, Others	742,109,134	564,242,962
	Building & Civil Work	176,309,636	131,995,968
		918,418,771	**696,238,930**
7.00	**Investment in Associates:**		
	Particulars		
	Shasha Apparels Ltd.	600,000	600,000
	Shasha Spinning Ltd.	25,000	25,000
	Shasha Denims Ltd. Unit-2	15,939,189	15,939,189
	Cider Education Services Ltd.	9,990,000	9,990,000
	TelStar Communication Ltd.	300,000	300,000
	Trade Matrix Bangladesh Ltd.	300,000	300,000
	Energis Ventures Ltd.	300,000	300,000
	Shasha Denims Ltd.(by SGL)	20,616,000	20,616,000
	Energis Holdings Ltd.	350,000	350,000
	Total:	**48,420,189**	**48,420,189**
8.00	**Inventories:**		
	Particulars		
	Yarn	655,987,381	320,620,428
	Chemical	156,793,768	110,149,611
	Packing Materials	1,617,211	744,449
	Stationery	1,623,815	1,112,749
	Spare Parts & Others	89,481,089	69,828,469
	Fuel, Oil & Lubricants	2,608,310	2,930,441
	Finished Fabric	288,480,141	193,565,913
	Fabric & Others -SGL	40,209,460	8,446,060
	Fuel, Oil & Lubricants-EPCL	532,485,975	142,621,849
	Spare Parts-EPCL	12,209,317	11,209,317
	Work-in-Progress- Fabric	19,050,628	90,791,919
	Work-in-Progress- Sizing Yarn & Chemical	16,312,773	16,034,613
	Total:	**1,816,859,869**	**968,055,817**
9.00	**Materials In Transit:**		
	Particulars		
	Yarn	61,598,817	75,659,305
	Chemical	11,149,603	26,754,669
	Spare Parts & Others	-	5,221,385
	Total:	**72,748,419**	**107,635,359**
10.00	**Accounts Receivable :**		
	Particulars		
	Export Bill receivable	1,162,996,473	1,236,154,661
	Export Bill receivable-SGL	71,652,531	65,595,208
	Rental Bill-BPDB	262,850,793	168,568,842
	Energy Bill-BPDB	29,513,628	25,228,261
	Service Charge (Transportation)-EPCL	69,323,546	66,870,602
	Fuel Payment-HFO	98,507,997	66,446,614
	Disputed Deduction-Fuel	849,459,265	857,287,538
	Total:	**2,544,304,233**	**2,486,151,728**

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		Amount in Taka	
		30.06.17	30.06.16
11.00	**Interest Receivable:**		
	FDR Interest Receivable	**1,622,714**	**4,719,100**
12.00	**Deposit for Shares:**		
	Particulars		
	Shasha Apparels Ltd.	201,818	201,818
	Shasha Spinning Ltd.	471,966	471,966
	Cider Education Services Ltd.	6,622,520	6,619,960
	Shasha Millners & Textiles	300,570,220	569,620
	Form Icon Limited	66,381,622	64,471,098
	Total:	**374,248,146**	**72,334,462**
13.00	**Advance Deposit & Prepayments:**		
	Particulars		
	Security Deposit & Guarantee (Note-13.01)	52,893,818	38,630,281
	Advances (note-13.02)	218,436,411	103,646,892
	Prepayments (note-13.03)	336,435,607	218,942,516
	Total:	**607,765,836**	**361,219,688**
13.01	**Security Deposit & Bank Guarantee:**		
	Particulars		
	Security Deposit (note-13.1.1)	51,610,728	37,347,191
	Bank Guarantee (note-13.1.2)	1,283,090	1,283,090
	Total:	**52,893,818**	**38,630,281**
13.1.1	**Security Deposit:**		
	Particulars		
	Security Deposit BEPZA Land	1,117,871	1,117,871
	Security Deposit BEPZA Land and Elect. (Plot-189-292)	1,820,982	1,414,079
	Security Deposit BEPZA Electric	1,207,500	1,207,500
	Security Deposit BEPZA Water Connection	103,068	-
	Security Deposit Titas Gas	19,477,100	4,534,435
	Security Deposit-TBL	270,000	270,000
	Security BOC Cylinder	54,000	54,000
	Security Deposit-T&T	33,000	33,000
	Security Deposit Titas Gas	331,250	331,250
	Security Deposit-DPBS	105,570	105,570
	Security Deposit-T&T	2,000	2,000
	Group4s Security	259,996	259,996
	Security Deposit-Mobile	8,000	8,000
	Security Deposit-IPDC	-	3,150,148
	Security Deposit-CDBL	411,636	411,636
	Security Deposit-Office Rent	400,000	400,000
	Security Deposit-IDLC	3,652,509	1,457,460
	Security Deposit-Load 2500 KW	2,152,500	2,152,500
	Security Deposit-Electricity 2500 kW	20,103,747	20,103,747
	BGMEA	-	234,000
	BPDB	100,000	100,000
	Total:	**51,610,728**	**37,347,191**
13.1.2	**Bank Guarantee:**		
	Particulars		
	BG Margin-Titas Gas-Bank Asia	523,750	523,750
	BG Margin-Titas Gas-PBL Uttara	203,340	203,340

			Amount in Taka	
			30.06.17	30.06.16
	BG Margin-Titas Gas		556,000	556,000
	Total:		**1,283,090**	**1,283,090**
13.02	**Advances:**			
	Particulars			
	Office Employees		9,191,042	6,032,263
	House Rent-Chittagong		510,000	510,000
	Office Rent-AB Paribhan		96,000	96,000
	Office Rent-Gulshan		880,000	1,880,000
	Factory Rent		7,356,179	10,457,303
	Flat Purchase-Samudra Builders		15,211,925	15,811,925
	Rajuk-Land		500,000	500,000
	Store & Garage Rent		3,041,000	264,000
	D.G Department of Environment		2,288,000	2,288,000
	Sonar Bangla		-	50,000
	Advance-Suppliers & Others (EPCL)		179,362,265	65,757,401
	Total:		**218,436,411**	**103,646,892**
13.03	**Prepayments:**			
	Particulars			
	Factory Expenses		8,772,402	8,532,595
	Land & Land Development		88,097,578	23,845,753
	Store & Garage Rent		-	13,000
	Deposit & Prepayments-SGL		78,200	78,200
	Mobile Bill & Others		362,650	93,316
	L/C & Bank Guarantee Margin-EPCL		50,382,583	32,284,504
	Hashem Plaza-Civil Work-SGL		7,169,363	6,725,248
	Trust Milonoyoton		-	72,000
	Advance Income Tax	Note: 13.03.01	116,468,601	74,594,678
	Adv. Against Purchase	Note: 13.03.02	65,104,230	72,703,220
	Total:		**336,435,607**	**218,942,516**
13.03.01	**Advanced Income Tax:**			
	Particulars			
	Opening Balance		74,594,678	52,873,860
	Addition during the period		41,903,923	22,555,818
	Adjusted during the year		30,000	835,000
	Closing balance		**116,468,601**	**74,594,678**
13.03.02	**Adv. Against Purchase:**			
	Particulars			
	Foreign-TT		4,488,098	3,075,508
	Local Purchase		60,616,132	69,627,713
	Total:		**65,104,230**	**72,703,220**
14.00	**Cash and Cash Equivalents:**			
	Particulars			
	Cash in Hand		9,551,241	3,644,731
	Cash at Bank- Current Account		134,617,009	45,042,691
	Cash at Bank- Foreign Currency Account		90,562,477	91,050,960
	Cash at Bank- IPO Account		518,925,533	1,015,374,223
	Total:		**753,656,260**	**1,155,112,605**

		Amount in Taka	
		30.06.17	30.06.16
14.01	**Cash in Hand:**		
	Particulars		
	Head Office	3,762,767	823,117
	Factory Office-Project	-	1,494,793
	Factory Office	5,788,474	1,326,821
	Total:	**9,551,241**	**3,644,731**
14.02	**Cash at Bank- Current Account:**		
	Particulars		
	IFIC Bank Ltd., Gulshan Branch,CD-33014676	17,111	17,111
	Sonali Bank Ltd., Local Office, CD-33053716	137,462	139,687
	The Premier Bank Ltd., Gulshan Branch, CD-11002930	4,656	5,806
	The Premier Bank Ltd., Uttara Branch CD-7632	13,935	-
	Trust Bank Ltd., Gulshan Branch,CD-33001855	1,168,778	1,171,428
	One Bank Ltd., , Savar Branch, CD-5006	4,029,568	1,475,798
	First Security Bank, Gulshan, CD-111000553-4	18,687	20,217
	United Commercial Bank Ltd., Uttara Branch,CD-14/10	294,399	17,038,909
	The Premier Bank Ltd., Elephant Road Branch, CD-7681	-	654
	The Premier Bank Ltd., Gulshan Branch, CD-7609	1,009,557	1,012,207
	United Commercial Bank ltd., Uttara CD-105-440	8,295	-
	Agrani Bank CD-8652-2	4,234,679	1,045,440
	Bank Asia Ltd., CD-1208	49,765	116,415
	Union Bank Ltd. CD-1197	5,239	27,536
	Sonali Bank CD-705	46,938	46,938
	The Premier Bank Ltd., CD-6886	594,843	714,002
	DBBL CD-11820	68,623	40,465
	Pubali Bank Ltd. CD-31950	12,454	4,379
	Agrani Bank Ltd., Escrow A/C	2,524	2,524
	City Bank CD-4001	3,390	3,390
	Bank Asia CD-1829	245,756	2,706
	United Commercial Bank Ltd., Gulshan CD-120/18	978,559	883,967
	DBBL CD-35950	5,000	-
	Bank Asia , Uttara SND-101	73,125,275	-
	United Commercial Bank Ltd., CD-7256	377,733	16,524,938
	IFIC Bank Ltd. -041	908,282	901,068
	Premier Bank Ltd., Savar Br.-869	1,050,201	3,794,128
	Bank Asia Ltd., Corporate Branch, STD-625	46,205,298	52,980
	Total:	**134,617,009**	**45,042,691**
14.03	**Cash at Bank- Foreign Currency Account:**		
	Particulars		
	The Premier Bank Ltd., Gulshan Branch,FC-128/04	4,289	4,289
	Bank Asia Ltd., Corporate Branch,FC-344	797,619	20,612,959
	Sonali Bank Ltd.,FC-045	6,298,240	6,261,631
	United Commercial Bank Ltd. FC-0054 17200000032	61,672,893	56,139,013
	United Commercial Bank Ltd. ERQ A/C-129	8,152,807	2,479,912
	The Premier Bank Ltd., Uttara Branch FC-83	13,636,630	5,553,156
	Total:	**90,562,477**	**91,050,960**

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		Amount in Taka	
		30.06.17	30.06.16
14.04	**Cash at Bank- IPO Account:**		
	Particulars		
	Eastern Bank Ltd., Principal Br.-High Performance A/C-58906	7,852,543	7,673,546
	Eastern Bank Ltd.- USD Account	124,801	125,305
	Premier Bank Ltd. Uttara Br. SND-228	143,183,614	178,063,814
	Eastern Bank Ltd.- Euro Account	14,001	14,001
	Eastern Bank Ltd.- GBP Account	14,000	14,000
	Fixed Deposit Account (13.4.1)	367,736,573	829,483,558
	Total:	**518,925,533**	**1,015,374,223**
14.4.1	**Cash at Bank- Fixed Deposit Account:**		
	Particulars		
	Premier Bank Ltd., Uttara Branch	285,295,309	808,988,554
	Bank Asia LTd., Corporate Branch	61,000,000	-
	Bank Asia LTd., Uttara Branch	21,441,265	20,495,004
	Total:	**367,736,573**	**829,483,558**
15.00	**Share Capital:**		
	Authorized Capital:		
	20,00,00,000 ordinary shares of TK.10/- each	2,000,000,000	2,000,000,000
	2,50,00,000 redeemable preference shares of TK.10/- each	250,000,000	250,000,000
		2,250,000,000	**2,250,000,000**
	Issued & Paid up Capital:	**1,127,876,300**	**1,127,876,300**
	11,27,87,630 ordinary shares of TK.10/- each	1,127,876,300	1,127,876,300

Shareholding Position at the reporting date:

Shareholding Range	Number of Shareholders	Number of Shares
Up to 500 shares	7227	1,270,836
501 to 5000 shares	1151	2,474,283
5001 to 10000 shares	308	2,356,127
10001 to 20000 shares	214	3,162,992
20001 to 30000 shares	102	2,513,691
30001 to 40000 shares	55	1,909,452
40001 to 50000 shares	48	2,189,366
50001 to 100000 shares	88	6,196,000
100001 to 1000000 shares	66	17,622,758
1000001 and above	12	73,092,125
Total	**9,271**	**112,787,630**

16.00	**Share on Premium Account:**		
	5,00,00,000 Shares of Tk. 25 each	**1,250,000,000**	**1,250,000,000**
17.00	**Retained Earnings**		
	Particulars		
	Opening Balance	1,807,586,684	1,433,748,060
	Add: Net Profit during the year	590,191,851	563,028,308
		2,397,778,535	**1,996,776,368**
	Less: Adjustment on Subsidiary	8,452	76,402,055
	Less: Final Dividend	169,181,445	-
	Less: Interim Dividend	140,984,538	112,787,630
	Closing Balance	**2,087,604,100**	**1,807,586,684**

			Amount in Taka	
			30.06.17	30.06.16
18.00	**Non Controlling Interest:**			
	Particulars			
	Opening Balance		197,998,984	197,557,267
	Addition during the year		1,570,943	441,717
	Total:		**199,569,928**	**197,998,984**
19.00	**Long Term Loan:**			
	Particulars			
	IPDC of Bangladesh Ltd., A/C no: 001-602-078		-	747,034
	Project Loan for 55MW Power Plant	Note: 17.01	451,599,095	598,734,351
	Total:		**451,599,095**	**599,481,385**
19.01	**Project Loan for 55MW Power Plant:**			
	Particulars			
	Agrani Bank Ltd.		103,155,919	156,577,383
	Janata Bank Ltd.		102,702,118	155,877,464
	Sonali Bank Ltd.		96,571,677	147,761,662
	Premier Bank Ltd.		18,063,528	28,068,436
	Bangladesh Commerce Bank Ltd.		22,288,172	33,634,076
	South East Bank Ltd.		21,674,214	32,795,896
	IDLC		87,143,466	44,019,435
	Total:		**451,599,095**	**598,734,351**
20.00	**Financial Liability**			
	Financial Liability		**436,400,000**	**391,600,000**
21.00	**Deferred Tax Liability**			
	Particulars			
	Written Down Value of PPE (Accounting Base)		3,741,352,098	3,801,175,628
	Written Down Value of PPE (Tax Base)		3,280,883,710	3,339,505,195
	Temporary Difference		460,468,389	461,670,434
	Tax Rate		15%	15%
	Closing Balance		**69,070,258**	**69,250,565**
22.00	**Accounts Payable:**			
	Particulars			
	SDSL Cargo Services Ltd.		-	63,004
	Dhaka Logistics Network		520,975	516,835
	General Enterprise		-	15,410
	New Khan Transport Agency		2,014,966	1,597,150
	Dip Engineering Works		-	40,000
	Gazi International		5,800	5,800
	New Asia Ltd.		19,000	5,000
	Shama International		-	-
	New Light Corner		24,859	24,859
	Bismillah Rubber & Engineering		136,000	-
	Titas Spinning & Denim		14,781	14,781
	Mr. Korsher Alam		6,250	-
	Met Life Alico		2,643	2,643
	Power Man		-	609,380
	Asia Plastic Container		-	-
	Energypac Power Generation Services		83,515	-
	Max Leather		10,000	10,000

	Amount in Taka	
	30.06.17	30.06.16
Karnaphuli Insurance Company Ltd.	-	530,671
J.R Collection	52,924	175,224
Rotation Engineering	-	0.10
Sharmin Reed	10,800	10,800
Falcate Paper Tube	-	126,000
Telecom Spare	81,225	81,225
S.Alam Electronics	35,507	35,507
Accounts Payable:…….	-	-
Hakim Enterprise	6,437	6,437
Friends Chemitech	327,000	202,500
Japan Engr.	21,400	21,400
ITS Labtest Bangladesh Ltd.	926	1
Dana Engr. Ltd.	21,773	21,850
SGS Bangladesh Ltd.	0	30,229
Touch Paper	611,680	508,838
Sohel & Brothers	520,428	1,774,224
Unifil Composite Dyeing Mills	20,317	20,317
Stiftech International	-	120,552
Control Union	-	7,705
Rafi Paper	365,960	177,000
Boral Chemical	-	22,000
Dexterous Engr.-Chiller	-	81,075
Z.R Color Chem	33,000	33,000
Ahsiar Fashions Ltd.	223,767	223,758
Richmod Hotel	229,206	-
TUV Rheinland Bangladesh	7,880	12,615
EMKAY Enterprise	82,750	82,750
Nibir Nirman	2,299,142	2,594,220
Shamim Enterprise	4	4
Sabbir Enterprise	-	1
New Bhuiyan Sanitary & Hardware	-	1
Multicable Network	1,200	2,100
Horizon Express Ltd.	191,109	805,906
SK International	58,140	-
Fiz Com	50	-
Karnaphulli Insurance	553,529	-
Bureau Veritas Con. Pro Bd Ltd.	1	-
Talha Fabrics	88	-
Md. Toha Hossain	376,438	-
Technical World	6,930	-
Engr.-Survey & Planning	67,350	-
Multibrand Workshop	387,339	-
New Star Communication	6,498	-
Biniyoughbarta	20,000	-
South West Composite Ltd.	42,700	-
Payable-Shasha Garments Ltd.	3,918,504	3,898,738
Payable-Energis Power Corporation Ltd.	673,106,070	8,986,244
Total:	**686,526,861**	**23,497,753**

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23.00 Liabilities for Expenses:

Particulars	Amount in Taka	
	30.06.17	30.06.16
BEPZA-Electric Bill	5,219,656	2,821,986
BEPZA-Water Bill	1,595,578	1,534,346
BEPZA-Gas Bill Service Charge	1,478,936	1,333,277
BEPZA-Medical Bill	76,436	73,585
BEPZA-Workers Welfare Fund	24,450	23,610
BEPZA-IP/SC/L	19,005	4,525
BEPZA-WWT	1,753,019	1,692,339
BEPZA	6,500	-
Titas Gas Bill	14,789,357	6,078,305
Electric Bill	98,319	93,308
Wasa Bill	103,370	12,121
Gas Bill	48,110	48,410
Telephone Bill	38,098	44,569
Mobile Bill	39,604	21,458
Rent Gulshan Office	352,500	-
Liabilities for Expenses:……..	-	-
Rent & utility-Mascot	41	41
Remuneration	850,000	1,624,997
Salary, Wages & Overtime	18,038,074	2,759,238
AIT-Titas, Salary & Others	348,420	34,718
P.F Payable	4,555,639	2,019,144
Stamp Payable	19,480	11,060
Guest House Rent	564,000	548,145
Exchange/Discount (SB & BAL)	13,855,531	17,683,304
Garage Rent Payable	18,500	12,000
Audit Fees Payable	460,000	230,000
Board Meeting/Advisor Fees Payable	100,000	30,750
Afroza Enterprise	15,000	10,000
Share Biz Kortcha	153,400	41,600
DHL World Wide Express (BD)P. Ltd.	41,105	182,761
Bangladesh Trade Syndicate	5,494	5,494
Dhaka Com Ltd.	2,400	2,400
Royal Office	-	21,200
Root Marketing Services	1,640	-
Nirapad Aluminum	18,020	18,020
Khan Sons Automobiles	19,359	19,359
AD Creation	123,000	-
G4s Security Services BD. (P) Ltd.	535,900	544,515
Warrior Security Service	11,004	11,004
Overseas Marketing Co	7,000	7,000
Sanyo Refrigeration	-	3,900
ST Express	429,822	357,518
Bureau Veritas	-	196,436
Aamra Network	1,000	1,000
CRAB	-	50,000
Adobe Consultant (Pvt) Ltd.	-	300,000
Arthosuchak	-	10,000
Sign Palace	17,000	17,000
Sohana Machinery	23,611	23,611
Gulshan Club	3,010	3,150

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			Amount in Taka	
			30.06.17	30.06.16
	Nisa Software		7,000	-
	KIA Service Center		40	40
	DHS Motors Ltd.		1,076	1,076
	Motin Courier Service		1,342	1,342
	Elit Paint		9,867	-
	CU Certification		9,532	-
	Sub BD Communication		-	171,529
	A & A International		-	8,055
	Unique Thread		125,665	-
	Travel Wise Ltd.		42,305	-
	Metro Books		43,870	-
	Liability -Shasha Garments Ltd.		9,323,743	3,914,807
	Liability-Energis Power Corporation Ltd.		14,287,482	225,900,667
	Liability -Shasha Textiles Ltd.		57,500	46,000
	Other Expenses		3,970	34,982
	Total:		**89,773,777**	**270,639,702**
24.00	**Provision for Income Tax:**			
	Particulars			
	As per Last Year		188,062,004	153,175,826
	Less: Paid During the year		28,616,669	15,850,085
	Add: During the year		73,213,080	50,736,263
	Closing Balance:		**232,658,415**	**188,062,004**
25.00	**Current Portion of Long Term Loan:**			
	Particulars			
	IPDC of Bangladesh Ltd., A/C no: 001-602-078		-	33,091,839
	Total:		-	**33,091,839**
26.00	**IPO Fund Received:**			
	Particulars			
	Eastern Bank Ltd., HP A/C-58906			
	Eastern Bank Ltd., USD		3,436,928	3,457,928
	Eastern Bank Ltd., Euro			
	Eastern Bank Ltd., GBP			
	Total:		**3,436,928**	**3,457,928**
27.00	**Short Term Loan:**			
	Particulars			
	Bank Asia Ltd.	Note: 27.01	1,783,725,486	1,199,750,052
	The Premier Bank Ltd.	Note: 27.02	1,127,966,335	1,316,402,485
	United Commercial Bank Ltd.	Note: 27.03	105,774,150	54,094,680
	Agrani Bank Ltd.		263,549,768	207,142,833
	Others Loan	Note: 23.04	89,972,015	87,237,191
	Total:		**3,370,987,753**	**2,864,627,241**
27.01	**Bank Asia Ltd.**			
	Particulars			
	Bank Asia Ltd., Corporate Branch, OD		202,558,698	200,734,331
	Bank Asia Ltd., Corporate Br., -FBN		547,303,214	384,630,076
	Bank Asia Ltd., Corporate Br., -EDF		114,672,927	74,595,243
	Bank Asia Ltd., Corporate Br., -PAD		29,441,412	52,332,598
	Bank Asia Ltd., Corporate Br.,		459,707,663	-
	Accepted Liability (Raw Materials & Others)		430,041,572	487,457,803
	Total:		**1,783,725,486**	**1,199,750,052**

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			Amount in Taka	
			30.06.17	30.06.16
27.02	**The Premier Bank Ltd.**			
	Particulars			
	The Premier Bank Ltd., Elephant Road Br.		210,029,278	134,424,796
	The Premier Bank Ltd., Uttara Branch, OD-141		210,537,061	463,680,153
	The Premier Bank Ltd., Uttara Branch-FBN		288,146,250	445,759,432
	Accepted Liability(Raw Materials)		419,253,745	272,538,104
	Total:		**1,127,966,335**	**1,316,402,485**
27.03	**United Commercial Bank Ltd.**			
	Particulars			
	FBN		6,345,999	9,860,592
	Accepted Liability(Raw Materials)-SGL		99,428,151	44,234,089
	Total:		**105,774,150**	**54,094,680**
27.04	**Others Loan**			
	Particulars			
	Loan from Director-STL		-	3,000,000
	Energis Holdings Ltd.		89,972,015	84,237,191
	Total:		**89,972,015**	**87,237,191**
			2016-2017	**2015-2016**
28.00	**Revenue:**			
	Particulars			
	Export Bill -SDL		4,333,167,080	4,411,594,174
	Rental Received		634,589,092	558,535,011
	Energy Sale		90,602,627	65,359,768
	Heavy Furnace Oil		554,109,866	91,070,671
	Service Charge(Transportation)		7,876,737	13,974,762
	Export Bill -SGL		636,259,808	494,374,119
	Total:		**6,256,605,210**	**5,634,908,505**
29.00	**Cost of Goods Sold:**			
	Particulars			
	Materials-Yarn	Note: 29.01	2,472,555,685	2,697,739,267
	Materials-Chemical	Note: 29.02	354,061,591	350,866,982
	Materials Purchase-SGL		482,168,493	357,998,814
	Packing Materials		16,660,879	16,960,558
	Raw Materials Consumed		**3,325,446,648**	**3,423,565,622**
	Add: Factory Overhead	Note: 29.03	1,778,263,487	1,168,109,386
	Cost of Production		**5,103,710,135**	**4,591,675,008**
	Opening Work-in-Progress		90,791,919	59,678,713
	Less: Closing Work-in-Progress		19,050,628	90,791,919
	Cost of Goods Manufactured		5,175,451,426	4,560,561,802
	Opening Finished Goods		193,565,913	175,700,548
	Opening Finished Goods-SGL		8,446,060	6,127,773
	Less: Closing Finished Goods		288,480,141	193,565,913
	Less: Closing Finished Goods-SGL		40,209,460	8,446,060
	Cost of Goods Sold		**5,048,773,797**	**4,540,378,151**

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		Amount in Taka	
		30.06.17	30.06.16
29.01	**Cost of Materials -Yarn**		
	Particulars		
	Opening Stock		
	Yarn	320,620,428	230,367,196
	Work in Process-Yarn	16,034,613	12,805,187
	Add: Purchases (Import)	2,732,044,283	2,720,128,923
	Add: CIF Cost	76,156,516	71,093,001
		3,144,855,840	**3,034,394,308**
	Less: Closing Stock		
	Yarn	655,987,381	320,620,428
	Work in Process-Yarn	16,312,773	16,034,613
	Cost of Materials -Yarn	**2,472,555,685**	**2,697,739,267**
29.02	**Cost of Materials -Chemical**		
	Particulars		
	Opening Stock	110,149,611	90,615,400
	Add: Purchase	389,838,879	360,954,056
	Add: CIF Cost	10,866,870	9,447,137
		510,855,360	**461,016,593**
	Less: Closing Stock	156,793,768	110,149,611
	Cost of Materials -Chemical	**354,061,591**	**350,866,982**
29.03	**Factory Overhead:**		
	Particulars		
	Factory Wages & allowance	428,993,509	378,094,935
	Security Service charges	6,376,402	6,042,018
	BEPZA Rent	5,936,831	5,861,137
	Electric bill for Bepza,SGL & EPCL	53,905,540	35,392,786
	Gas bill,S/Charge for Bepza	8,269,486	7,381,977
	Water bill for Bepza	20,052,799	19,330,815
	Medical bill	1,876,619	2,167,288
	BEPZA-Worker Welfare Fund	288,060	283,470
	BEPZA-Waste Water Bill	22,551,631	21,160,778
	BEPZA-EP/IP/SC	119,680	69,228
	Gas bill-Titas & SGL	84,104,508	76,063,565
	Fuel, Oil and Lubricant	86,590,147	100,841,480
	Heavy Furnace Oil (HFO)	554,109,866	93,908,944
	Spare parts	103,924,347	64,017,555
	Stationery	3,903,311	3,007,661
	Repair	6,170,597	4,871,801
	Operational Expenses	7,815,427	1,842,777
	Water Refinery Expenses	1,930,500	1,926,670
	Clearing Charge	6,735,092	6,781,399
	Electrical expenses	1,942,943	2,949,106
	Labour charges	3,789,307	2,405,430
	Fabric Test	4,193,129	2,351,411
	Carrying Charges	6,976,942	200,180
	Insurance Premium	9,336,195	4,923,077
	Laboratory Expenses	515,070	975,335
	House Rent for workers	3,505,200	3,414,048
	P.F Contribution	8,072,339	6,862,469
	Entertainment	11,516,299	9,212,082
	Group Insuarnce	2,042,264	2,201,158
	Factory rent-Hashem Plaza	14,400,000	13,446,000
	Godown Rent	-	30,000

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		Amount in Taka	
		30.06.17	30.06.16
	Courier Bill	3,427,464	2,442,697
	Communication Expenses	1,495,682	1,077,988
	Conveyance	633,516	336,402
	Accomodation Bill	198,710	61,934
	CBG for Boiler	2,031,157	1,418,037
	Night Bill	507,340	255,419
	Tiffin Bill	1,236,186	441,153
	Carriage Inward	475,950	425,855
	Land Rent, Rates, Taxes & Others	56,451	477,100
	Fuel & Water Test	11,200	204,757
	WPC Expenses	-	38,845
	Misc. Expenses	550,299	504,008
	Plant office Expenses	418,247	559,902
	Liquidity Demerage	60,158,946	25,527,425
	Depreciation	237,118,299	256,321,289
	Total:	**1,778,263,487**	**1,168,109,386**
30.00	**Administrative Expenses:**		
	Particulars		
	Directors Remuneration	10,200,000	8,400,000
	Advisor Fees	475,000	300,000
	Salary and allowance	58,411,097	45,127,585
	Office Rent	2,016,000	5,530,300
	Electric Bill	682,528	1,163,786
	Gas Bill	-	49,800
	Wasa Bill	317,996	154,364
	Telephone Bill	202,727	260,629
	Mobile Bill	1,238,209	1,016,494
	Store Rent	300,000	184,000
	Office Expenses	1,468,288	1,070,230
	Donation & Subscription	149,396	70,893
	Fees & forms	6,437,385	2,790,906
	RJSC Expenses	2,406,200	-
	Mortage & Registration Expenses	22,000	-
	Renewal & Registration Fee	2,474,304	2,017,537
	P.F Contribution	1,756,510	1,558,327
	Postage & stamps	366,264	302,207
	Stationery	1,583,634	1,068,805
	Entertainment	2,356,699	1,587,117
	Travelling & Conveyance	18,847,422	17,143,674
	Photocopy	102,694	116,068
	Courier bill	6,627,234	3,108,702
	Board Meeting Fees	264,500	155,000
	Audit Fees-IPO Exp.	258,750	383,950
	Gift & compliments	143,620	140,790
	Paper bill	11,358	13,037
	Car Fuel	5,318,635	4,535,823
	Car Expenses	2,054,275	673,784
	Internet Bill	1,610,687	1,365,433
	Computer Accessories	187,580	151,338
	Books & Periodicals	5,220	1,240
	AGM Expenses	1,773,530	-
	Common Utility Bill	-	357,700
	Uniform & Leverage	263,700	114,608
	Credit Rating Fees	92,000	552,000

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		Amount in Taka	
		30.06.17	30.06.16
	Cable Charge	7,200	3,600
	Consultancy/Professional Fees	4,039,000	1,492,500
	Compliance Fees	-	32,500
	Traning & Skillness	65,000	-
	Softwear Maintenance Charge	420,000	383,334
	Advertisement	2,063,742	556,427
	Insurance	497,580	42,940
	Audit Fees	552,000	622,000
	Transport Expenses	3,909,807	2,860,406
	Rent,rates & Taxes	-	20,000
	Survey Charge	310,350	-
	Misc. Exp.	4,673,505	4,418,642
	Buying house commission	737,215	138,866
	Depreciation (note:5.1)	4,301,291	3,932,899
	Total:	**152,002,133**	**115,970,241**
31.00	**Selling ,Commercial & Distribution Expenses**		
	Particulars		
	Sample & Marketing Expenses	41,227,882	34,815,101
	Carriage outward	1,793,970	1,478,410
	Forwarding charge	1,203,199	1,421,911
	Trade Promotion	144,850	223,622
	Freight Charge	1,063,419	343,160
	Total:	**45,433,320**	**38,282,204**
32.00	**Financial Income**		
	Financial Income	**32,845,521**	**89,915,542**
33.00	**Financial Expenses**		
	Particulars		
	Bank Charges & Commission		
	L/C advising and amend.charges	956,955	899,552
	Comm.and Intt.for Export	1,183,400	671,767
	Bank Charges & Commission	6,531,843	5,763,263
	Discount-FBN	102,930,953	86,951,733
	Foreign Bank Charge	7,867,456	8,533,521
	Interest		
	Sonali Bank Ltd.,Int. on CCHP-1249	-	32,646,153
	Bank Asia Ltd.,Interest on OD-692	16,691,149	2,570,433
	Bank Asia Ltd.,Int. on OAP A/C	-	511,503
	Bank Asia Ltd.,Int. on Term Loan	26,153,247	-
	The Premier Bank Ltd., Int. on OD	27,747,332	49,564,451
	Interest on EDF/PAD & Others	4,117,714	1,752,758
	Bank Asia Ltd. Int. On FDBPL	-	108,581
	IPDC- Interest on Loan A/C	2,109,146	7,009,182
	Bank Charge, Intt. On Long & Short Term-EPCL	187,512,267	171,372,386
	Total:	**383,801,463**	**368,355,283**

		Amount in Taka	
		30.06.17	30.06.16
34.00	**Non-Operating Income**		
	Particulars		
	Exchange Gan /(Loss)	(4,108,066)	(2,463,761)
	Dividend Income	6,519,810	2,370,840
	Others Income	3,132,318	(32,198)
	Total:	**5,544,062**	**(125,119)**
35.00	**Corporate Tax:**		
	Particulars		
	Tax from Operating Income	62,939,161	97,806,558
	Tax On Non-Operating Income	8,969,957	5,415
	Tax On Dividend Income	1,303,962	474,168
	Total:	**73,213,080**	**98,286,141**
36.00	**Earnings Per Share (EPS)**		
	Basic Earnings Per Share:		
	Net Profit	590,191,851	563,028,308
	Outstanding Weighted Average Number of Share	112,787,630	112,787,630
	Basic Earnings Per Share (EPS)	**5.23**	**4.99**

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37. Non-controlling interests

Shasha Denims Ltd has significant involvement in investments in other companies. Out of the total investments the following subsidiaries have reportable NCI:

Name of the company	Operating segment	Ownership interests held by NCI	
		2016-2017	2015-2016
Shasha Garments Ltd	100% export oriented garments	3.54%	3.54%
Shasha Textiles Ltd	textile products	0.43%	0.43%
Energies Power Corporation Ltd	Energy producing company	0.03%	0.03%

The following is the summarised financial information for the above mentioned subsidiaries of Shasha Denims Ltd prepared in accordance with BFRS. The information is before the intercompany eliminations with other companies of the Group:

	Shasha Garments Ltd		Shasha Textiles Ltd		Energies Power Corporation Ltd	
	2017	2016	2017	2016	2017	2016
Revenue	636,259,808	494,374,119	-	-	1,287,178,322	728,940,212
Profit	43,642,391	11,973,661	(155,778)	(696,331)	88,908,138	69,479,830
Profit attributable to NCI	**1,544,941**	**423,868**	**(670)**	**(2,994)**	**26,672**	**20,844**
Current Assets	296,357,083	186,959,715	89,605,304	24,857,994	2,101,168,005	1,444,167,679
Non Current Assets	49,237,363	51,632,476	1,079,879,653	1,007,502,318	1,782,963,560	1,863,146,573
Current Liabilities	134,388,120	70,981,505	59,930	3,046,000	1,250,944,613	660,691,731
Non Current Liabilities	295,772	342,522	-	-	887,999,095	990,334,351
Net Assets	**210,910,555**	**167,268,164**	**1,169,425,027**	**1,029,314,312**	**1,745,187,858**	**1,656,288,170**
Net Assets attributable to NCI	**7,466,234**	**5,921,293**	**5,028,528**	**4,426,052**	**523,556**	**496,886**
Cash flow from operating activity	9,375,361	(4,676,572)	(141,848)	(10,273,709)	34,261,442	192,236,262
Cash flow from investing activity	(1,932,733)	(5,093,297)	(136,714,000)	(21,250,327)	(66,256,517)	(128,319,903)
Cash flow from financing activity	58,199,279	25,452,187	137,266,493	31,520,811	35,402,535	(67,658,542)
Net increase in cash and cash equivalents	**65,641,908**	**15,682,318**	**410,645**	**(3,225)**	**3,407,460**	**(3,742,183)**

Auditors' Report

To the Shareholders of Shasha Denims Limited

We have audited the accompanying financial statements of Shasha Denims Limited which comprises of Financial Position as at June 30, 2017 along with Statement of Profit & Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), Companies Act. 1994, the Securities & Exchange Rules 1987 and other applicable rules and regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing, 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 the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error, In making those risk assessments, the auditor considers internal control relevant to 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 Shasha Denims Limited as of June 30, 2017 and of its financial performance and cash flows for the financial year ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act. 1994, the Securities & Exchange Rules 1987 and other applicable rules and regulations.

We also report on other legal and regulatory requirements

We also report that:

a. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b. In our opinion proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;

c. The company's statement of Financial Position, Statement of Profit & Loss and other comprehensive income and Statement of Cash Flows dealt with by the report are in agreement with the books of accounts;

d. The expenditure incurred were for the purpose of the Company's business.

Place: Dhaka;
Dated: October 15, 2017

Ahmed Zaker & Co.
Chartered Accountants

Shasha Denims Limited

Statement of Financial Position

as at June 30, 2017

Particulars	Notes	Amount in Taka	
		June 30, 2017	June 30, 2016
ASSETS:			
NON-CURRENT ASSETS		**2,864,210,480**	**2,691,653,379**
Property, Plant & Equipment	4.00	847,171,936	896,511,408
Intangible Assets	5.00	2,715,584	2,998,852
Investment	6.00	1,095,904,189	1,095,904,189
Capital Work in Progress	7.00	918,418,771	696,238,930
CURRENT ASSETS		**4,248,113,247**	**3,923,015,037**
Inventories	8.00	1,231,955,118	805,778,591
Materials In Transit	9.00	72,748,419	107,635,359
Accounts Receivable	10.00	1,162,996,473	1,236,154,661
Interest Receivable		1,622,714	4,719,100
Deposit for Share	11.00	938,286,307	496,106,130
Advance, Deposit & Prepayments	12.00	241,410,920	202,611,543
Cash and Cash Equivalent	13.00	599,093,296	1,070,009,654
TOTAL		**7,112,323,727**	**6,614,668,416**
EQUITY & LIABILITIES:			
CAPITAL & RESERVE		**4,045,558,169**	**3,896,356,108**
Share Capital	14.00	1,127,876,300	1,127,876,300
Share Premium Account	15.00	1,250,000,000	1,250,000,000
Retained Earnings	16.00	1,667,681,869	1,518,479,808
NON CURRENT LIABILITIES		**68,774,486**	**69,655,077**
Long Term Loan	17.00	-	747,034
Deferred Tax Liability	18.00	68,774,486	68,908,043
CURRENT LIABILITIES		**2,997,991,072**	**2,648,657,231**
Accounts Payable	19.00	9,502,287	10,612,771
Liability for Expenses	20.00	66,105,052	40,778,228
Provision for Tax	21.00	217,284,262	178,988,724
Current Portion of Long Term Loan	22.00	-	33,091,839
IPO Fund Received	23.00	3,436,928	3,457,928
Short Term Loan	24.00	2,701,662,542	2,381,727,741
TOTAL		**7,112,323,727**	**6,614,668,416**

The annexed notes (1- 36) from an intergral part of these financial statements.

Chairman **Managing Director** **Company Secretary** **Chief Financial Officer**

Signed as per our separate report on same date

Place: Dhaka
Date: October 15, 2017

Ahmed Zaker & Co.
Chartered Accountants

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Shasha Denims Limited

Statement of Profit & Loss and other Comprehensive Income

for the year ended June 30, 2017

Particulars	Notes	Amount in Taka	
		June 30, 2017	June 30, 2016
Revenue	25.00	4,333,167,080	4,411,594,174
Less: Cost of Goods Sold	26.00	3,499,538,982	3,607,498,042
Gross Profit		**833,628,098**	**804,096,132**
Less: Administrative Expenses	27.00	111,368,308	88,899,274
Less: Selling & Distribution Exp.	28.00	41,227,882	34,815,101
Operating Profit		**681,031,908**	**680,381,757**
Add: Financial Income		32,845,521	89,915,542
Less: Financial Expenses	29.00	190,250,813	192,339,417
Net Financial Expenses		**157,405,291**	**102,423,875**
Profit before Non-operating income		**523,626,617**	**577,957,882**
Add: Non-Operating Income		1,984,144	(47,671)
Net Profit/(Loss) before tax		**525,610,761**	**577,910,211**
Less: Income Tax			
Current Tax	30.00	66,376,274	95,582,984
Deferred Tax		(133,557)	(385,639)
Net Profit/ (loss) for the year after Corporate Tax		**459,368,043**	**482,712,866**
Basic Earnings per Share	31.00	**4.07**	**4.28**

The annexed notes (1- 36) from an intergral part of these financial statements.

Chairman | **Managing Director** | **Company Secretary** | **Chief Financial Officer**

Signed as per our separate report on same date

Place: Dhaka
Date: October 15, 2017

Ahmed Zaker & Co.
Chartered Accountants

Shasha Denims Limited

Statement of Changes in Equity

for the year ended June 30, 2017

Particulars	Share Capital	Share Premium	Retained Earnings	Total
Balance as on 01.07.2016	1,127,876,300	1,250,000,000	1,518,479,808	3,896,356,108
Final Cash Dividend 15%	-	-	(169,181,445)	(169,181,445)
Interim Cash Dividend 12.5%	-	-	(140,984,538)	(140,984,538)
Net Profit/(Loss) for the year	-	-	459,368,043	459,368,043
Balance as on 30.06.2017	**1,127,876,300**	**1,250,000,000**	**1,667,681,869**	**4,045,558,169**

Statement of Changes in Equity

for the year ended June 30, 2016

Particulars	Share Capital	Share Premium	Retained Earnings	Total
Balance as on 01.07.2015	1,127,876,300	1,250,000,000	1,149,573,089	3,527,449,389
Interim Cash Dividend	-	-	(112,787,630)	(112,787,630)
Tax Adj. after Assessment (2014-15)	-	-	(498,182)	(498,182)
Tax Adj. after Assessment (2015-16)	-	-	(520,335)	(520,335)
Net Profit/(Loss) for the year	-	-	482,712,866	482,712,866
Balance as on 30.06.2016	**1,127,876,300**	**1,250,000,000**	**1,518,479,808**	**3,896,356,108**

Chairman | **Managing Director** | **Company Secretary** | **Chief Financial Officer**

Signed as per our separate report on same date

Ahmed Zaker & Co.
Chartered Accountants

Place: Dhaka
Date: October 15, 2017

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Shasha Denims Limited

Statement of Cash Flows

for the year ended June 30, 2017

Particulars	Amount in Taka	
	2016-2017	2015-2016
Cash flow from operating activities		
Collection from Turnover	4,444,251,319	4,496,084,400
Payment for cost & other expenses	(3,928,126,679)	(3,902,833,849)
Financial Expenses	(194,078,586)	(192,339,417)
Income Tax Paid	(63,481,864)	(57,508,330)
Net cash provided by operating activities	**258,564,191**	**343,402,804**
Cash flow from investing activities		
Fixed Assets	(41,029,476)	(107,855,447)
Capital Work in Progress	(222,179,842)	(696,238,929)
Deposit for Shares	(442,180,177)	(49,365,382)
Received from Office Decoration Sale	-	1,300,000
Net Cash provided by investing activities	**(705,389,495)**	**(852,159,758)**
Cash flow from financing activities		
Dividend Paid	(310,165,983)	(112,787,630)
Long Term Loan	(747,034)	(44,417,693)
Current Portion of Long Term Loan	(33,091,839)	14,441,541
IPO Fund transferred	(21,000)	(588,460)
Short-Term Loan	319,934,801	59,360,341
Net Cash provided by financing activities	**(24,091,054)**	**(83,991,901)**
Increase/ (decrease) in cash and bank balances	**(470,916,358)**	**(592,748,855)**
Cash and bank balances on opening	**1,070,009,654**	**1,662,758,509**
Cash and bank balances on closing	**599,093,296**	**1,070,009,654**
Net operating Cash flow per share	**2.29**	**3.04**

Chairman **Managing Director** **Company Secretary** **Chief Financial Officer**

Signed as per our separate report on same date

Place: Dhaka
Date: October 15, 2017

Ahmed Zaker & Co.
Chartered Accountants

Shasha Denims Limited

Notes to the Financial Statements

As at and for the half year ended June 30, 2017

1.0 Reporting Entity

1.1 Company Profile

1.1.1 Shasha Denims Limited

Shasha Denims Limited a Private Limited Company with an incorporation date on 28th October 1996 had been converted into a Public Limited Company on 1st day October 1997 under the companies Act 1994. Registered office of the companies is at House # 07, Road # 117, Gulshan, Dhaka.

1.2 Nature of Business

The main activities of the company were concentrated in Manufacturing, Dyeing, Weaving & Finishing of Denim Fabric and exporting the same.

2.0 Basis of Preparation:

2.1 Statement of Compliance:

The financial statements of the company under reporting have been prepared under historical cost convention in a going concern concept and on accrual basis in accordance with generally accepted accounting principles and practice in Bangladesh in compliance with the Companies Act 1994, The Securities and Exchange Rules 1987, International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), as Bangladesh Accounting Standard (BAS) and Bangladesh Financial Reporting Standards (BFRS) and other applicable laws and regulations.

2.2 Basis of Preparation

The group has presented separate financial statements in addition to consolidated financial statements.

2.3 Reporting Period:

The financial period of the company covers the period from July 2016 to June 2017.

2.4 Date of Authorization

The board of directors has authorized these financial statements on 10 October, 2017.

2.5 Reporting Currency and Level of Precision:

The figure in the financial statements represent Bangladesh Currency (Taka), which have been rounded off to the nearest Taka except where indicates otherwise.

3.0 Significant Accounting Polices:

Principal Accounting Policies:
The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these financial statements.

3.1 Foreign Currency

Foreign currencies are converted into Taka at the rates ruling on the transaction dates. Monetary assets and liabilities are reconverted at the rates prevailing at the balance sheet date. Non-monetary assets and liabilities are reported using the exchange rate at the date of transaction. Differences arising on conversion are charged or credited to the profit or loss account.

3.3 Property, Plant and Equipment

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3.3.1 Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner.

3.3.2 Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the Statement Profit or Loss and other Comprehensive Income as incurred.

3.3.3 Depreciation

Shasha Denims Limited uses the reducing balance method to depreciate each item of property, plant and equipment.

The rates of depreciation, applied on reducing balance method, for the current and comparative year are as follows:

	2016-2017	2015-2016
Building & Civil work	5%	5%
Plant & Machinery	10%	10%
Generator, Sub-Sta., Elec.	10%	10%
Workshop Equipment	15%	15%
Fire Extinguisher	20%	20%
Office Equipment	20%	20%
Furniture & Fixture	15%	15%
Crockery & Cutlery	20%	20%
Air Conditioner	15%	15%
Sanitary Fittings	15%	15%
Vehicle	15%	15%
Office Decoration	15%	15%
Hydrant Line	15%	15%
ETP Plant	15%	15%
Other Assets	15%	15%
Deep Tube-Well	15%	15%
CC Camera	10%	10%

3.4 Investments

Investments include investment in subsidiaries and some other non operating companies which represents management vision to business expansion.

3.5 Capital Work in Progress

Capital Work in Progress comprises the capital expenditures incurred from the IPO proceeds as well as some regular capital items which is yet to be ready for its intended use. These items are classified in two categories: plant & machinery and Building & civil works. As both the items are qualifying assets, all expenses associated with these items are recognized as capital work in progress.

3.6 Inventories

Inventories are measured at lower of cost and estimated net realizable value. The cost of inventories is measured by using weighted average cost formula and includes expenditure incurred for acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses.

3.7 Impairment

The carrying value of the Company's assets other than inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the Statement Profit or Loss and other Comprehensive Income.

3.8 Deposit for shares

Deposit for shares are investment of the company to its other sister concerns in which the company has significant interest and control. Deposit for shares are being provided with an objective to assist these companies being capable of running its business without interruption as well as the company can enhance its control over these companies.

3.9 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. The entity recognizes financial instruments and provides necessary disclosures only for the parent company and not for the consolidated status.

3.9.1 Financial assets

Financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transaction.

The company derecognizes a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets basically include cash and cash equivalents and accounts receivable.

(a) Accounts Receivables

Accounts receivables are initially recognized at nominal value which is the fair value of the consideration given in return.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash balances both in hand and at bank.

3.9.2 Financial Liability

All financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability.

The company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial liabilities include loans and borrowings both in short and long termed, bank liability generated from import of raw materials, accounts payable etc.

(a) Accounts Payable & liability for expenses

The company recognizes financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying benefits.

(b) Short Term Loan

Short term loan includes short term facilities from the associated banks of the entity named, Over Draft (OD) facility, Cash Credit Hypo (CCHP). It also includes Trade Payables incurred from procurement of goods through Letter of Credit (L/C) which is also duly accepted by the bankers of the entity waiting for maturity of payment as per the terms & conditions. It also includes other short term facility provided by the banks to the entity (if any).

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3.10 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss and other comprehensive income.

3.11 Employee benefit

The Company maintains defined contribution plan (provident fund) for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective trust deeds.

3.12 Revenue recognition

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts etc. recognized according to BAS 18: Revenue. This usually occurs at the time of delivery of goods along with invoice. The company also considers the time of delivery as revenue recognition point.

3.13 Financial Income

Financial Income comprises interest income arising from the yet to be utilized IPO fund kept in Fixed Deposit (FDR) mode. However these deposits are being encashed as and when necessary to ensure the smooth construction of new factory building and importation of new machinery as declared in the prospectus.

3.14 Finance expenses

Finance expenses comprise interest expense on term loan, overdraft, and bank charges. It also includes bill discounting charge which evolves as the most effective financial arrangement of the company. All finance expenses are recognized in the Statement Profit or Loss and other Comprehensive Income.

3.15 Workers Profit Perticipation Fund (WPPF)

In 2015, the Government has formulated the relevant rules under the Act, which is called the Bangladesh Labour Rules 2015 (the Rules). According to the provisions of said rule 212, Government of Bangladesh (GoB) will create a central fund and circulate official gazzette to the sectorwise industry's representative who are engaged in 100% export oriented business regarding the administration and framework of such fund. Though the contribution of the company on the central fund can be estimated reliably, the mode of payment and the associated regulatory and administrative bodies of such fund like banks and others are not ready to receive the fund currently. As a result, the company has not yet started provisioning such amount in its financial statements.

3.16 Earnings per share

The company presents basic earnings per share (EPS) data for its ordinary shares and diluted EPS where applicable. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company net of non controlling interest on consolidated profit by the weighted average number of ordinary shares during the period, adjusted for the effect of change in number of shares for bonus issue. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant periods.

3.17 Statements of Cash flows

Cash flows from operating activities have been presented under direct method.

3.18 Events after the reporting period

Events after the reporting date that provide additional information about the Company's position at the reporting date are reflected in the financial statements. Material events after the reporting date that are not adjusting events are disclosed in a separate note, if any.

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4. Schedule of Property, Plant & Equipment

Particulars	Original Cost				Depreciation					Written Down
	Balance as at 01.07.2016	Addition during the year	Sale/ Disposal	Total Cost as at 30.06.2017	Rate %	Balance as at 01.07.2016	Sale/ Disposal	Charged during the year	Total as at 30.06.2017	Value as at 30.06.2017
Tangible Assets										
Building & Civil work	179,781,144	2,875,965	-	182,657,109	5%	76,685,693	-	5,261,205	81,946,898	100,710,211
Plant & Machinery	1,689,058,243	24,545,569	-	1,713,603,811	10%	1,018,594,845	-	68,060,222	1,086,655,067	626,948,744
Generator, Sub-Sta., Elec.	118,031,528	9,807,483	-	127,839,011	10%	73,308,906	-	4,571,428	77,880,333	49,958,678
Workshop Equipment	3,707,628	-	-	3,707,628	15%	2,776,954	-	139,601	2,916,555	791,074
Fire Extinguisher/Ditector, Alarm System	2,644,558	211,807	-	2,856,365	20%	784,255	-	388,602	1,172,857	1,683,508
Office Equipment	13,057,398	2,021,789	-	15,079,187	20%	8,221,962	-	1,183,133	9,405,095	5,674,092
Furniture & Fixture	3,599,631	99,695	-	3,699,326	15%	2,036,959	-	239,054	2,276,014	1,423,312
Crockery & Cutlery	116,658	-	-	116,658	20%	58,552	-	15,033	73,585	43,073
Air Conditioner	7,182,573	81,000	-	7,263,573	15%	4,220,852	-	450,401	4,671,252	2,592,321
Sanitary Fittings	24,788	-	-	24,788	15%	22,536	-	338	22,873	1,915
Vehicle	71,811,610	-	-	71,811,610	15%	24,322,617	-	7,123,349	31,445,966	40,365,644
Office Decoration	6,244,564	130,210	-	6,374,774	15%	1,261,520	-	755,092	2,016,612	4,358,162
Hydrant Line	998,026	-	-	998,026	15%	784,203	-	32,073	816,277	181,749
ETP Plant	7,095,097	-	-	7,095,097	15%	3,526,471	-	535,294	4,061,765	3,033,332
Other Assets	16,840,090	1,238,958	-	18,079,047	15%	8,228,406	-	1,424,233	9,652,640	8,426,408
Deep Tube-Well	1,880,000	-	-	1,880,000	15%	1,322,516	-	83,623	1,406,139	473,861
Furnace Oil Reserver	1,450,000	-	-	1,450,000	15%	854,880	-	89,268	944,148	505,852
Total	**2,123,523,536**	**41,012,476**	**-**	**2,164,536,011**		**1,227,012,127**	**-**	**90,351,948**	**1,317,364,075**	**847,171,936**
Property, Plant & Equipment as at 30 June 2016	**2,071,773,415**	**54,750,121**	**3,000,000**	**2,123,523,536**		**1,184,999,198**	**2,420,451**	**44,433,380**	**1,227,012,127**	**896,511,408**

5. Intangible Assets

Particulars	Original Cost				Amortization					Written down
	Balance as at 01.07.2016	Addition during the year	Sale/ Disposal	Total Cost as at 30.06.2017	Rate %	Balance as at 01.07.2016	Sale/ Disposal	Charged during the year	Total as at 30.06.2017	Value as at 30.06.2017
Software Development	4,562,167	17,000		4,579,167	10%	1,563,315	-	300,268	1,863,583	2,715,584
Total	**4,562,167**	**17,000**	**-**	**4,579,167**		**1,563,315**	**-**	**300,268**	**1,863,583**	**2,715,584**
Intangible Assets as at 30 June 2016	**4,562,167**	**-**	**-**	**4,562,167**		**1,405,480**	**-**	**157,834**	**1,563,315**	**2,998,852**

5.1 Allocation of Depreciation & Amortization

Factory	87,709,235
Administrative	2,942,980
Total	**90,652,216**

** This allocation of deprteciation is based on the nature of assets contribution directly to production and administration of operation.

			Amount in Taka	
			30.06.2017	30.06.2016
6.00	**Investment in Associates**			
	Particulars			
	Shasha Textiles Ltd.		69,700,000	69,700,000
	Shasha Apparels Ltd.		600,000	600,000
	Shasha Spinning Ltd.		25,000	25,000
	Shasha Garments Ltd.		15,000,000	15,000,000
	Shasha Denims Ltd. Unit-2		15,939,189	15,939,189
	Cider Education Services Ltd.		9,990,000	9,990,000
	TelStar Communication Ltd.		300,000	300,000
	Energis Power Corporation Ltd.		983,400,000	983,400,000
	Trade Matrix Bangladesh Ltd.		300,000	300,000
	Energis Ventures Ltd.		300,000	300,000
	Energis Holdings Ltd.		350,000	350,000
	Total:		**1,095,904,189**	**1,095,904,189**
7.00	**Capital Work in Progress**			
	Particulars			
	Plant & Machinery, Others		742,109,134	564,242,962
	Building & Civil Works		176,309,636	131,995,968
	Total:		**918,418,771**	**696,238,930**
8.00	**Inventories**			
	Particulars			
	Yarn		655,987,381	320,620,428
	Chemical		156,793,768	110,149,611
	Packing Materials		1,617,211	744,449
	Stationery		1,623,815	1,112,749
	Spare Parts & Others		89,481,089	69,828,469
	Fuel, Oil & Lubricants		2,608,310	2,930,441
	Finished Fabric		288,480,141	193,565,912
	Work-in-Progress- Fabric		19,050,628	90,791,919
	Work-in-Progress- Sizing Yarn		16,312,773	16,034,613
	Total:		**1,231,955,118**	**805,778,591**
9.00	**Materials in Transit**			
	Particulars			
	Yarn		61,598,817	75,659,305
	Chemical		11,149,603	26,754,669
	Machine		-	5,221,385
	Total:		**72,748,419**	**107,635,359**
10.00	**Accounts Receivable**			
	Particulars			
	Export	Note: 10.01	1,162,996,473	1,236,154,661
	Total:		**1,162,996,473**	**1,236,154,661**

10.01 As these receivables are due from various clients number of which is not less than 100, to maintain the haromization of financial statements the beark up is not presented here. However all the receivables are good in standard and average age is only 90 days.

			Amount in Taka	
			30.06.2017	30.06.2016
11.00	**Deposit for Shares**			
	Particulars			
	Shasha Textiles Ltd.		224,917,779	84,651,286
	Shasha Apparels Ltd.		201,818	201,818
	Shasha Spinning Ltd.		471,966	471,966
	Cider Education Services Ltd.		6,622,520	6,619,960
	Energis Power Corporation Ltd.		339,120,382	339,120,382
	Shasha Millners & Textiles		300,570,220	569,620
	Form Icon Ltd.		66,381,622	64,471,098
	Total:		**938,286,307**	**496,106,130**
12.00	**Advance Deposit & Prepayments**			
	Particulars			
	Security Deposit & Guarantee	Note: 12.01	48,146,489	36,150,001
	Advances	Note: 12.02	28,268,127	26,922,188
	Prepayments	Note: 12.03	164,996,304	139,539,354
	Total:		**241,410,920**	**202,611,544**
12.01	**Security Deposit & Bank Guarantee**			
	Particulars			
	Security Deposit	Note: 12.1.1	47,419,399	35,422,911
	Bank Guarantee	Note: 12.1.2	727,090	727,090
	Total:		**48,146,489**	**36,150,001**
12.1.1	**Security Deposit**			
	Particulars			
	Security Deposit BEPZA Land		1,117,871	1,117,871
	Security Deposit BEPZA Land and Elect (Plot-189-292)		1,820,982	1,414,079
	Security Deposit BEPZA Electric		1,207,500	1,207,500
	Security Deposit BEPZA Water Connection		103,068	-
	Security Deposit Titas Gas		19,477,100	4,534,435
	Security Deposit-TBL		270,000	270,000
	Security BOC Cylinder		54,000	54,000
	Security Deposit-T&T		33,000	33,000
	Security Deposit-Mobile		8,000	8,000
	Security Deposit-IPDC		-	3,150,148
	Security Deposit-Central Depository of Bangladesh		411,636	411,636
	Security Deposit Office Rent		400,000	400,000
	Security Deposit-Load 2500 KW		2,152,500	2,152,500
	Security Deposit-Office Rent 2500 kW		20,103,747	20,103,747
	Trust Milonoyoton		-	72,000
	BGMEA		-	234,000
	Group4s Security		259,996	259,996
	Total:		**47,419,399**	**35,422,911**
12.1.2	**Bank Guarantee**			
	Particulars			
	BG Margin-Titas Gas-Bank Asia		523,750	523,750
	BG Margin-Titas Gas-PBL Uttara		203,340	203,340
	Total:		**727,090**	**727,090**

MARSTOCK

			Amount in Taka	
			30.06.2017	30.06.2016
12.02	**Advances**			
	Particulars			
	Office & Factory Employees		9,106,202	6,032,263
	Office Rent Advance-Gulshan		880,000	1,840,000
	Advance Rent Gulshan		-	40,000
	Office Rent		96,000	96,000
	Store & Garage Rent		18,000	-
	Flat Purchase-Samudra Builders		15,211,925	15,811,925
	Rajuk-Land		500,000	500,000
	Sonar Bangla Insurance		-	50,000
	Store Rent Ariful Omar		-	264,000
	Store Rent-Ali Imam		168,000	-
	D.G Department of Environment		2,288,000	2,288,000
	Total:		**28,268,127**	**26,922,188**
12.03	**Prepayments**			
	Particulars			
	Factory Expenses		6,626,034	7,511,762
	Adv. Against Purchase	Note: 12.3.1	58,967,236	68,251,311
	Store & Garage Rent		-	13,000
	Mobile Bill & Others		361,940	93,316
	Advance Income Tax	Note: 12.3.2	99,041,093	63,669,965
	Total:		**164,996,304**	**139,539,354**
12.3.1	**Adv. Against Purchase**			
	Particulars			
	Foreign- T.T		4,488,098	3,075,508
	Local suppliers		54,479,138	65,175,803
	Total:		**58,967,236**	**68,251,311**
12.3.2	**Advanced Income Tax:**			
	Particulars			
	Opening Balance		63,669,965	46,362,808
	Addition during the period		35,401,128	18,142,157
	Adjusted during the year		30,000	835,000
	Closing balance		**99,041,093**	**63,669,965**
13.00	**Cash and Cash Equivalents**			
	Particulars			
	Cash in Hand	Note: 13.01	7,541,091	2,280,805
	Cash at Bank- Current Account	Note: 13.02	51,889,894	19,922,590
	Cash at Bank- Foreign Currency Account	Note: 13.03	20,736,777	32,432,035
	Cash at Bank- IPO	Note: 13.04	151,188,960	185,890,666
	Cash at Bank- Fixed Deposit Axxount	Note: 13.05	367,736,573	829,483,558
	Total:		**599,093,296**	**1,070,009,654**
13.01	**Cash in Hand**			
	Particulars			
	Head Office		2,699,822	50,279
	Factory Office-Project		-	1,494,793
	Factory Office		4,841,269	735,733
	Total:		**7,541,091**	**2,280,805**

AMARSTOCK

		Amount in Taka	
		30.06.2017	30.06.2016
13.02	**Cash at Bank- Current Account**		
	Particulars		
	IFIC Bank Ltd., Gulshan Branch	17,111	17,111
	Sonali Bank Ltd., Local Office	137,462	139,687
	The Premier Bank Ltd., Gulshan Branch	4,656	5,806
	The Premier Bank Ltd., Uttara Branch	13,935	-
	Trust Bank Ltd., Gulshan Branch	1,168,778	1,171,428
	One Bank Ltd., Savar Branch	4,029,568	1,475,798
	First Security Islami Bank, Gulshan Branch	18,687	20,217
	United Commercial Bank Ltd., Uttara Branch	294,399	17,038,909
	The Premier Bank Ltd., Elephant Road Branch	-	654
	Bank Asia Ltd., Corporate Branch	46,205,298	52,980
	Total:	**51,889,894**	**19,922,590**
13.03	**Cash at Bank- Foreign Currency Account**		
	Particulars		
	The Premier Bank Ltd., Gulshan Branch	4,289	4,289
	Bank Asia Ltd., Corporate Branch	797,619	20,612,959
	Sonali Bank Ltd. Local Office	6,298,240	6,261,631
	The Premier Bank Ltd., Uttara Branch	13,636,630	5,553,156
	Total:	**20,736,777**	**32,432,035**
13.04	**Cash at Bank- IPO Account**		
	Particulars		
	Eastern Bank Ltd., Principal Br.-High Performance A/C	7,852,543	7,673,546
	Eastern Bank Ltd.- USD Account	124,801	125,305
	Eastern Bank Ltd.- Euro Account	14,001	14,001
	Premier Bank Ltd. Uttara Br. STD	143,183,614	178,063,814
	Eastern Bank Ltd.- GBP Account	14,000	14,000
	Total:	**151,188,960**	**185,890,666**
13.05	**Cash at Bank- Fixed Deposit Account**		
	Particulars		
	The Premier Bank Ltd., Uttara Branch	285,295,309	808,988,554
	Bank Asia Ltd., Uttara Branch	21,441,265	20,495,004
	Bank Asia Ltd., Corporate Branch	61,000,000	-
	Total:	**367,736,573**	**829,483,558**
14.00	**Share Capital**		
	Particulars		
	Authorized Capital		
	20,00,00,000 ordinary shares of TK.10/- each	2,000,000,000	2,000,000,000
	2,50,00,000 redeemable preference shares of TK.10/- each	250,000,000	250,000,000
	Total:	**2,250,000,000**	**2,250,000,000**
	Issued & Paid up Capital		
	Particulars		
	11,27,87,630 ordinary shares of TK.10/- each	1,127,876,300	1,127,876,300
	Total:	**1,127,876,300**	**1,127,876,300**
15.00	**Share on Premium Account**		
	Particulars		
	5,00,00,000 Shares of Tk. 25 each	1,250,000,000	1,250,000,000
	Total:	**1,250,000,000**	**1,250,000,000**

AMARSTOCK

			Amount in Taka	
			30.06.2017	30.06.2016
16.00	**Retained Earnings**			
	Particulars			
	Opening Balance		1,518,479,808	1,149,573,089
	Add: Net Profit during the year		459,368,043	482,712,866
			1,977,847,851	**1,632,285,955**
	Adjustment		-	1,018,517
	Less: Final Dividend		169,181,445	-
	Less: Interim Dividend		140,984,538	112,787,630
	Closing Balance		**1,667,681,869**	**1,518,479,808**
17.00	**Long Term Loan**			
	Particulars			
	IPDC of Bangladesh Ltd.		-	747,034
	Total:		**-**	**747,034**
18.00	**Deferred Tax Liability**			
	Particulars			
	Written Down Value of PPE (Accounting Base)		849,887,520	899,510,261
	Written Down Value of PPE (Tax Base)		391,390,946	440,123,309
	Temporary Difference		458,496,574	459,386,953
	Tax Rate		15%	15%
	Closing Balance		**68,774,486**	**68,908,043**
19.00	**Accounts Payable**			
	Particulars			
	SDSL Cargo Services Ltd.	(C & F)	-	63,004
	Dhaka Logistics Network	(C & F)	520,975	516,835
	General Enterprise		-	15,410
	New Khan Transport Agency		2,014,966	1,597,150
	Dip Engineering Works		-	40,000
	Gazi International		5,800	5,800
	New Asia Ltd.		19,000	5,000
	New Light Corner	(Electrical Goods)	24,859	24,859
	Bismillah Rubber & Engineering		136,000	-
	Titas Spinning & Denim		14,781	14,781
	Met Life Alico		2,643	2,643
	Md.Khorshed Alam Store Owner		6,250	-
	Powe Man		-	609,380
	Energypac Power Generation Services		83,515	-
	Max Leather		10,000	10,000
	Karnaphuli Insurance Company Ltd.	(Insurance)	-	530,671
	J.R Collection		52,924	175,224
	Sharmin Reed		10,800	10,800
	Falcate Paper Tube		-	126,000
	Telecom Spare	(Spare Parts)	81,225	81,225
	S.Alam Electronics	(Electrical Goods)	35,507	35,507
	Hakim Enterprise		6,437	6,437
	Friends Chemitech	(Chemical Supplier)	327,000	202,500
	Japan Engr.		21,400	21,400
	ITS Labtest Bangladesh Ltd.	(Fabric Test)	926	1
	Dana Engr. Ltd.		21,773	21,850
	SGS Bangladesh Ltd.	(Fabric Test)	0.25	30,229
	Touch Paper	(Packing Materials)	611,680	508,838

AMAR STOCK

		Amount in Taka	
		30.06.2017	30.06.2016
	Sohel & Brothers	520,428	1,774,224
	Unifil Composite Dyeing Mills	20,317	20,317
	Stifttech International	-	120,552
	Control Union	-	7,705
	Dexterous Engr.-Chiller	-	81,075
	Z.R Color Chem	33,000	33,000
	Ahsiar Fashions Ltd.	-	223,758
	Richmond Hotel	229,206	-
	TUV Rheinland Bangladesh	7,880	12,614
	New Bhuiyan	-	1
	Multicable Network	1,200	2,100
	Sabbir Enterprise		1
	EMKAY Enterprise	82,750	82,750
	ABC Building	1	-
	Nibir Nirman	2,299,142	2,594,220
	Shamim Enterprise	4	4
	SK International	58,140	-
	Rafi Paper	365,960	177,000
	Boral Chemical	-	22,000
	Fiz Com	50	-
	Karnaphuli Insurance-Open Cov.	553,529	-
	Bureau Veritas Con pro BD.Ltd.	1	-
	Talha Fabrics Ltd.	88	-
	MD.Thoha Hossain (Sumon)	376,438	-
	Multibrand Workshop Ltd.	387,339	-
	Ahsiar fashions Ltd.	223,767	-
	Technical World	6,930	-
	Eng.Survey & Planning	67,350	-
	New Star Communucation	6,498	
	Biniyoughbarta	20,000	-
	Southwest Composite Ltd.	42,700	-
	Horizon Express	191,109	805,906
	Total:	**9,502,287**	**10,612,771**
20.00	**Liabilities for Expenses**		
	Particulars		
	BEPZA-Electric Bill	5,219,656	2,821,986
	BEPZA-Water Bill	1,595,578	1,534,346
	BEPZA-Gas Bill Service Charge	1,478,936	1,333,277
	BEPZA-Medical Bill	76,436	73,585
	BEPZA-Workers Welfare Fund	24,450	23,610
	BEPZA-IP/SC/L	19,005	4,525
	BEPZA-WWT	1,753,019	1,692,339
	BEPZA	6,500	-
	Titas Gas Bill	14,789,357	6,078,305
	Electric Bill	98,319	93,308
	Wasa Bill	103,370	12,121
	Gas Bill	48,110	48,410
	Telephone Bill	38,095	44,569
	Mobile Bill	39,604	21,458
	Rent Gulshan Office	352,500	-
	Rent & utility-Mascot	41	41

AMARSTOCK

		Amount in Taka	
		30.06.2017	30.06.2016
Remuneration		850,000	1,624,997
Salary, Wages & Overtime		18,038,074	2,759,238
AIT-Titas, Salary & Others		348,420	34,718
P.F Payable		4,555,639	2,019,144
Stamp Payable		19,480	11,060
Guest House Rent		564,000	548,145
Exchange/Discount (SB & BAL)		13,855,531	17,683,304
Garage Rent Payable		18,500	12,000
Audit Fees Payable		460,000	230,000
Advisor Fees Payable		50,000	30,750
Board Meeting Fees Payable		30,000	-
Consultancy Fees Payable		20,000	-
Afroza Enterprise		15,000	10,000
Share Biz Kortcha		153,400	41,600
DHL World Wide Express (BD)P. Ltd.	(Courier)	41,105	182,761
Bangladesh Trade Syndicate	(Courier)	5,494	5,494
Dhaka Com Ltd.		2,400	2,400
Expo Express/Aramex Dhaka Ltd.	(Courier)	-	21,200
Root Marketing Services		1,640	-
Nirapad Aluminum	(Decoration)	18,020	18,020
Khan Sons Automobiles		19,359	19,359
AD Creation	(Stationery)	123,000	-
G4s Security Services BD. (P) Ltd.	(Security Services)	535,900	544,515
Warrior Security Service		11,004	11,004
Overseas Marketing Co		7,000	7,000
Sanyo Refrigeration		-	3,900
ST Express		429,822	357,518
A & A International		-	8,055
Bureau Veritas		-	196,436
Aamra Network		1,000	1,000
Motin Courier Service		-	1,342
CRAB		-	50,000
Sohana Machinery		23,611	23,611
Gulshan Club-(S.M)		3,010	3,150
Nisa Software		7,000	-
KIA Service Center		40	40
Other Expenses		3,970	34,982
DHS Motors		1,076	17,000
Motin Courier Service		1,342	-
Elit Paint		9,867	-
CU Certification		9,532	-
Arthosuchak		-	10,000
Metro Books		43,870	-
Sign Palace		17,000	-
Unique Thread		125,665	-
Travel Wise Ltd		42,305	-
Adobe		-	300,000
Sun BD Communication		-	171,529
DHS Motors		-	1,076

AMARSTOCK

			Amount in Taka	
			30.06.2017	30.06.2016
	Total:		**66,105,052**	**40,778,228**
21.00	**Provision for Income Tax**			
	Particulars			
	As per Last Year		178,988,724	146,309,690
	Add: Provision during the year		66,376,274	48,529,120
			245,364,998	**194,838,810**
	Less: Tax Paid (2014-2015,2015-2016)		28,080,736	15,850,085
	Closing Balance		**217,284,262**	**178,988,725**
22.00	**Current Portion of Long Term Loan**			
	Particulars			
	IPDC Term Loan -078		-	33,091,839
	Total:		**-**	**33,091,839**
23.00	**IPO Fund Received**			
	Particulars			
	Eastern Bank Ltd., Principal Br.		3,436,928	3,457,928
	Total:		**3,436,928**	**3,457,928**
24.00	**Short Term Loan**			
	Particulars			
	Bank Asia Ltd.	Note: 24.01	1,783,725,486	1,199,750,052
	The Premier Bank Ltd.	Note: 24.02	917,937,057	1,181,977,689
	Total:		**2,701,662,542**	**2,381,727,741**
24.01	**Bank Asia Ltd.**			
	Particulars			
	Bank Asia Ltd., Corporate Branch, OD		202,558,698	200,734,331
	Bank Asia Ltd., Corporate Br.-FBN		547,303,214	384,630,076
	Bank Asia Ltd., Corporate Br.-EDF		114,672,927	74,595,243
	Bank Asia Ltd., Corporate Br.-PAD		29,441,412	52,332,598
	Bank Asia Ltd., Corporate Branch		459,707,663	-
	Accepted Liability (Raw Materials & Others)		430,041,572	487,457,803
	Total:		**1,783,725,486**	**1,199,750,052**
24.02	**The Primier Bank Ltd.**			
	Particulars			
	The Premier Bank Ltd., Uttara Branch, OD-141		210,537,061	463,680,153
	The Premier Bank Ltd., Uttara Branch-FBN		288,146,250	445,759,432
	Accepted Liability(Raw Materials & Others)		419,253,745	272,538,104
	Total:		**917,937,057**	**1,181,977,689**
			2016-2017	**2015-2016**
25.00	**Revenue**			
	Particulars			
	Export Revenue	Note: 25.01	**4,333,167,080**	**4,411,594,174**
25.01	As export revenue is achieved through proper banking channel from a large number of client base of the company, to maintain the haromization of financial statements the beark up is not presented here.			
26.00	**Cost of Goods Sold:**			
	Particulars			
	Materials-Yarn	Note: 26.01	2,472,555,685	2,697,739,266
	Materials-Chemical	Note: 26.02	354,061,591	350,866,982
	Packing Materials		16,660,879	16,960,558

AMARSTOCK

			2016-2017	2015-2016
	Raw Materials Consumed		**2,843,278,155**	**3,065,566,806**
	Add: Factory Overheads	Note: 26.03	679,433,765	590,909,807
	Cost of Goods Manufactured		**3,522,711,920**	**3,656,476,613**
	Add: Opening Work-in-Progress		90,791,919	59,678,713
	Less: Closing Work-in-Progress		19,050,628	90,791,919
	Cost of Production		**3,594,453,211**	**3,625,363,407**
	Add: Opening Finished Goods		193,565,913	175,700,548
	Less: Closing Finished Goods		288,480,141	193,565,913
	Cost of Goods Sold		**3,499,538,982**	**3,607,498,042**
26.01	**Cost of Materials -Yarn**			
	Particulars			
	Opening Stock			
	Yarn		320,620,428	230,367,196
	Work in Process-Yarn		16,034,613	12,805,187
			336,655,041	**243,172,383**
	Add: Purchases (Import)		2,732,044,283	2,720,128,923
	Add: CIF Cost		76,156,516	71,093,001
			3,144,855,840	**3,034,394,307**
	Less: Closing Stock			
	Yarn		655,987,381	320,620,428
	Work in Process-Yarn		16,312,773	16,034,613
	Cost of Materials -Yarn		**2,472,555,685**	**2,697,739,266**
26.02	**Cost of Materials -Chemical**			
	Particulars			
	Opening Stock			
	Chemical		110,149,611	90,615,400
	Add: Purchase		389,838,879	360,954,056
	Add: CIF Cost		10,866,870	9,447,137
			510,855,360	**461,016,593**
	Less: Closing Stock		156,793,768	110,149,611
	Cost of Materials -Chemical		**354,061,591**	**350,866,982**
26.03	**Factory Overhead**			
	Particulars			
	Factory Wages & allowance		273,453,395	243,170,499
	Security Service charges		6,376,402	6,042,018
	BEPZA Rent		5,936,831	5,861,137
	Electric bill for Bepza		51,073,432	33,308,092
	Gas bill,S/Charge for Bepza		8,269,486	7,381,977
	Water bill for Bepza		20,052,799	19,330,815
	Medical bill		1,610,767	1,848,407
	BEPZA-Worker Welfare Fund		288,060	283,470
	BEPZA-Waste Water Bill		22,551,631	21,160,778
	BEPZA-EP/IP/SC		119,680	69,225
	Gas bill-Titas		82,694,878	74,649,748
	Fuel, Oil and Lubricant		7,600,236	9,387,397
	Spare parts		63,083,067	47,396,125
	Stationery		3,518,040	2,512,100

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	2016-2017	2015-2016
Repair and Maintenance	4,612,225	3,754,102
Electrical expenses	1,599,620	2,685,307
Labour charges	2,391,537	732,558
Fabric Test	4,102,266	1,987,876
Entertainment	8,544,976	7,652,492
Carrying Charges	6,950,332	153,370
Insurance Premium	2,759,997	637,792
Laboratory Expenses	515,070	975,335
House Rent for workers	3,505,200	3,414,048
P.F Contribution	8,072,339	6,862,469
Group Insurance	2,042,264	2,201,158
Depreciation (note:5.1)	87,709,235	87,451,512
Total:	**679,433,765**	**590,909,807**

27.00 Administrative Expenses

Particulars		
Directors Remuneration	10,200,000	8,400,000
Advisor Fees	475,000	300,000
Salary and allowance	38,328,547	33,614,111
Office Rent	2,016,000	5,530,300
Electricity Bill	285,463	748,786
Gas Bill	-	49,800
Wasa bill	317,996	154,364
Telephone bill	175,017	236,685
Mobile bill	1,175,394	952,758
Store Rent	300,000	184,000
Office Expenses	322,073	597,124
Subscription	114,796	63,411
Fees & forms	5,378,587	1,733,342
Renewal & Registration Fee	528,877	724,693
P.F Contribution	1,756,510	1,558,327
Postage & stamps	195,384	160,947
Stationery	1,304,817	595,732
Entertainment	1,139,855	616,827
Travelling & Conveyance	16,482,100	14,034,195
Photocopy	11,377	11,456
Courier bill	6,627,234	2,967,484
Board Meeting Fees	264,500	155,000
Audit Fees-IPO	258,750	383,950
Paper bill	11,358	13,037
Car Fuel	5,318,635	4,535,823
Internet Bill	548,929	570,870
Computer Accessories	147,040	140,648
Books & Periodicals	5,220	1,240
AGM expenses	1,773,530	-
Common Utility Bill - Mascot	-	357,700
Uniform & Leverage	236,200	113,258
Credit Rating Fees	-	460,000
Cable Charge	7,200	3,600
Car Expenses	2,054,275	673,784
Consultancy/Professional Fees	2,760,000	1,320,000

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		2016-2017	2015-2016
	ConsultancyFees-Vat	60,000	-
	Professional Fees	966,000	-
	Compliance Fees	-	32,500
	Softwear Maintenance Charge	420,000	383,334
	Advertisement	2,063,742	556,427
	Insurance	497,580	42,940
	Audit Fees	230,000	200,000
	Mortgage & Registration	22,000	-
	Traning & Dev	65,000	-
	Survey Charges	10,000	-
	Misc. Exp.	3,570,341	3,252,292
	Depreciation (note:5.1)	2,942,980	2,468,528
	Total:	**111,368,308**	**88,899,274**
28.00	**Selling & Distribution Expenses**		
	Particulars		
	Sample Expenses & Marketing Exp.	41,227,882	34,815,101
	Total:	**41,227,882**	**34,815,101**
29.00	**Financial Expenses**		
	Bank Charges & Commission		
	L/C advising and amend.charges	956,955	899,552
	Comm.and Intt.for Export	1,183,400	671,767
	Bank Charge & Others	2,121,921	2,345,001
	Discount-Bill Purchase	102,930,953	86,951,733
	Foreign Bank Charge	6,239,516	7,324,245
	INTEREST		
	Sonali Bank Ltd.,Int. on CCHP-1249	-	32,646,153
	Bank Asia Ltd.,Interest on OD-692	16,691,149	2,570,433
	Bank Asia Ltd.,Int. on OAP A/C	-	511,503
	Bank Asia Ltd.,Int. on Term Loan	26,153,247	-
	The Premier Bank Ltd., Int. on OD	27,747,332	49,564,451
	Interest on EDF/PAD & Others	4,117,193	1,736,817
	Bank Asia Ltd. Int. On FDBPL	-	108,581
	IPDC- Interest on Loan A/C	2,109,146	7,009,182
	Total:	**190,250,813**	**192,339,418**
30.00	**Corporate tax : Corporate tax has been calculated on reduced tax rate basis ie 15% on operatring profit only.**		
	Current Tax		
	Tax from Operating Income	57,668,858	95,582,984
	Tax on Non-Operating Income	8,707,416	-
	Total:	**66,376,274**	**95,582,984**
31.00	**Earning per Share**		
	Net Profit After Tax	459,368,043	482,712,866
	Outstanding Weight Average Number of Share	112,787,630	112,787,630
	Basic Earning Per Share (EPS)	**4.07**	**4.28**

32 Financial risk management

Financial risk management

The company management has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. This note presents information about the company's exposure to each of the below risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital. The company has exposure to the following risks from its use of financial instruments.

- Credit risks
- Liquidity risks
- Market risk

32.01 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 from export sales.

Cedit policy of Shasha Denims Limited is completely regulated by its export letter of credit terms and conditions. The payment term is 90 days in all the cases. However, in rare cases, due to incomplete documentation and processing delay the receivable remains more than the sceduled period. These exposure to credit risk is monitored on an ongoing basis.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2016-2017 Taka	2015- 2016 Taka
Accounts receivables	1,162,996,473	1,236,154,661
Cash and cash equivalents	599,093,296	1,070,009,654
	1,762,089,769	**2,306,164,315**

The maximum exposure to credit risk from export receivables at the reporting date by type of counterparty was:

	2016-2017 Taka	2015- 2016 Taka
Domestic- Deemed export	1,135,765,380	1,179,047,991
Direct Foreign Export	27,231,093	57,106,670
	1,162,996,473	**1,236,154,661**

Impairment loss

Trade receivable is assessed at each date of statement of financial position to determine whether there is objective evidence that it is impaired. Trade receivable is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, etc. The usual terms of export letter of credit is only for 90 days and it hardly crosses this age limit only for insignificant periods. However, the chance of irrecoverability is almost zero. Shasha Denims Limited does not have a practice to provision any doubtful debts against any receibable.

The aging of receivables at the reporting date was:

	2016-2017		2016-2017	
	Gross Taka	Impairment Taka	Gross Taka	Impairment Taka
Past due 0-30 days	880,169,703	-	736,145,084	-
Past due 31-90 days	282,826,770	-	500,009,577	-
Past due 91-150 days	-		-	
Over 150 days	-	-	-	-
	1,162,996,473	-	**1,236,154,661**	-

32.02 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 for 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 obligations through preparation of the cash flow forecast prepared based on the basis of payment of the financial obligation and accordingly arrange for sufficient liquidity/ fund to make the expected payment within due date. Moreover, the Company seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
As at 30 June 2017							
Non-derivative financial liabilities:							
Accounts Payable	9,502,287	9,502,287	7,601,830	1,900,457	-	-	-
Liability for Expenses	66,105,052	66,105,052	62,799,799	3,305,253	-	-	-
Short Term Loan	2,701,662,542	2,701,662,542	1,793,563,903	908,098,639			
Derivative financial liabilities	-	-	-	-	-	-	-
	2,777,269,882	**2,777,269,882**	**1,863,965,533**	**913,304,349**	-	-	-
As at 30 June 2016							
Non-derivative financial liabilities:							
Accounts Payable	0,612,771	10,612,771	8,490,217	2,122,554			
Liability for Expenses	40,778,228	40,778,228	38,739,317	2,038,911			
Secured Term Loan	33,838,873	33,838,873	16,545,920	17,292,954			
Short Term Loan	2,381,727,741	2,381,727,741	1,603,146,527	778,581,214			
Derivative financial liabilities	-	-	-	-	-	-	-
	2,466,957,613	**2,466,957,613**	**1,666,921,980**	**800,035,633**	-	-	-

32.03 Market risk

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

The Company is exposed to normal business risks from changes in market interest rates and currency rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivative financial instruments for speculative business.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flow because of some floating/variable loan interest rates. The Company is primarily exposed to interest rate risk from its borrowings.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

	2016-2017	2015-2016
	Taka	Taka
Fixed rate instruments		
Fixed rate loans and receivable	-	-
Other fixed rate instruments-FDR	367,736,573	829,483,558
Financial assets	**367,736,573**	**829,483,558**
Fixed rate bank overdraft	413,095,759	837,557,187
Fixed rate loans	459,707,663	33,838,873
Other fixed rate liabilities	-	-
Financial liabilities	**872,803,422**	**871,396,060**
Variable rate instruments	-	-
Variable rate deposits at financial institution	-	-
Variable rate loans and receivable	-	-
Other variable rate instruments (assets)	-	-
Financial assets	-	-
Variable rate bank overdraft	-	-
Variable rate loans	-	-
Variable rate debentures	-	-
Variable rate promissory notes	-	-
Other variable rate liabilities	1,828,859,121	1,717,313,257
Financial liabilities	**1,828,859,121**	**1,717,313,257**

Cash flow sensitivity analysis for variable rate instruments 2017

A change of 10 basis points in interest rates for variable rate instruments which comprise the accepted liability against import, EDF etc, in 2017 would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss		Equity	
30 June 2017	10 bp increase Taka	10 bp decrease Taka	10 bp increase Taka	10 bp decrease Taka
Variable rate liabilities	9,144,296	(9,144,296)	9,144,296	(9,144,296)
Cash flow sensitivity	9,144,296	(9,144,296)	9,144,296	(9,144,296)

Cash flow sensitivity analysis for variable rate instruments 2016

A change of 10 basis points in interest rates for variable rate instruments which comprise the bank overdrafts, accepted liability against import, EDF etc, in 2014 would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss		Equity	
30 June 2016	10 bp increase Taka	10 bp decrease Taka	10 bp increase Taka	10 bp decrease Taka
Variable rate liabilities	8,586,566	(8,586,566)	8,586,566	(8,586,566)
Cash flow sensitivity	8,586,566	(8,586,566)	8,586,566	(8,586,566)

Foreign Currency risk

The Company is primarily exposed to foreign currency risk relating to purchases of raw materials which are denominated in foreign currencies.

As at 30 June, the Company was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies:

	30 June 2017	30 June 2016
	US Dollars	US Dollars
Accepted Liability for import of raw materials	10,537,163	9,693,825

The following significant exchange rates are applied during the period:

	Exchange rate as at	
	30 June 2017	30 June 2016
	Taka	Taka
US Dollar	80.60	78.40

Foreign exchange rate sensitivity analysis for foreign currency expenditures

Foreign exchange rate sensitivity is calculated on the basis of impact of change of 10 basis points in foreign exchange rates. This analysis presents the probable weakening of Taka against US Dollar and the possibility that the profit or loss and the equity would have increased (decreased) assuming all other variables, in particular interest rates remain constant. As per current practice, foreign exchange rate sensitivity analysis is done once at the end of the year. Result of the last assessment in 2017 & 2016 is summarised below.

	Profit or loss		Equity	
30 June 2017	10 bp increase Taka	10 bp decrease Taka	10 bp increase Taka	10 bp decrease Taka
Expenditures denominated in USD	52,686	(52,686)	52,686	(52,686)
Exchange rate sensitivity	**52,686**	**(52,686)**	**52,686**	**(52,686)**

	Profit or loss		Equity	
30 June 2016	10 bp increase Taka	10 bp decrease Taka	10 bp increase Taka	10 bp decrease Taka
Expenditures denominated in USD	48,469	(48,469)	48,469	(48,469)
Exchange rate sensitivity	**48,469**	**(48,469)**	**48,469**	**(48,469)**

Determination of fair value

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

According to the nature of financial instruments of the company, fair value of such instruments is not however likely to be significantly different from the carrying amounts of respective instruments. Hence determination of fair value is not performed as per the requirements of BFRS 7: Financial Instruments: Disclosures.

Capital Management

Capital management refers to implementing policies and measures to maintain sufficient capital, assessing company's internal capital adequacy to ensure company's operation as a going concern. Board of directors are charged with the ultimate responsibility for maintaining a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. All major investment and operational decisions with exposure to certain amount is evaluated and approved by the board. The Board of directors also monitor the return on capital, which the company defines as result from operating activities divided by total shareholders' equity. The Board of directors also monitor the level of dividends to ordinary shareholders.

33. Related party transactions

33.1. Transactions with key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity.

In addition to their salaries, the entity does not provide non-cash benefits to key management personnel in cash or non cash mode. Key management personnel compensation as at 30 June 2017 comprised:

	30.06.17 Taka	30.06.16 Taka
Short term employee benefits	18,232,000	15,677,000
	18,232,000	**15,677,000**

33.2. Other related party transactions

Related Parties	Relationship	Nature of Transaction	30.06.17	30.06.16
Shasha Textiles Ltd.	Subsidiary Company	Investment in equity	69,700,000	69,700,000
		Share Money Deposit	224,917,779	84,651,286
Shasha Apparels Ltd.	Associates	Investment in equity	600,000	600,000
		Share Money Deposit	201,818	201,818
Shasha Spinnings Ltd.	Associates	Investment in equity	25,000	25,000
		Share Money Deposit	471,966	471,966
Cider Education Services Ltd.	Associates	Investment in equity	9,990,000	9,990,000
		Share Money Deposit	6,622,520	6,619,960
Telstar Communication	Common Director	Investment in equity	300,000	300,000
Energis Power Corporation Ltd.	Subsidiary Company	Investment in equity	983,400,000	983,400,000
		Share Money Deposit	339,120,382	339,120,382
Trade Matrix Bangladesh Ltd.	Associates	Investment in equity	300,000	300,000
Energis Ventures Ltd.	Associates	Investment in equity	300,000	300,000
Energis Holdings Ltd.	Associates	Investment in equity	350,000	350,000
Shasha Garments Ltd.	Subsidiary Company	Investment in equity	15,000,000	15,000,000
Form Icon Limited	Associates	Share Money Deposit	66,381,622	64,471,098
Shasha Denims Ltd., (unit-2)	Associates	Investment in equity	15,939,189	15,939,189.00
Shasha Millners & Textiles	Associates	Share Money Deposit	300,570,220	569,620.00

Import of Raw Material in Foreign Currency

The company imported the following items:

	2017 USD	2016 USD
34. Raw Materials	38,733,042	39,249,465
	38,733,042	**39,249,465**

35. Events after the reporting period

For the year 2017 the board has recommended a cash dividend @ 25 % amounting to Tk 281,969,075/- and stock dividend of 6% at the board meeting held on 10 October 2017.

36. General

36.1. Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.

36.2. These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

36.3. Comparative figures have been rearranged wherever necessary.

Mahfel Huq & Co.
Chartered Accountants
An independent member firm of AGN International
BGIC Tower (4th Floor), 34 Topkhana Road
Dhaka-1000, Bangladesh
Tel: +88-02-9553143, 9581786, Fax: +88-02-9571035
E-mail: mh@mahfelhuq.com, Web: www.mahfelhuq.com

Independent Auditors' Report

On the Financial Statements of

Energis Power Corporation Limited

We have audited the accompanying financial statements of **Energis Power Corporation Limited** which comprises of Financial Position as at June 30, 2017 along with Statement of Profit & Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), Companies Act. 1994, the Securities & Exchange Rules 1987 and other applicable rules and regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing, 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 the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error, In making those risk assessments, the auditor considers internal control relevant to 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.

Basis of Opinion

We have conducted audit in accordance with Bangladesh Standards on Auditing (BSA) and accordingly we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation.

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 and to the best of our information and according to the explanation given to us, the financial statements prepared in accordance with Bangladesh Accounting Standard (BAS) / Bangladesh Financial Reporting Standard (BFRS) present fairly in all material respects the financial position of the Company as at 30 June, 2017 and result of its operation and its cash flows for the year then ended

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BGIC Tower (4th Floor), 34 Topkhana Road
Dhaka-1000, Bangladesh
Tel: +88-02-9553143, 9581786, Fax: +88-02-9571095
E-mail: mh@mahfelhuq.com, Web: www.mahfelhuq.com

and comply with the Companies Act. 1994, the Securities & Exchange Rules 1987 and other applicable rules and regulations.

We also report on other legal and regulatory requirements

We also report that:

a. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b. In our opinion proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;

c. The company's statement of Financial Position, Statement of Profit & Loss and other comprehensive income and Statement of Cash Flows dealt with by the report are in agreement with the books of accounts;

Place: Dhaka;
Dated: October 12, 2017

MAHFEL HUQ & CO.
Chartered Accountants

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ENERGIS POWER CORPORATION LIMITED

Statement of Financial Position

as at June 30, 2017

	Notes	TAKA	
		30 June 2017	30 June 2016
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	4	**1,782,963,560**	**1,863,146,573**
Current Assets		**2,101,168,005**	**1,444,167,679**
Accounts Receivables	5	1,309,655,229	1,184,401,858
Inventories	6	544,695,291	153,831,166
Advances, Deposits & Pre-payments	7	240,503,538	103,028,168
Cash & Bank Balances	8	6,313,947	2,906,487
TOTAL ASSETS		**3,884,131,566**	**3,307,314,252**
EQUITY & LIABILITIES			
Shareholders' Equity		**1,745,187,858**	**1,656,288,170**
Share Capital	9	983,700,000	983,700,000
Share Money Deposit	10	623,395,011	623,403,461
Retained Earnings		138,092,847	49,184,709
Non-Current Liabilities		**887,999,095**	**990,334,351**
Term Loan-Long Term Portion	11	451,599,095	598,734,351
Financial Liabilities		436,400,000	391,600,000
Current Liabilities		**1,250,944,613**	**660,691,731**
Short Term Loan	12	563,551,061	425,804,819
Liability for Expenses	13	14,287,482	2,743,179
Trade Payable	14	662,330,710	223,157,488
Other Accounts Payable	15	10,775,360	8,986,244
TOTAL EQUITY & LIABILITIES		**3,884,131,566**	**3,307,314,252**

The annexed notes from an intergral part of these financial statements.

Managing Director | **Director** | **Chief Financial Officer**

Examined and found correct

Place: Dhaka;
Dated: October 12, 2017

MAHFEL HUQ & CO.
Chartered Accountants

ENERGIS POWER CORPORATION LIMITED

Statement of Comprehensive Income

for the year ended June 30, 2017

Particulars	Notes	Taka	
		2016-2017	2015-2016
Revenue	16	1,287,178,322	728,940,212
Less: Operational Expenses	17	972,464,587	463,042,131
Gross Profit		**314,713,735**	**265,898,081**
Less: General & Administrative Expenses	18	34,185,264	22,582,105
Operating Profit		**280,528,471**	**243,315,976**
Less: Financial Expenses	19	187,512,267	171,372,386
Less: Exchange Loss		4,108,066	2,463,761
Net Profit/ (Loss) before Tax		**88,908,138**	**69,479,830**
less: Income Tax		-	-
Net Profit/ (Loss) After Tax		**88,908,138**	**69,479,830**
Profit/Loss for the year		**88,908,138**	**69,479,830**

The annexed notes from an intergral part of these financial statements.

Managing Director **Director** **Chief Financial Officer**

Examined and found correct

Place: Dhaka;
Dated: October 12, 2017

MAHFEL HUQ & CO.
Chartered Accountants

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ENERGIS POWER CORPORATION LIMITED

Statement of Changes in Shareholders Equity

for the year ended June 30, 2017

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Total Taka
Balance as on 1 Jul 2016	983,700,000	623,403,461	49,184,709	1,656,288,170
During the year	-	(8,450)	-	(8,450)
				-
				-
Net profit for the year	-	-	88,908,138	88,908,138
Balance as on June 30 ,2017	**983,700,000**	**623,395,011**	**138,092,847**	**1,745,187,858**

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Total Taka
Balance as on 1 July 2015	983,700,000	605,495,584	52,610,344	1,641,805,928
Add : During the year	-	17,907,876	-	17,907,876
Prior year adjustment			(72,905,464)	(72,905,464)
Net profit for the year	-	-	69,479,830	69,479,830
				-
Balance as on June 30 ,2016	**983,700,000**	**623,403,461**	**49,184,709**	**1,656,288,170**

Managing Director | **Director** | **Chief Financial Officer**

Examined and found correct

Place: Dhaka;
Dated: October 12, 2017

MAHFEL HUQ & CO.
Chartered Accountants

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ENERGIS POWER CORPORATION LIMITED

Statement of Cash Flows

for the year ended June 30, 2017

PARTICULARS	TAKA 2016-2017	TAKA 2015-2016
Cash flow from operating activities		
Cash Receive From Customer	1,157,816,885	622,711,512
Payment For Cost & Other Expenses	(935,320,797)	(232,767,580)
Financial Expenses	(187,512,267)	(195,123,211)
Income Tax Paid	(722,379)	(2,584,459)
Net cash provided by operating activities	**34,261,442**	**192,236,262**
Cash flow from investing activities		
Purchase of Assets	(66,256,517)	(128,319,903)
Net Cash provided by investing activities	**(66,256,517)**	**(128,319,903)**
Cash flow from financing activities		
Share Money Deposit	(8,450)	17,916,043
Financial Liability	44,800,000	44,800,000
Long Term Loan-Bank	(147,135,256)	(121,945,903)
Short-Term Loan	137,746,241	(8,428,682)
Net Cash provided by financing activities	**35,402,535**	**(67,658,542)**
Increase/ (decrease) in cash and bank balances	**3,407,460**	**(3,742,183)**
Cash and bank balances at beginning of the year	**2,906,487**	**6,648,672**
Cash and bank balances at year end	**6,313,947**	**2,906,487**

Managing Director | **Director** | **Chief Financial Officer**

Examined and found correct

Place: Dhaka;
Dated: October 12, 2017

MAHFEL HUQ & CO.
Chartered Accountants

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ENERGIS POWER CORPORATION LIMITED

Notes to the Financial Statements

for the year ended June 30, 2017

1 Reporting Entity:

1.1 Company Profile:

Energis Power Corporation Limited (the Company) was incorporated in Bangladesh on December 28, 2008 as a Private Limited Company. On April 20, 2009 the Company registered itself as a Public Limited Company under the Companies Act, 1994.

The principal activity of this Company is to set up power plants for generation and supply of electricity. The plant, capacity of 55 MW at Sikalbaha, Chittagong has successfully commissioned on 10 January, 2010 and started its commercial operation from 6 May 2010 and supplying to National Grid.

The company signed a Power Purchase Agreement (PPA) with Bangladesh Power Development Board (BPDB) on 28 December 2008 for a term of 3 years to provide 55 MW net electricity to Bangladesh Power Development Board (BPDB). This agreement is subsequently renewed on 12 May 2014 for another 5 years for supplying 35 MW to 55 MW to the Natioal Grid.

2 Basis of Preparation and Presentation of the Financial Statements:

2.1 Statement of Compliance:

The financial statements have been prepared on going concern basis in accordance with Bangladesh Financial Reporting Standards (BFRS), Income Tax Ordinance 1984, the Companies Act, 1994 and other laws and regulations applicable in Bangladesh.

The following Bangladesh Accouting Standards (BASs/BFRSs) have been newly adopted while preparing these financial statements to ensure compliance with standards which are effective from earlier to this financial statements.

2.2 Basis of Measurement:

All the elements of financial statements have been measured on "Historical Cost" basis in accordance with "The Framework for the Preparation and Presentation of Financial Statements" issued by the Bangladesh Accounting Standards (BAS).

2.3 Reporting Period:

The financial period of the company covers the period from 1 July 2016 to 30 June 2017.

3 Significant Accounting Policies:

The accounting policies set out below have been applied consistently through out the period presented in these financial statements.

3.1 Foreign currency

Foreign currencies are converted into Taka at the rates ruling on the transaction dates. Monetary assets and liabilities are reconverted at the rates prevailing at the statement of financial position date. Non-monetary assets and liabilities are reported using the exchange rate at the date of transaction. Differences arising on conversion are charged or credited to the statement of comprehensive income.

3.2 Property, plant and equipment

3.2.1 Recognition and measurement

Items of property, plant and equipments are measured at cost less accumulated depreciation and accumulated impairment losses, if any.The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner.

3.2.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

3.2.3 Depreciation

Energis Power Corporation Limited uses the reducing balance method to depreciate each item of property, plant and equipment. Using this convention, yearly reduced carrying amount is being represented in the statement of financial position.

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The rates of depreciation, applied on reducing balance method, for the current and comparative years are as follows:

	2016-2017	2015-2016
Generator	8%	8%
Turbine	8%	8%
Electrical Substation & Installation	10%	10%
Local Machinery & Installation	8%	10%
Building & Civil Construction	2.5%	2.5%
Motor Vehicles	20%	20%
Office Equipment	20%	20%
Furniture & Fixtures	10%	10%
HFO Reservoir	10%	10%
Deep Tube-Well	10%	10%
Air Conditioner	20%	20%
Fire Equipments	20%	20%
Plant Office Interior	10%	10%
CC Cemera	10%	10%
Other Assets	10%	10%

3.3 Advance:

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as PPE or inventory etc.

3.4 Provisions:

A provision is recognized on the balance sheet date if, as a result of past events, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.4.1 Provision for liquidation damage

Provision for liquidation damage is created against current year's receivable from BPDB and net off with receivable classified as disputed deduction-fuel. Actually due to density and evaporation issues on joint measurement along with other technical measurement, BPDB was not paying the full bill amount though the management of Energis Power Corporation Limited was very positive to recover this. With this experience on the first contract, management decided to create rational provision to cover any risk associated with the recoverability of bill amount to BPDB.

3.5 Revenue Recognition:

Revenue is initially recognized in the income statement upon supply of electricity based on net energy output on a monthly basis. Net energy output is determined by the Joint meter reading and verification committee consisting of EPCL personnel's and BPDB representatives. The measurement of the amount of revenue deriving through sale of energy is determined after necessary adjustment, due assurance from BPDB regarding the recoverability of the revenue according to the Power Purchase Agreement (PPA) with BPDB.

3.6 Financial Expenses

Financial expenses comprise interest expense on term loans, overdrafts or other financial arrangements as well as bank charges.

3.7 Taxation

The company is enjoying a tax holiday period according to SRO no 211-Act/2013 dated, 1 July 2013 of Income Tax Ordinance 1984.

3.8 Cash flow statement

Cash flows from operating activities have been presented under dirtect method.

3.9 Event after the balance sheet date

Event after the balance sheet date that provide additional significant information about the company's position at the balance sheet date are reflected in the financial statements. Material events after the balance sheet date that are not adjusting events are disclosed in seperate note (if any)

Mahfel Huq & Co.
Chartered Accountants
An independent member firm of AGN International
BGIC Tower (4th Floor), 34 Topkhana Road
Dhaka-1000, Bangladesh
Tel: +88-02-9553143, 9581786, Fax: +88-02-9571005
E-mail: mh@mahfelhuq.com, Web: www.mahfelhuq.com

Independent Auditors' Report

On the Financial Statements of

Shasha Garments Limited

We have audited the accompanying financial statements of **Shasha Garments Limited** which comprises of Financial Position as at June 30, 2017 along with Statement of Profit & Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), Companies Act. 1994, the Securities & Exchange Rules 1987 and other applicable rules and regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing, 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 the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error, In making those risk assessments, the auditor considers internal control relevant to 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.

Basis of Opinion

We have conducted audit in accordance with Bangladesh Standards on Auditing (BSA) and accordingly we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation.

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 and to the best of our information and according to the explanation given to us, the financial statements prepared in accordance with Bangladesh Accounting Standard (BAS) / Bangladesh Financial Reporting Standard (BFRS) present fairly in all material respects the financial position of the Company as at 30 June, 2017 and result of its operation and its cash flows for the year then ended and comply with the Companies Act. 1994, the Securities & Exchange Rules 1987 and other applicable rules and regulations.

AGN International is a worldwide association of accounting and consulting firms. Each member of AGN International operates under its own local or national name and remains autonomous.

Mahfel Huq & Co.
Chartered Accountants
An independent member firm of AGN International
BGIC Tower (4th Floor), 34 Topkhana Road
Dhaka-1000, Bangladesh
Tel: +88-02-9553143, 9581786, Fax: +88-02-9571035
E-mail: mh@mahfelhuq.com, Web: www.mahfelhuq.com

We also report on other legal and regulatory requirements

We also report that:

a. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b. In our opinion proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;

c. The company's statement of Financial Position, Statement of Profit & Loss and other comprehensive income and Statement of Cash Flows dealt with by the report are in agreement with the books of accounts;

Place: Dhaka;

Dated: October 12, 2017

MAHFEL HUQ & CO.

Chartered Accountants

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SHASHA GARMENTS LIMITED

Statement of Financial Position

as at June 30, 2017

	NOTE	TAKA	
		30 June 2017	30 June 2016
ASSETS			
NON-CURRENT ASSETS		**49,237,363**	**51,632,476**
Property, Plant & Equipment	4	27,850,479	30,159,938
Intangible Assets	5	770,884	856,538
Investment	6	20,616,000	20,616,000
CURRENT ASSETS		**296,357,083**	**186,959,715**
Inventories	7	40,209,460	8,446,060
Accounts Receivable		71,652,531	65,595,208
Advance, Deposit & Prepayments	8	37,668,961	31,734,224
Cash and Cash Equivalent	9	146,826,131	81,184,223
TOTAL		**345,594,447**	**238,592,191**
EQUITY AND LIABILITIES			
CAPITAL & RESERVE		**210,910,555**	**167,268,164**
Share Capital	10	15,550,000	15,550,000
Retained Earnings		195,360,555	151,718,164
NON CURRENT LIABILITIES		**295,772**	**342,522**
Deferred Tax Liability		295,772	342,522
CURRENT LIABILITIES		**134,388,120**	**70,981,505**
Accounts Payable	11	3,918,504	3,898,738
Liability for Expenses	12	9,323,743	3,914,807
Liability for Back to Back L/C		99,428,151	44,234,089
Short Term Loan-Bank	13	6,345,999	9,860,592
Provision for Tax	14	15,371,723	9,073,280
TOTAL		**345,594,447**	**238,592,191**

Annexed notes form an integral a part of this financial statements

Chief Financial Officer | **Director** | **Managing Director**

Signed in terms of our separate of even date annexed

Dated, Dhaka;

October 12, 2017

Mahfel Huq & Co.
Chartered Accountants

SHASHA GARMENTS LIMITED

Statement of Profit or Loss & Other Comprehensive Income

for the year ended June 30, 2017

PARTICULERS	NOTE	TAKA	
		2016-2017	2015-2016
Revenue (Export)		636,259,808	494,374,119
Less: Cost of Goods Sold	15	576,710,177	469,354,078
Gross Profit		**59,549,630**	**25,020,041**
Less: Administrative Expenses	16	5,954,619	4,279,656
Operating Profit		**53,595,011**	**20,740,385**
Less: Selling Expenses	17	4,205,438	3,467,103
		49,389,573	17,273,282
Less: Financial Expenses	18	6,034,028	4,640,254
Net Profit before Non-Operating Income		**43,355,545**	**12,633,028**
Add: Non-Operating Income		743,174	15,473
Net Profit/(Loss) before dividend income		**44,098,719**	**12,648,501**
Add: Dividend income		6,519,810	2,370,840
Net Profit/(Loss) before Central Fund (RMG-WPPF)		**50,618,529**	**15,019,341**
Less: Central Fund (RMG-WPPF-.03%)		188,513	-
Net Profit/(Loss) before Tax		**50,430,016**	**15,019,341**
Less: Income Tax			
Current Tax	19	6,834,376	2,703,157
Deferred Tax		(46,750)	342,522
Net Profit/ (loss) for the half year after Tax		**43,642,391**	**11,973,661**

Annexed notes form an integral a part of this financial statements

Chief Financial Officer | **Director** | **Managing Director**

Signed in terms of our separate of even date annexed

Dated, Dhaka;
October 12, 2017

Mahfel Huq & Co.
Chartered Accountants

SHASHA GARMENTS LIMITED

Statement of Changes in Shareholders Equity

for the year ended June 30, 2017

Particulars	Share capital	Share Money deposit	Retained earnings	Total
Balance as on 01.07.16	15,550,000	-	151,718,164	167,268,164
Net profit for the period	-	-	43,642,391	43,642,391
Balance as on 30.06.2017	**15,550,000**	**-**	**195,360,555**	**210,910,555**

Particulars	Share capital	Share Money deposit	Retained earnings	Total
Balance as on 01.07.15	15,550,000	-	139,905,675	155,455,675
Net profit for the period	-	-	11,973,661	11,973,661
Tax Charge after assesment			(122,500)	(122,500)
Tax Paid after assesment			(38,672)	(38,672)
Balance as on 30.06.2016	**15,550,000**	**-**	**151,718,164**	**167,268,164**

Annexed notes form an integral a part of this financial statements

Chief Financial Officer **Director** **Managing Director**

Signed in terms of our separate of even date annexed

Mahfel Huq & Co.
Chartered Accountants

Dated, Dhaka;

October 12, 2017

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SHASHA GARMENTS LIMITED

Statement of Cash Flows

for the year ended June 30, 2017

PARTICULERS	TAKA	
	2016-2017	2015-2016
Cash flow from operating activities		
Collection from Turnover	630,202,485	493,538,859
Non-Operating Income	743,174	-
Payment for cost & other expenses	(609,031,407)	(488,554,687)
Financial Expenses	(6,034,028)	(4,640,254)
Central Fund-RMG-WPPF-.03%)	(188,513)	-
Tax Paid	(6,316,349)	(5,020,490)
Net cash provided by operating activities	**9,375,361**	**(4,676,572)**
Cash flow from Investing activities		
Property, plant & equipment	(1,932,732)	(5,093,297)
Net Cash provided by investing activities	**(1,932,733)**	**(5,093,297)**
Cash flow from financing activities		
Liability for Back to Back L/C	55,194,062	15,591,595
Dividend Income	6,519,810	-
Short Term Loan-Bank	(3,514,593)	9,860,592
Net Cash provided by financing activities	**58,199,279**	**25,452,187**
Increase/ (decrease) in cash and bank balances	65,641,908	15,682,319
Cash and bank balances on opening	81,184,223	65,501,904
Cash and bank balances on closing	**146,826,131**	**81,184,223**

Annexed notes form an integral a part of this financial statements

Chief Financial Officer **Director** **Managing Director**

Signed in terms of our separate of even date annexed

Dated, Dhaka;

October 12, 2017

Mahfel Huq & Co.
Chartered Accountants

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SHASHA GARMENTS LIMITED

Notes to the Financial Statements

For the year ended on 30 June 2017

1 About the Company

Shasha Garments Limited originally limited as a Private Limited Company on 18th November 1991 under the companies Act.1913. Registered office of the companies is at House # 07, Road # 117, Gulshan, and Dhaka.

1.2 Nature of Business Activities

The main activities of the company were concentrated in Manufacturing various types of garments, shirt, children wear, female wear and exporting the same.

2 Significant Accounting Policy for the presentation of the financial Statements

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

2.1 Corporate Financial Statements

This comprises Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flow and explanatory notes covering accounting policies. This is prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1994 and the Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRS) as applicable to this Company. The Board of Directors is responsible for preparing and presenting the financial statements including adequate disclosures, which approved and authorized for issue of this financial statements.

2.2 The financial statements are presented in accordance with guidelines provided by BAS 1 : Presentation of Financial Statements

The financial statements comprises the following;

- Statement of Financial Position as on June 30, 2017
- Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2017
- Statement of Change in Equity for the year ended June 30, 2017
- Statement of Cash Flows for the year ended June 30, 2017
- Accounting Policies and explanatory notes to the Financial Statements for the year ended June 30, 2017

2.3 Functional and presentation currency

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

2.4 Comparative Information

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

Previous period figure has been re-arranged/re-stated whenever considered necessary to ensure comparability with the current period presentation as per BAS-8: "Accounting Policies, Changes in Accounting Estimates and Errors.

2.5 Going Concern

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

2.6 Foreign Currency Transaction:

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

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

(a) Foreign currency monetary items are translated using the closing rate.

(b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.

(c) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the date when the fair value is determined.

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

2.7 Reporting Period

The financial statements covers twelve months from July 01, 2016 to June 30, 2017.

2.8 Fundamental Accounting Concepts/ Assumption

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

2.9 Use of estimates and judgments

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

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

2.10 Regulatory Compliance

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

The Companies Act, 1994

The Income Tax Ordinance, 1984

The Income Tax Rules, 1984

The Value Added Tax (VAT) Act, 1991

The Custom Act 1969

2.11 Compliance with BAS & BFRS

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

BAS 1 Presentation of Financial Statements

BAS 2 Inventories

BAS 7 Statement of Cash Flows

BAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

BAS 10 Events after the Reporting Period

BAS 12 Income Taxes

BAS 16 Property, Plant and Equipment

BAS 16 Property, Plant and Equipment

BAS 19 Employee Benefits

BAS 21 The Effects of Changes in Foreign Exchange Rates

BAS 24 Related Party Disclosures

BAS 32 Financial Instruments : Presentation

BAS 37 Provisions, Contingent Liabilities and Contingent Assets

BAS 38 Intangible Assets

BAS 39 Financial Instruments : Recognition and Measurement

BAS 40 Investment Property

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

BFRS 7 Financial Instruments : Disclosures

2.12 Events after the Reporting Period

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

2.13 Recognition and Measurement of Tangible Fixed Assets

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

2.14 Depreciation of Tangible Fixed Assets

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

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

Land & Land Development	-
Plant & Machinery & Others	15
Office equip. & Elec.	20
Boiler Machine	15
Furniture & Fixture	10
Crockaries & cutlaries	10
Floor Mat	10
Air Conditioner	10
Fire Door, Alarm & Extinguisher	10
Vehicles	10
Generator	15

2.15 Inventories

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

2.16 Cash & Cash Equivalents

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

2.17 Income Tax

(a) Current Tax: Provision for income tax has been made @ 12% on net profit before tax of the company except other income as per Income Tax Ordinance 1984. However provision @ 35% has been made on other income of the company and dividend income 20%.

(b) Deferred tax: Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the financial statement date.

2.18 Revenue Recognition

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts as per BAS-18. Revenue is recognized when the significant risks and reward of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably & there is no continuing management involvement with the goods sold. Transfer of risk and rewards occurs for the sale of goods when the product is delivered.

2.19 Financial expenses

Finance expenses comprise interest expenses on Bank charges, foreign bill negotiation and packing credit. All financial expenses are recognized in the statement of profit or loss & other comprehensive income.

2.20 Statement of Cash Flows

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

2.21 Provisions

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

(a) when the company has an obligation (legal or constructive) as a result of past events;

(b) when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(c) Reliable estimates can be made of the amount of the obligation.

2.22 Contingent Liabilities and Contingents Assets

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

2.23 Intangible Assets

In Compliance with the requirements of BAS, 38 Intangible Assets '
The following terms are used in this Standard with the meanings specified:
Amortization is the systematic allocation of the depreciable amount of an intangible asset over its useful life.

An asset is a resource:

(a) controlled by an entity as a result as past events; and

(b) From which future economic benefits are expected to flow to the entity.

2.24 Financial Instrument

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

Financial assets:

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

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Financial liability:

Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes the financial liabilities when its contractual obligations are discharged or cancelled or expired or no more exist. Financial liabilities includes payable for expense, liability for capital expenditure and other current liabilities.

2.25 Related Party Disclosures

The Company in normal course of business carried out a number of transactions with directors/entities that fall within the definition of related party contained in Bangladesh Accounting Standard 24: Related Party Disclosures.

2.26 Investment Property

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

3 Risk exposure

3.1 Interest rate risk

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

3.2 Exchange rate risk

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

3.3 Industry risks

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

3.4 Market risks

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

3.5 Operational risks

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

3.6 Liquidity risk

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

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Mahfel Huq & Co.
Chartered Accountants
An independent member firm of AGN International
BGIC Tower (4th Floor), 34 Topkhana Road
Dhaka-1000, Bangladesh
Tel: +88-02-9553143, 9581786, Fax: +88-02-9571035
E-mail: mh@mahfelhuq.com, Web: www.mahfelhuq.com

Independent Auditors' Report

On the Financial Statements of

Shasha Textiles Limited

We have audited the accompanying financial statements of **Shasha Textiles Limited** which comprises of Financial Position as at June 30, 2017 along with Statement of Profit & Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), Companies Act. 1994, the Securities & Exchange Rules 1987 and other applicable rules and regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing, 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 the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error, In making those risk assessments, the auditor considers internal control relevant to 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.

Basis of Opinion

We have conducted audit in accordance with Bangladesh Standards on Auditing (BSA) and accordingly we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation.

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 and to the best of our information and according to the explanation given to us, the financial statements prepared in accordance with Bangladesh Accounting Standard (BAS) / Bangladesh Financial Reporting Standard (BFRS) present fairly in all material respects the financial position of the Company as at 30 June, 2017 and result of its operation and its cash flows for the year then ended and comply with the Companies Act. 1994, the Securities & Exchange Rules 1987 and other applicable rules and regulations.

AGN International is a worldwide association of accounting and consulting firms. Each member of AGN International operates under its own local or national name and remains autonomous.

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Chartered Accountants
An independent member firm of AGN International
BGIC Tower (4th Floor), 34 Topkhana Road
Dhaka-1000, Bangladesh
Tel: +88-02-9553143, 9581786, Fax: +88-02-9571095
E-mail: mh@mahfelhuq.com, Web: www.mahfelhuq.com

We also report on other legal and regulatory requirements

We also report that:

a. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b. In our opinion proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;

c. The company's statement of Financial Position, Statement of Profit & Loss and other comprehensive income and Statement of Cash Flows dealt with by the report are in agreement with the books of accounts;

Place: Dhaka;

Dated: October 12, 2017

MAHFEL HUQ & CO.

Chartered Accountants

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AGN International is a worldwide association of accounting and consulting firms. Each member of AGN International operates under its own local or national name and remains autonomous.

SHASHA TEXTILES LIMITED

Statement of Financial Position

as at 30 June 2017

Assets	Note	Taka	
		30 June 2017	30 June 2016
NON-CURRENT ASSETS		**1,079,879,653**	**1,007,502,318**
Property, plant & equipment	4	1,079,879,653	1,007,502,318
Current Assets		**89,605,304**	**24,857,994**
Advance for Land & Land Development	5	88,182,418	23,845,753
Cash and Cash Equivalent	6	1,422,886	1,012,241
Total		**1,169,484,957**	**1,032,360,312**
EQUITY AND LIABILITIES			
CAPITAL & RESERVE		**1,169,425,027**	**1,029,314,312**
Share Capital	7	70,000,000	70,000,000
Retained Earning		(3,160,847)	(3,005,069)
Share Money Deposit	8	224,917,779	84,651,286
Revaluation reserve		877,668,095	877,668,095
NON CURRENT LIABILITIES		-	-
Current Liabilities		**59,930**	**3,046,000**
Liability for Expenses	9	57,500	46,000
Loan from Director		-	3,000,000
Provision for Tax		2,430	-
Total		**1,169,484,957**	**1,032,360,312**

Annexed notes form an integral a part of this financial statements

Chief Financial Officer **Director** **Managing Director**

Signed in terms of our separate of even date annexed

Dated, Dhaka;

October 12, 2017

Mahfel Huq & Co.
Chartered Accountants

SHASHA TEXTILES LIMITED

Statement of Profit or Loss and Other Comprehensive Income

for the year ended June 30, 2017

PARTICULERS	Note	TAKA	
		2016-2017	2015-2016
Revenue		-	-
Less: Operating Expenses	10	60,051	483,900
Gross Profit		**(60,051)**	**(483,900)**
Less: Administrative Expenses	11	493,942	209,206
Operating Profit		**(553,993)**	**(693,106)**
Less: Financial Expenses	12	4,355	3,225
Profit/(Loss) before Non-Operating Income		**(558,348)**	**(696,331)**
Add: Non-Operating Income		405,000	-
Profit/(Loss) before Income Tax		**(153,348)**	**(696,331)**
Less: Income Tax		2,430	-
Net Profit/ (loss) for the year after Tax		**(155,778)**	**(696,331)**

Chief Financial Officer **Director** **Managing Director**

Signed in terms of our separate of even date annexed

Dated, Dhaka;

October 12, 2017

Mahfel Huq & Co.
Chartered Accountants

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SHASHA TEXTILES LIMITED

Statement of Changes in Shareholders Equity

for the year ended 30 June 2017

Amount in Taka

Particulars	Share Capital	Share Money Deposit	Retained Earning	Revaluation reserve	Total
Balance as on 01.07.16	70,000,000	84,651,286	(3,005,069)	877,668,095	1,029,314,312
Add/Less: during the year		140,266,493			140,266,493
Profit during the year			(155,778)		(155,778)
Balance as on 30.06.17	**70,000,000**	**224,917,779**	**(3,160,847)**	**877,668,095**	**1,169,425,027**

Amount in Taka

Particulars	Share Capital	Share Money Deposit	Retained Earning	Revaluation reserve	Total
Balance as on 01.07.15	70,000,000	56,130,475		877,668,095	1,003,798,570
Add/Less: during the Year		28,520,811		-	28,520,811
Preliminary Expenses			(112,180)		(112,180)
Pre-Operational Expenses			(2,196,558)		(2,196,558)
Profit during the year			(696,331)		(696,331)
Balance as on 30.06.16	**70,000,000**	**84,651,286**	**(3,005,069)**	**877,668,095**	**1,029,314,312**

Annexed notes form an integral a part of this financial statements

Chief Financial Officer **Director** **Managing Director**

Signed in terms of our separate of even date annexed

Mahfel Huq & Co.
Chartered Accountants

Dated, Dhaka;
October 12, 2017

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SHASHA TEXTILES LIMITED

Statement of Cash Flows

for the year ended June 30,2017

PARTICULERS		TAKA	
		2016-2017	2015-2016
Cash flow from operating activities			
Collection from Turnover		405,000	-
Payment for cost & other expenses		(542,493)	(10,270,484)
Financial expense		(4,355)	(3,225)
Net cash provided by operating activities		**(141,848)**	**(10,273,709)**
Cash flow from investing activities			
Acquisition of Fixed Assets		(72,377,335)	(21,639,022)
Advance for Land & Land development		(64,336,665)	-
Pre-Operational Expenses		-	388,695
Net Cash provided by investing activities		**(136,714,000)**	**(21,250,327)**
Cash flow from financing activities			
Share Money Deposit		140,266,493	28,520,811
Loan from Director		(3,000,000)	3,000,000
Net Cash provided by financing activities		**137,266,493**	**31,520,811**
Increase/ (decrease) in cash and bank balances		**410,645**	**(3,225)**
Cash and bank balances on opening		**1,012,241**	**1,015,466**
Cash and bank balances on closing		**1,422,886**	**1,012,241**

Annexed notes form an integral a part of this financial statements

Chief Financial Officer **Director** **Managing Director**

Signed in terms of our separate of even date annexed

Dated, Dhaka;

October 12, 2017

Mahfel Huq & Co.
Chartered Accountants

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SHASHA TEXTILES LIMITED

Notes to the Financial Statements

as at 30 June,2017

1 Reporting Entity

Shasha Textiles Limited was originally incorporated as a Public Limited Company on 18th September 2003, Regd. No. C-50512(807) under the companies Act 1994. Registered office of the company is at House # 07, Road # 117, Gulshan; Dhaka. It is a subsidiary company of Shasha Denims Limited.

1.2 Nature of Business

The main activities of the company were concentrated in Textile and Textile related business.

2 Basis of Preparation

2.1 Preparation and Presentation of Income Statement

The Company has presented the statement of comprehensive income in these financial statements without any comparative statements. As the company has not yet started any operation, the statement of comprehensive income only includes the administrative expenses and some operative development expenses.

2.2 Reporting Period

Financial statements of the company cover from 01-07-2016 to 30-06-2017

3 Significant Accounting policy

3.1 Compliance with Local Laws

The financial statements have been prepared in compliance with requirements of the Companies Act 1994 and other relevant local laws and rules.

3.2 Property plant and equipment

Property plant and equipment includes mainly the freehold land and land development. The company performed a revaluation of this land in 2012 through professional valuer named M/S. M.M. Rahman & Co Chartered Accountants.

3.3 Revaluation reserve

The company performed revaluation of its freehold land and recognized revaluation reserve as a part of equity separately in the statement of financial position since 2012.

3.4 Advance for land & land development

Advance for land and land development comprises amount disbursed to the local solicitor of land in Trishal, Mymensingh where the company is in the process of acquiring some land in the same location.

3.5 Income tax

The Company made income tax provision as per provisions of Finance Act 2017 for current tax only. No deferred tax provisions has been made during the year.

3.6 Cash and Cash Equivalent

Cash in hand and Bank Balances have been considered as cash and cash equivalents.

3.7 Comparative information's

Comparative figures have been changed where necessary.

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NOTE

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SHASHA DENIMS LTD.
Head Office: House # 23, Road # 129, Gulshan-1, Dhaka.

PROXY FORM

I/We .....

of ..... being a shareholder of Shasha Denims Limited

and entitled to vote, hereby appoint Mr./Mrs./Miss .....

..... of .....

as my/our proxy to attend and vote for me/us and on my/our behalf at the 20th Annual General Meeting of the Company to be held on 15th November, 2017 at 10.00 a.m. at the Auditorium of Trust Milonayatan, Dhaka Cantonment, Dhaka or at any adjournment thereof or at any ballot to be taken in consequence hereof.

Signed this ..... Signature of proxy .....

day of 2017

Signature of Shareholder | Revenue Stamp | Signature of Proxy

BO ID: | | | | | | | | | | | | | | | | |

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.

SHASHA DENIMS LTD.
Head Office: House # 23, Road # 129, Gulshan-1, Dhaka.

ATTENDANCE SLIP

I hereby record my attendance at 20th Annual General Meeting of the Company being held on 15th November, 2017 at 10.00 a.m. at the Auditorium of Trust Milonayatan, Dhaka Cantonment, Dhaka.

BO ID: | | | | | | | | | | | | | | | | |

Name of the Member/Proxy .....

Signature of Shareholder ..... Signature of Shareholder .....

Date .....

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

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www.shashadenim.com



SHASHA DENIMS LTD.
House # 23, Road 129
Gulshan 1, Dhaka 1212
Tel: 88 02 9850548, 9855263
9854679, 9856327
Fax: 88-02-9851698
Email: info@shashabd.com

nymphea | www.nymphea-bd.com

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