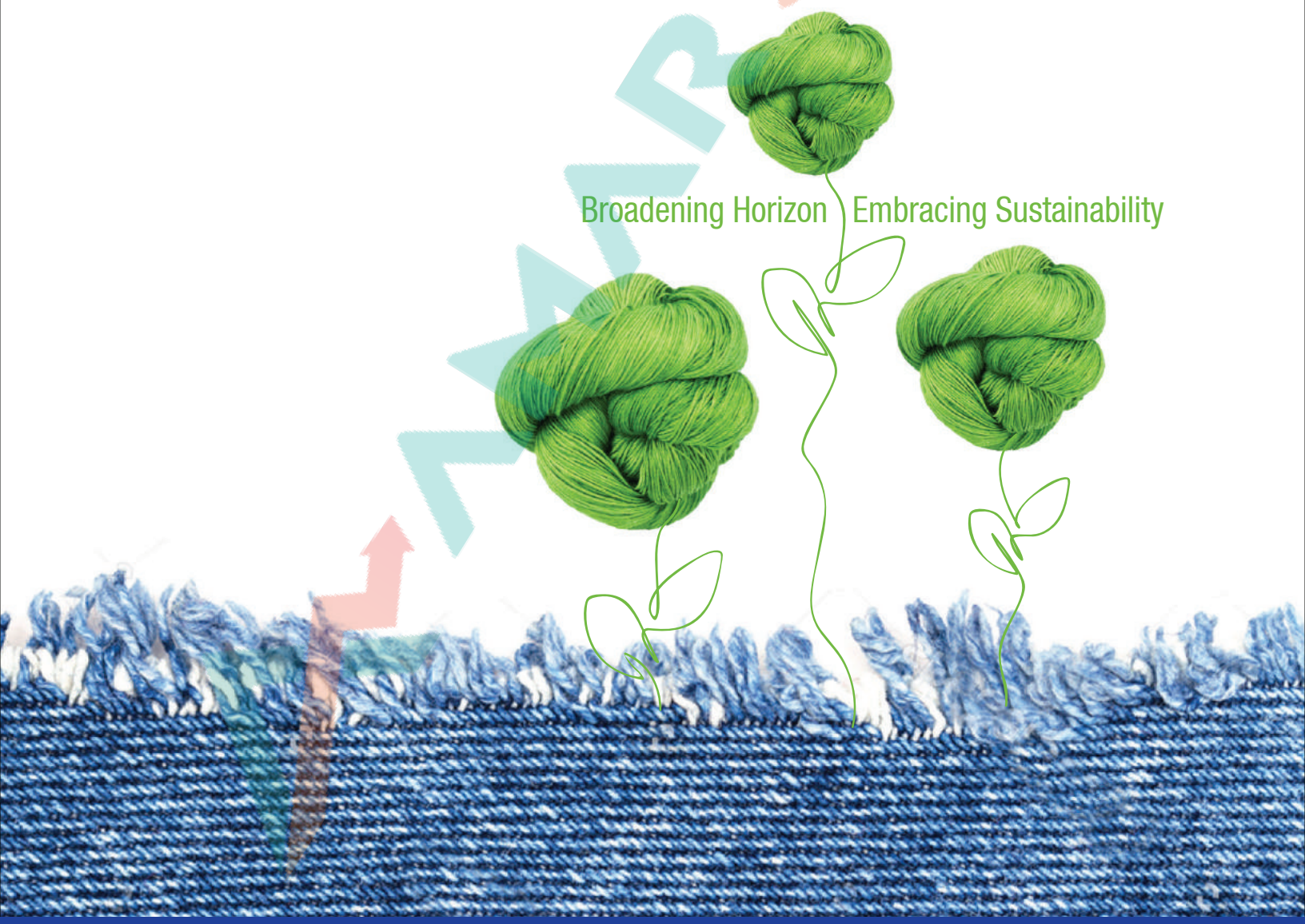
SHASHA
DENIMS

ANNUAL REPORT 2018



Broadening Horizon | Embracing Sustainability

MARSTOCK

Blue Is The New Green...

Blue Stands for Denim and Green is Sustainability.

The natural world is the greatest source of excitement, visual beauty and also the intellectual interest. It is the greatest source of so much in life that makes our life worth living.

Blue is the new Green is a part of Shasha's philosophy and unique trademark that sets it apart from the global and local industry leaders. More than policy-it's a step towards the future promises improvement and innovation with a thought to consumers, the world and its resources.

Since start, Shasha Denims Ltd. (SDL) is highly conscious on sustainability. As such, it leads the way 'Blue is the New Green' through extensive research, where at every level of denim making process, we think of the direct and indirect effect on nature our activities may lead to.

Going a step further than using organic cotton, reused cotton and environmental friendly fabrics such as Tencel, our chemical treatment methods, reducing the percentage of water loss by 60%-80% are truly a breakthrough in garments manufacturing and also carrying out the slogan **'blue is the new green'** in an utmost weight of it.

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

SDL strictly complies with environment-related laws and regulations in each & every step of its green business operations. As such, Shasha's **'Blue Is The New Green'**.

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Contents

- Letter of Transmittal 04
- Corporate Profile 05
- Company Overview 06-07
- Awards and Recognition 08-09
- Credit Rating 10
- Membership Affiliation 11
- Notice of 21st Annual General Meeting 12
- Vision, Mission & Objectives 14-15
- Code of Conduct and Ethics 16-18
- Main Focus & Strategies 19
- Corporate Chronicle 20-21
- **BOARD OF DIRECTORS & MANAGEMENT**
  - Board of Directors' Profile 24-26
  - Management Profile 27-28
  - Chairman's Address 30-33
  - Managing Director's Observation 34-37
  - Financial Highlights 38-40
  - Directors' Report 41-56
- **RISK MANAGEMENT**
  - Risk Management and Sustainability Analysis 58-60
  - Value Added Statement 61
  - Market Value Added Statement 62
  - Economic Value Added Statement 63
  - Contribution to the National Exchequer & Economy 64-65
  - Forward Looking Statement 66-67
  - Future Prospects 68

TAWAR STOCK



- **HUMAN RESOURCES**
  - Corporate Culture 70-71
  - Report on Human Capital Management 72-73
  - Report on the Human Resources Management 74-77
- Report on Going Concern 78-80
- **SUSTAINABILITY REPORTING** 81
  - Corporate Social Responsibility Initiatives 82-84
  - Environmental and Social Obligations 85-86
  - Sustainability Reporting 87-88
  - Environment Related Initiatives 89
- Integrated Reporting 90
- Occupational Health and Safety 91
- Corporate Organogram 92
- Report on Corporate Governance Guidelines 93-97
- Report on Compliance on the Corporate Governance Code 98
- Shasha CG Report 2017-2018 99-107
- Evaluation of Quarterly Financial Statements 108
- Compliance Report on BAS and BFRS 109-110
- Report of the Audit Committee 111-112
- MD and CFO's Declaration 113
- Capital Structure of the Company 114
- Integrated Reporting Checklist 115-118
- **AUDITORS' REPORT AND FINANCIAL STATEMENTS**
  - Shasha Denims Ltd. and its Subsidiaries 120-149
  - Shasha Denims Ltd. 150-183
  - Energis Power Corporation Ltd. 184-200
  - Shasha Garments Ltd. 201-213
  - Shasha Textile Ltd. 214-222
- Proxy Form 223

VINAR STOCK

Letter of **Transmittal**

28 November, 2018

All Shareholders,

Bangladesh Securities and Exchange Commission
Bangladesh Textile Mills Association (BTMA)
Registrar of Joint Stock Companies and Firms,
Dhaka Stock Exchange Limited, and
Chittagong Stock Exchange Limited

Dear Sir (s),

Annual Report for the year ended June 30, 2018.

Enclosed please find a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial Position as at June 30, 2018 and Statement of Comprehensive Income, Statements of Cash Flows for the year ended June 30, 2018 along with notes thereon of Shasha Denims Limited and its subsidiary companies for kind information and record.

Best Regards,

Sincerely Yours,

Aslam Ahmed Khan FCA
Company Secretary

AMAR STOCK

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
Chairman Nomination and Remuneration	:	Sayed Mayeenul Huq
Managing Director	:	Shams Mahmud
Director (Operation)	:	Mohammad Jamal Abdun Naser
Director (Finance)	:	Md. Ahasanul Haque
Company Secretary	:	Aslam Ahmed Khan FCA
Chief Financial Officer	:	Sarwar Hossain FCA

Authorized Capital (Ordinary Share Capital)	:	2000 million
Paid up Capital	:	1196 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 S F Ahmed & Co. Chartered Accountants House # 51 (2nd & 3rd floors) Road # 09, Block # F Banani, Dhaka-1213.

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.shashadenims.com

Email Address	:	info@shashabd.com

LEAD BANKER	:	The Premier Bank Ltd , Bank Asia Ltd.

AMARSTOCK

Company **Overview**

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

Since commencement 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 an effort of producing and delivering superior quality denim clothes, SDL is currently 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.

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

SUBSIDIARY COMPANIES

There are three subsidiary companies under SDL namely Energies Power Corporation Ltd. (EPCL), Shasha Textile Limited and Shasha Garments Limited. Throughout its journey, the Company continued to stride the path of persistent growth and maintained its flagship position in the nation's denim industry.

OUR PRODUCTS & 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 **H&M, O'STIN, Esprit, Debenhams, Marks & Spencer, LPP, Pull & Bear, S. Oliver, Zara, Bestseller, River Island** etc.

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

CURRENT PRODUCTION CAPACITY

Present production capacity of the Company is 21.6 million yards per year. Now the Company is running under its maximum capacity.

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.

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

AWARDS & RECOGNITION

Since beginning, SDL has been awarded and achieved a lot of prestigious awards several times including national award and recognition from different govt. and private sectors as well as organizations.

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

The company obtained ICSB national Award-2016 (silver) for corporate Governance Excellence.

Besides, the Company has had its great recognition for excellent performances and achieved the Gold Award from the Premier Bank Ltd. and Sonali Bank Ltd. also the same from Agrani Bank Ltd.

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 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 has a stable outlook from the industrial point of view for overall industry growth and policy regulations implicated by the regulatory authority.



Awards and **Recognition**





National Export Trophy (Gold) 2011-2012





National Export Trophy (Gold) 2012-2013





National Export Trophy (Gold) 2013-2014





ICSB National Award 2016 (Silver)



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, 2018 and Bank liability position as on 26 June, 2018 and other available information up to the date of rating declaration. The date of rating was on 9 July, 2018. The outlook on the rating is Stable.

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 .

Long term Rating	Short term Rating	Outlook	Date of Validity
AA3	ST2	Stable	30 June, 2019

Membership
AFFILIATION

Shasha Denims Ltd is affiliated with the following Chambers and Associations:

Bangladesh Textile Mills Association

Dutch-Bangla Chamber of Commerce & Industry

Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI)

International Chamber of Commerce

Dhaka Chamber of Commerce & Industry

Federation of Bangladesh Chamber of Commerce and Industry

Bangladesh Philippines Chamber of Commerce and Industry

Entrepreneurs' Organization (EO)

SMARTSTOCK

Notice of the 21st **Annual General Meeting**

Notice is hereby given that the 21st Annual General Meeting of the Shareholders of Shasha Denims Limited will be held at 10:30 am on 19 December, 2018, Wednesday at 'Trust Milonayaton' 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, 2018 together with the reports of Directors and the Auditors thereon.
2. To declare dividend as recommended by the Board of Directors.
3. To appoint auditors and fix their remuneration.
4. To elect Directors as per Articles of Association of the Company.
5. To approve appointment of compliance auditor.
6. To transact any other business with permission of the Chair.

For and on behalf of the Board

Aslam Ahmed Khan FCA
Company Secretary

Date: November 28, 2018

Notes:

- Annual Report–2018 is available in **http://shashadenims.com/investors/documents/annual-reports/annual-report-2018**
- Record date is 25 November, 2018. 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 21st 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.

AMAR STOCK

To resonate our philosophy ‘Blue is the New Green’, we emphasize using organic cotton which is produced 100% naturally in its every level-spinning, dyeing even finishing of the yarn, all carried out using ecological procedures.

We also use branded fibers from Lenzing Modal® and TENCEL® is just a natural fiber without using the most pesticide and water intensive crop and accordingly makes our products exceptionally comfortable and sustainable.



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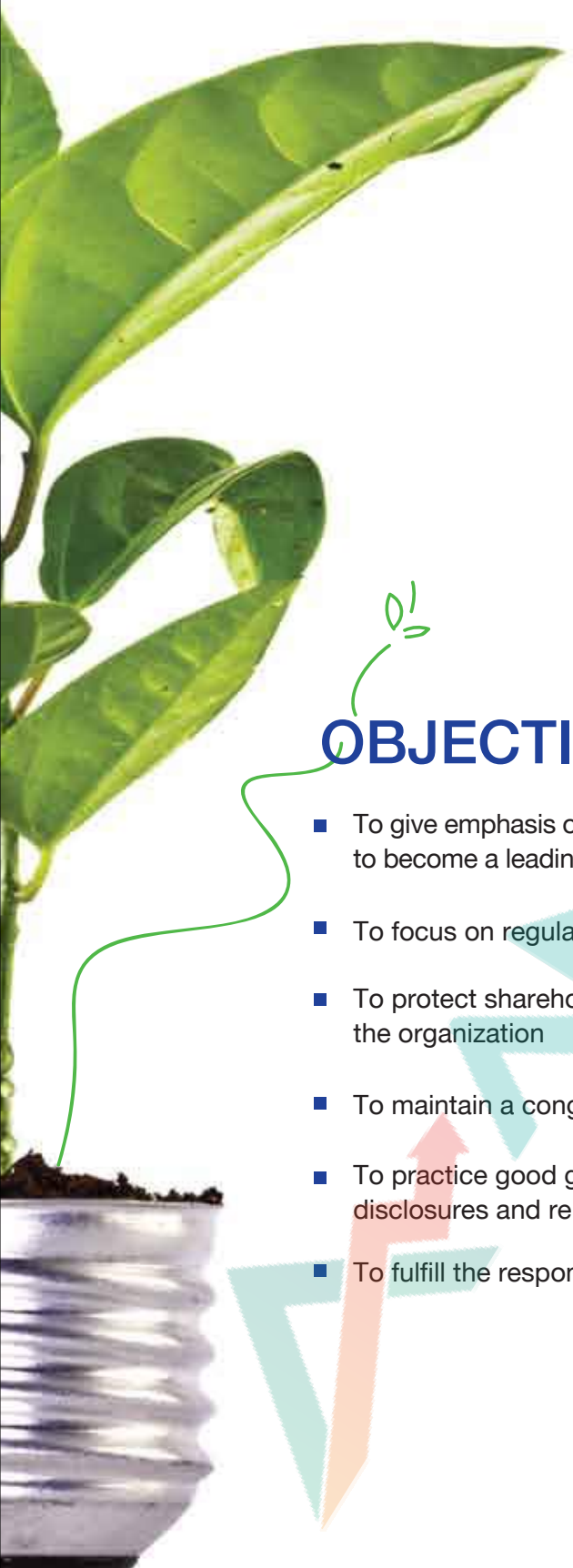
VISION

- To be a prime denim manufacturer in the country through maintaining the 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

AMAR STOCK



OBJECTIVES

- 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 condition 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

AMAR STOCK

Code of **Conduct and Ethics**

> "Since inception, Shasha Denims Ltd. (SDL) has been governed by integrity, honesty, fair dealing and fulfilment 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."

Our Code of Ethics and Business Conduct addresses moral handling in our working environment, business practices and relationships with external stakeholders. We believe that as a result of consistently practicing our code of business conduct, SDL has registered sustainable growth and continuous development in every year.

The Code explains the standards of behaviour that Shasha Denims expects of its employees in their daily activities and dealing with others. It also identifies guiding principles to help them make decisions consistent with Shasha's values and reputation.

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 protects confidential information and respects 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 help 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.



Equal employment opportunity

Shasha Denims Ltd. creates equal opportunity for all of the employees 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.

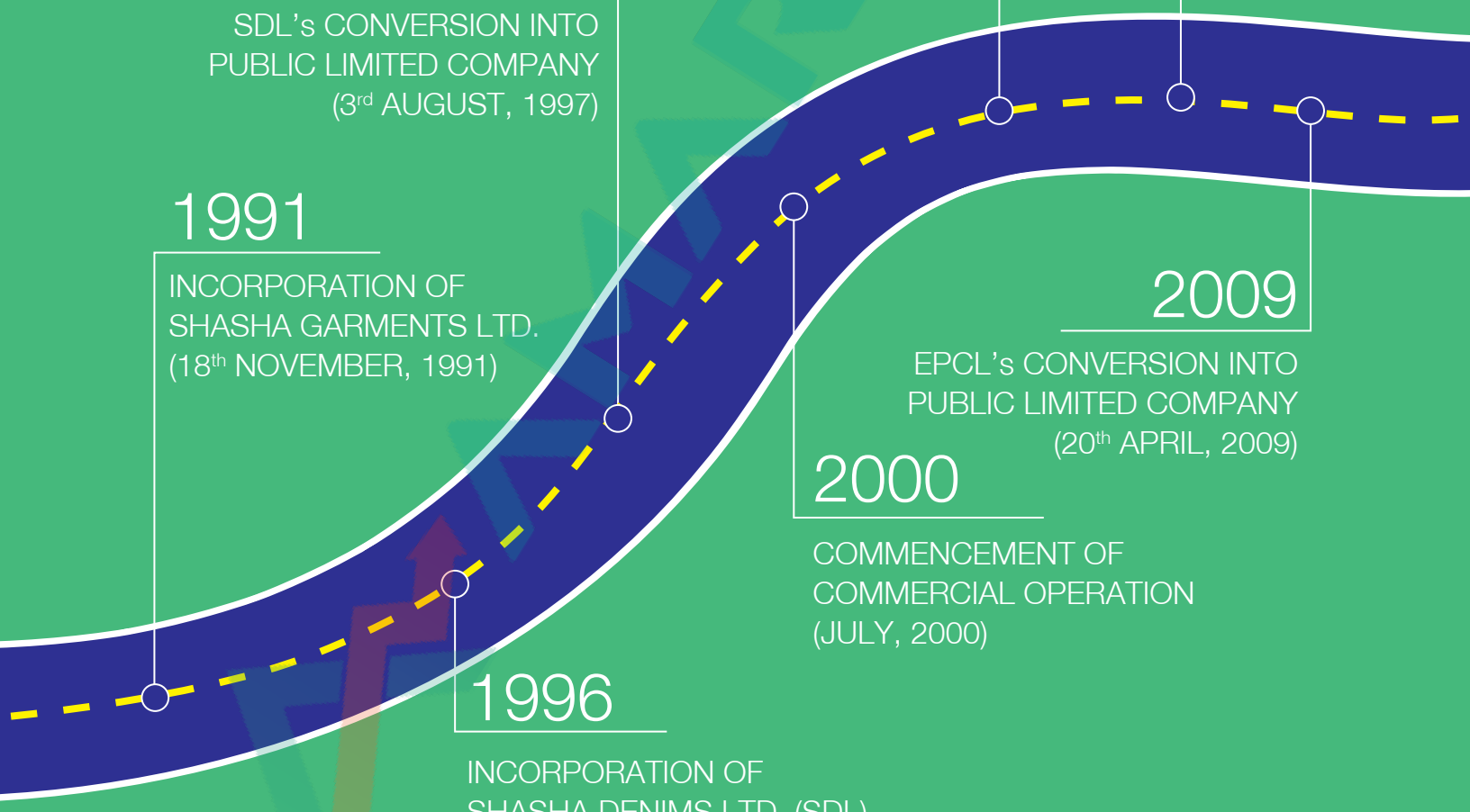


Main Focus **and Strategies**



AMARSTOCK

Corporate **Chronicle**



1991
INCORPORATION OF SHASHA GARMENTS LTD. (18th NOVEMBER, 1991)

1996
INCORPORATION OF SHASHA DENIMS LTD. (SDL) (28th OCTOBER, 1996)

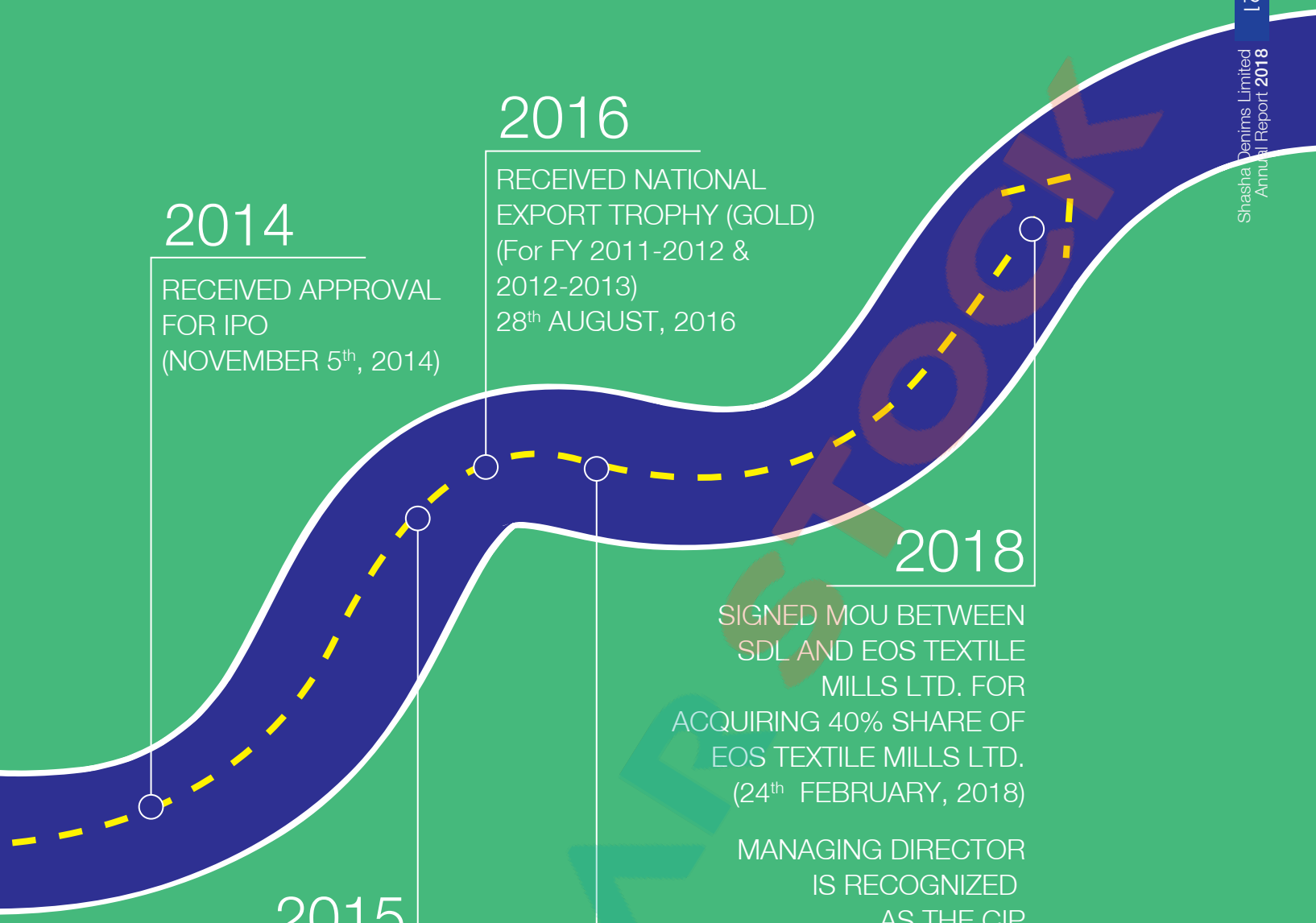
1997
SDL's CONVERSION INTO PUBLIC LIMITED COMPANY (3rd AUGUST, 1997)

2000
COMMENCEMENT OF COMMERCIAL OPERATION (JULY, 2000)

2003
INCORPORATION OF SHASHA TEXTILES LTD. (18th SEPTEMBER, 2003)

2008
INCORPORATION OF ENERGIS POWER CORPORATION LTD. (EPCL) (28th DECEMBER, 2008)

2009
EPCL's CONVERSION INTO PUBLIC LIMITED COMPANY (20th APRIL, 2009)



2014

RECEIVED APPROVAL
FOR IPO
(NOVEMBER 5th, 2014)

2015

ENLISTED WITH
CHITTAGONG
STOCK EXCHANGE LTD.
(17th JANUARY, 2015)

ENLISTED WITH DHAKA
STOCK EXCHANGE LTD.
(18th FEBRUARY, 2015)

DEBUT TRADING DAY
(5th MARCH, 2015)

2016

RECEIVED NATIONAL
EXPORT TROPHY (GOLD)
(For FY 2011-2012 &
2012-2013)
28th AUGUST, 2016

2017

RECEIVED
NATIONAL EXPORT TROPHY (GOLD)
(FOR FY 2013-2014)
(1st JANUARY, 2017)

RECEIVED
ICSB NATIONAL AWARD-2016 (SILVER)
FOR CORPORATE GOVERNANCE EXCELLENCE
(30th NOVEMBER, 2017)

2018

SIGNED MOU BETWEEN
SDL AND EOS TEXTILE
MILLS LTD. FOR
ACQUIRING 40% SHARE OF
EOS TEXTILE MILLS LTD.
(24th FEBRUARY, 2018)

MANAGING DIRECTOR
IS RECOGNIZED
AS THE CIP



SDL has installed the 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.

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Board of
Directors & Management



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 Ms. Mahmud 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). She 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, andhas 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 at ACNABIN, Chartered Accountants, the representative firm of Baker Tilly International.

Ms. Mahmud currently serves in several Boards including Grameen Danone Foods Ltd., Grameenphone Ltd., ManusherJonnyo 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 is a Member of the International Chamber of Commerce (ICC), Bangladesh. She is also the Board member of Transparency International Bangladesh and Syada Anjuman Ara Girls School, Kumilla.

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. Bangladesh 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). and "Joya Aalokito Naree Award-2018" from RTV. She is actively involved with a number of philanthropic works and organizations in response to her accountability to humanity.



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. He is a Capstone Fellow of the National Defense College.

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

In addition, he has been appointed as the Honorary Consul of the Federal Democratic Republic of Ethiopia in Bangladesh by the Government of Ethiopia. Presently, he holds the position of the Secretary General of Consular Corps in Bangladesh (CCB). Mr. Shams Mahmud has been recognized as a Commercially Important Person (CIP), (Export-2015) by the Government of the People's Republic of Bangladesh.

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 (ICAB) of Bangladesh.

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 at the board of Aga khan Foundation Bangladesh. She is also the Managing Director of Form Icon Limited as well as the Founder & Executive Director of HerStory Foundation. She is one of the trustrees of Ghasful, an NGO.



WWW.STOCK



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. Mr. Huq, 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. He 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.



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 seventeen 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 has worked with many renowned textile companies like Alltex, Sinha textile, Nassa Taipei Denim etc. In 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 participated and delivered his valuable speeches in many different textile fairs, programs and seminars. He is also a very good writer. A lot of articles are written by him published in different journals. He is a regular writer of 'Textile Today', a famous textile magazine. He visited many countries i.e, USA, Brazil, Turkey, Italy, Germany, UK, Indonesia, Australia, Japan, China etc.



Md. Ahasanul Haque

Director (Finance)

Mr. Haque joined in Shasha Denims Ltd. in 1996. He is an MBA. Mr. Haque has obtained vast professional experiences. Since his stats in Shasha Denims Ltd., he has held different position of the organization in different capacity. He visited many countries like USA, Germany, France, Indonasia, Australia, Italy, Switzerland, Turkey, UAE, Ethiopia, Singapore, Malaysia, Thailand, India etc.

AMARSTOCK



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 Accountants of Bangladesh (ICAB). Before joining in Shasha Denims Ltd. he worked in a Bank and different Financial Institutions. He also served in MIDAS Financing Ltd. as GM (F&A) and the Company Secretary.



Md. Sarwar Hossain FCA
Chief Financial Officer

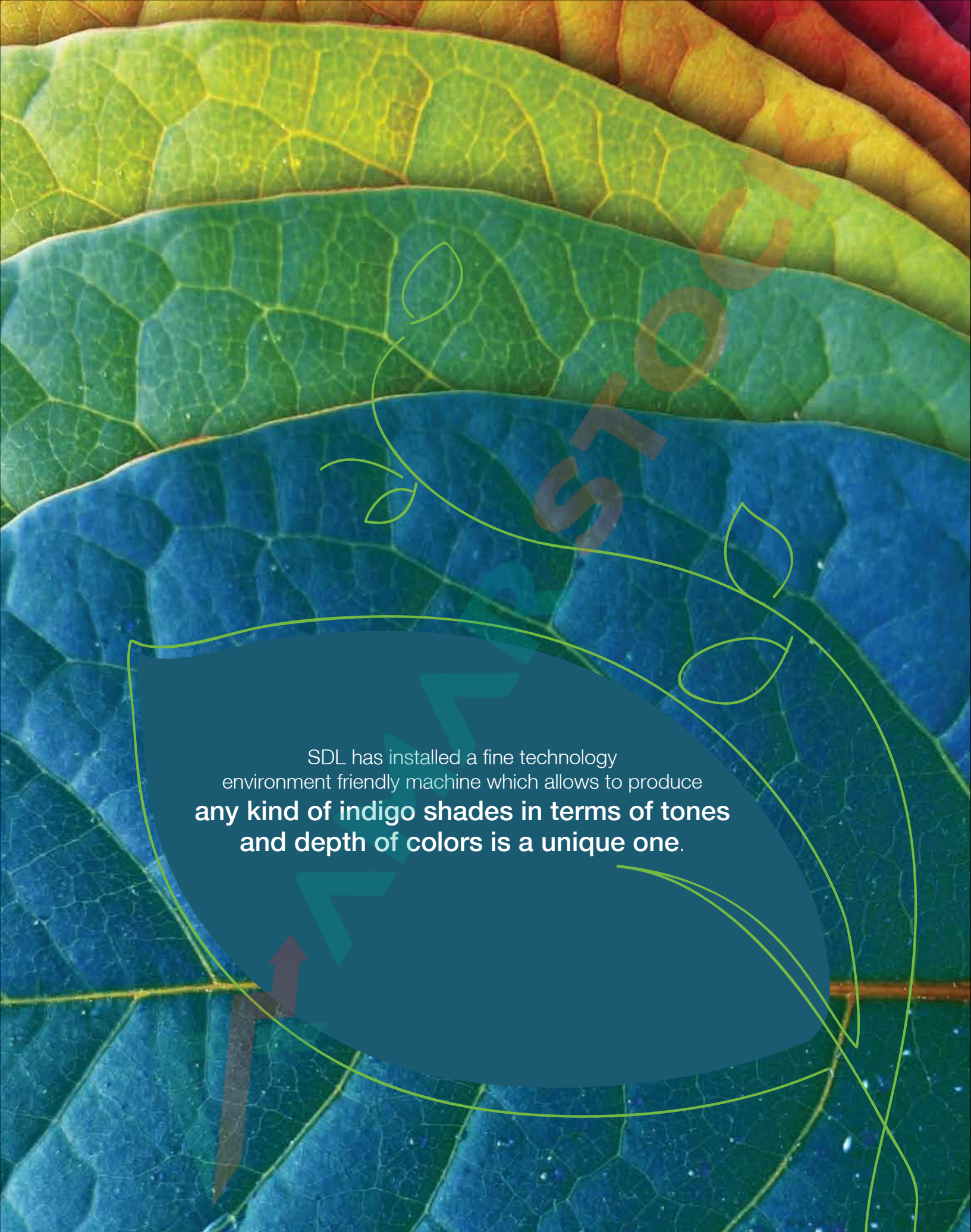
Mr. Md. Sarwar Hossain is a young and enthusiastic Chartered Accountant serving in Shasha Denims Limited since January 2015. Before joining Shasha Denims Limited, he worked with many companies in senior management position i.e, Rangs Group, M&J Group etc. He completed his Chartered Accountancy course 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.) has been serving as the General Manager (Admin & HR) in Shasha denims Ltd. since 2010. He has a twenty six 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.

AMAR STOCK



SDL has installed a fine technology
environment friendly machine which allows to produce
any kind of indigo shades in terms of tones and depth of colors is a unique one.

Chairman's **ADDRESS**



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

Distinguished Shareholders,

Assalamu Aalaikum!

To begin with, I express my sense of thankfulness and pride about Shasha Denims Ltd. (SDL) that has grown stronger over the courses of time. It is indeed a happy moment for me to present you the audited financial report of your Company-Shasha Denims Ltd. for the year ended on 30 June, 2018.

On behalf of the Board of Directors and members of Shasha family, I extend a warm welcome to you all at the 21st Annual General Meeting of the Company.

A strong focus on value creation for all our stakeholders drives our growth, operational excellence and also our long term sustainability. Financial strength, customers' supportand satisfaction arethe prerequisites to fulfilling our vision and ensuring that we stay relevant to the community where we operate in.

Today, leveraging the experience of the past, the dynamism of the present and the prospects of the future; SDL sets its compass towards a new direction.

Bangladesh Economic Stance

Bangladesh economy has been a mixed year of achievements and challenges in 2017-2018. Though there are a number of challenges, one of the major achievements of the economy has been a 7.28 percent economic growth in FY 2016-17 breaking the six percent cycle that continued for a decade or so. Major boost of growth has come from the industrial sector followed by the services sector.

The external sector has been a source of strength for the Bangladesh economy for several years. This has changed in recent periods. Export growth in FY 2016-17 was only 1.7 percent as opposed to the target of 8 percent. A glimmer of hope is in the horizon with both RMG and total exports picking up during July-December of FY 2017-18.

Amongst the overall textile sector, Bangladeshexported denim products worth of €1.30 billion in 2017, a 0.54% hike from 2016's €1.29billion. Accordingly, the country earned $507.92 million, a 9.55% growth–exporting denim products to the USmarkets in 2017, which was $463.61 million in 2016 (According to Eurostat, statistics directorate of the European Commission).

We believe that our economy is better placed for business growth and with your continued supportwe will carry on serving our clients with innovative world class products and keep up broadening the horizon towards our targets in the coming days.

Our Business Performances

You will be happy to learn that Shasha Denims Ltd. maintained a sustainable business result in the year 2017-18 with consolidated profit after tax of BDT. 554.45 million, i.e, earnings per share of the company registered BDT. 4.64. The Company reported overall ROE 11.41 %, ROI of 9.79%.

Consolidated net profit after tax slightly decreased 6% compared to the previous year. Though Shasha Denims Ltd. and Its subsidiary Companies registered revenue growth but cost of materials and utility expenses increased more than its revenue growth. Thus gross profit was not increased in line with revenue. As a result consolidated profit after tax slightly decreased. Consolidated total asset has reached to BDT. 12,077.18 million as on 30 June, 2018 from BDT. 10,879.40 million as on 30 June, 2017 showing 11.01% growth year-on-year basis.

During the year 2017-2018 the company was able to reduce its consolidated long term liabilities to BDT. 789.52 million as on 30 June, 2018 which was BDT. 957.07 million as on 30 June, 2017.

Consolidated short term loan was increased by BDT. 950.56 million compared to last year which was increased due to increase of raw materials. Stock of raw material was increased as a proactive measure considering price hike of raw materials and increasing trend of dollar rate. We hope that benefit of over import of raw material will come during the year.

As the Company is highly concerned about its shareholders' interest, we proactively and thoroughly assess risk and accordingly reward to provide sustainable returns to our shareholdersover time.

Continuation with successful existence in the market for more than two decades, I am proud to announce that we have positioned ourselves nationally and globally as one of the leading Denim manufacturers and exporters in the industry by maintaining every bit of passion, persistence and rigorousness throughoutour entire journey.

Taking this opportunity, I am pleased to declare that having satisfaction, your company has been able to holda sustainable business in all areas of business, profitability and investments.

The glimpse indicatesthe overall financial performances:

1. We earned a total consolidated revenue of BDT. 7,511.25 Million as export income in 2017-2018, against BDT. 6,256.60 Million in 2016-2017 showing a growth of **20%.**
2. Total consolidated assets of the Company stands at BDT. 12,077.18 Million as on June 30, 2018 from Tk.10,879.39 Million as on June 30, 2017 showing growth **11%.**

3. After facing all the challenges, consolidated EPS of SDL and its subsidiaries stands at BDT. 4.64 for the year 2017-2018 compared to BDT. 4.94 in 2016-2017.

Focus & Strategy

During the year under review, our focus and strategy was concentrated on sustainable long-term growth of business. To facilitate our vision of being the most preferred denim brand to the clients; widening our reach through expanding our business arena as well as improving operational efficiency has no other alternatives.

To bump up the growth of customer acquisition, we have made huge investmentin the new plant expansion work in DEPZ extension area and the job is almost done to go for final production. We hope to make a remarkable growth and profit from this investment.

The Board of Directors of the Company feels and believes in maintaining a consistent dividend policy. Considering the capital structure of the Company and also the future business plan, **the Board has recommended 15% Cash Dividend and 7% Stock Dividend for the year 2017-2018.**

Taking Over a New Company 'EOS Textiles Ltd.'

As we dream to become the world leader in the denim industry, we always try to move on keeping pace with time & situation.

To grow our business and reach out to more customers by variousmeans, we made another amazing achievement in the first quarter of 2018 through signing a MOU as well as Share-Sale and Purchase Agreement (SSPA) with EOS Textile Mills Ltd. for acquiring the Company (EOS Textiles Ltd.) investing Tk. 48 crore (Tk. 30 crore from IPO fund and Tk. 18 crore from Company's own fund) from which Shasha Denims will be the owner of 40% shares of EOS Textiles and rest 60% will be owned by Shasha Spinnings Ltd.

EOS Textiles Mills Limited, a sister concern of world reputed Italian Company Berto E.G. IndustriaTessile S.r.L is 100% export based textile company located at plot # 1-6 &17-22 DEPZ (Extn), Ganak Bari, Savar, Dhaka was established on 08 June, 1998 by foreign Companies.

As there are available spaces inside the factory of EOS Textiles, we havefurther opportunity to install additional machinery there in future and have more production.

We have already done primary requirements of this agreement, now just waiting to get approval from the concerned regulatory bodies for next proceeds.

Currently, EOS's sales are BDT. 150 crore (Approx.). We are optimistic to make the figure double InShaa Allah within next couple of years and as the owner of 40% shares, Shasha Denims would enjoy the additional profit of the same proportionately.

We will continue to widen our reach through extended business arena at major townships and industrial hubs of the country in the approaching days.

Risk Management

As we know, a strong risk management framework is the prerequisite to continue as an efficient manufacturing organization.

In addition to keeping a clear focus on customers and clients, we have developed our growth strategy which includes rising within a clear risk framework to ensure and maintain a balanced, stable and secured financial platform so that we could run the business successfully.

I can proudly say that Shasha Denims has strong risk management architecture not to only detect but also monitor, report and review various risks inherent to the business in order to face even a single crisis and also ensure sustainable asset quality during the time of economic disaster or other difficulties if come.

Shasha Denims is committed to manage those risks that arisethrough different courses of the business to an acceptable levelso it could maximize the opportunities and minimize theimpact.

Good Governance

We have always been transparentin supporting and abidingby all the business laws & regulations of the country. I would like to restate that our Board all the timemaintains its effective role in policy formulation and discharging best possible Corporate Governance.

The Board always keeps focused on maximizing shareholders' value through formulating policies and guidelines, ensuring sustainable profitability, minimizing risks and establishing good governance in all of the operational spheres of the Company and the Corporate Governance is also highly prioritized by the Management of the Company.

In Compliance with Bangladesh Securities and Exchange Commission's (BSEC) regulations and to further strengthen our corporate governance system, two (2) Independent Directors have been inducted into the Board.

Utilization of IPO Fund

Shasha Denims already utilized entire amount of IPO funds within its stipulated time as approved by the Shareholders in the last AGM.

Using the fund, SDL has built two three-storied building at factory premises and installed new capital machineries also invested BDT.30 crore to acquire 40% shares of EOS Textile Mills Ltd. Process of acquisition of EOS Textile is going on. We expect to complete the whole procedures within the next 7 to 9 months.

We are already started getting output from the new machineries installed in the factory. But, hope to have a remarkable production jointly from newly made investment in EOS Textile and also from the newly installed machines in the factory.

Forgrowing up sustainably and profitably, we will continue our focus on holding theleading position and financing the emerging denim sector and further essential areas. Shasha Denims is confident with its strategic focus on people, processes and modern technology along with the cost efficient approaches that will facilitate to overcome the increasing competition and other challenges.

Policies for Nourishing People

SDL believes & recognizes people are its most valuable asset. As such, we duly acknowledge their contribution and untiring efforts in bringing fantastic results for the company.Tovalue their contributions, we have adopted various policies to reward our people accordingly.

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

Growing with Communities

As success of a company is directly associated with the success of the communities, we see corporate responsibility is a strategic imperative and an opportunity to work to advance the societal needs.

In accordance with the above stated strategies, for ensuring maximum security of the lives of common people; since inception, Shasha Denims has been contributing in education, healthcare and environment to improve the social and economic conditions of the society through its charitable Shasha Foundation.

We have been contributing towards a sustainable society from our consciousness towards corporate governance and accordingly effective business operation.

Financial Aid for the Underprivileged Scholars

SDL focuses on education of all types-general, vocational & technical; encourages students for attaining special diploma/degree & as such provides need based financial support to the brilliant students from society's different sections.

The Company has its plan to increase the volume of the endowment in the near future to ensure a bright & ornamented future for the country's financially challenged scholars.

Our Future Prospect

We are working for the continuous improvement of our business that will release funds to make further investment in businesses and help us to grow and deliver higher returns to the Shareholders.

With the economic growth in progress, we have shown a consistent ability to improve shareholders' return and increase our market share. However, we see challenges during 2018-2019 but we are confident to overcome the challenges through our strong & diversified product portfolio with market leading innovations. Regardless of the uncertainties that lay ahead; as a company, we will continue to focus on meeting consumers' expectations through our exclusive diversified array of product.

As I said, we are also committed to our communities to enhancing their livelihoods through a number of CSR activities.

Having relentless support and assistance from our workforce, business partners and the stakeholders, we will continue navigating our business towards the excellence to present our shareholders another successful year.

Appreciation

Respected Shareholders,

Reflecting on the success of 2017-2018, let me express my thanks and appreciation to you all-our valued Clients, Suppliers, Distributorsand the Regulatory Authorities-National Board of Revenue (NBR), Registrar of Joint Stock Companies and Firms (RJSC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), Bangladesh Textile Mills Association (BTMA), Bangladesh Export Processing Zone Authority (BEPZA)and finally all concerned of Shasha Family for their valuable guidance, support and co-operation.

I would also like to express my sincerest gratitude to my fellow Board Members for their guidance and leadership. The management team and all levels of our dedicated people who worked tirelessly to take the company forward and bring tremendous successes during such challenging time.

I wish the company every success and a sustainable future. Looking to the ahead, I am confident that we have the right strategic focus, people and resources to deliver the best for having continued growth in the days to come.

May the blessings of the Almighty Allah always be showered upon us, Ameen.

Wishing you much happiness!



Parveen Mahmud
Chairman

Managing Director's **OBSERVATION**



Dear Shareholders,

Having victorious two decades in denim industry, Shasha Denims Ltd. (SDL) again chases towards its destination through sustainable growth, product innovation and drive for the current market craze.

At this joyous moment, on behalf of the Management, let me greet you all to the 21st Annual General Meeting of Shasha Demins Ltd. and report the financial performance for the audited year 2017-2018 and would like to share some of my thoughts and observation on the business & outlook of the company.

My heartfelt thanks and gratitude to the Board of Directors of Shasha Denims Ltd. for their valuable suggestions and supervision which enabled us to hold sustainability in leading the industry.

SDL's financial sketch during 2017-2018 compared to previous year

Again a jagged journey experienced the Company during the FY 2017-2018. A number of multifaceted events including rising of yarn and utility prices and also the rising of interest rates, food-grain, global fuel prices and also stiff competition amongst the competitors made the year more challenging.

However, the company has managed to maintain a sustainable business momentum during the reporting period. SDL had managed to increase its export earnings compared to last year but profit margin was not increased according to export earnings. Main reasons were ascertained that cost of raw material and utility expenses was increased adversely but the company was not able to increase its selling price. As a result revenue growth was not positively effect it profit margin. We couldn't increase our selling price in line with raw material price due to selling prices was negotiated earlier with buyers. However, we made buyers confidence by this way. We hope we will get price benefit from the buyers in these days coming.

A comparative analysis of the company's performance at a glance:

Amount in million

Particulars	2017-2018	2016-2017	Growth Amount	Growth (%)
Revenue	5,141.24	4,333.17	808.07	18.65%
Cost of Goods Sold	4,262.76	3,499.54	763.22	21.81%
Gross Profit	**878.48**	**853.63**	**24.85**	**2.91%**
Admn. & Selling Exp.	171.31	152.59	18.72	12.27%
Operating Profit	**707.16**	**681.03**	**26.13**	**3.83%**
Add: Financial Income	13.15	32.85	(19.70)	(59.96%)
Less: Financial Exp.	227.94	190.25	37.69	19.81%
Add: other income	4.33	1.98	2.35	118.68%
Profit Before Tax	**496.69**	**525.61**	**(28.92)**	**(5.50%)**
Profit After Tax	**423.00**	**459.37**	**(36.37)**	**(7.91%)**
Basic Earnings Per Share	**3.54**	**3.84**	**(0.30)**	

Flashing On Our Performances and New Highlights

The audited financial year 2017-2018 came us as a sustainable business year. The business results of the company illustrate stability though net profit after tax decreased slightly. In spite of volatility in the international yarn market and also constant rising of production cost, we were able to increase export earnings and maintain its stability. On the other hand, we also consider the year as an outstanding year in terms of the milestones the company attained.

Our Export grew by 18.65% to BDT. 5,141.24 despite margin pressures but cost of goods sold grew by 21.81% due to increase of yarn price, electricity bill, gas bill and lease rent of BEPZA plot. It is revealed that cost of goods sold was increased more than revenue earnings. Revenue increased due to volume of sales increase despite price increase. The Company is trying to increase its selling price. We hope selling price will be adjusted in the year coming.

Financial Income during the year was decreased by 59.96% but financial expenses increased by BDT. 37.69 million i.e. 19.81% higher than last year. The adverse effect of financial expenses finally pulled down its pre tax profit. Profit Before Tax stood at BDT. 496.69 million in 2017-2018 which was BDT. 525.61 million in 2016-2017. Profit befor tax registered 5.50% lesser than last year. Finally Earnings Per Share (EPS) of Shasha Denims Ltd. stood BDT. 3.54 in 2017-2018 which was recorded BDT. 3.84 in the last year.

Non current assets of the Company increased by BDT. 317.51 million over the last year to BDT. 3181.72 million as on 30 June, 2018. New machineries was imported during the reporting year from the IPO funds. increased by BDT.317.51 million over last year.

Current assets increased by BDT. 1158.86 million over last year closing date to BDT. 5406.97 million as on 30 June, 2018 mainly due to increase of inventory and accounts receivable. Inventory increased due to huge raw materials purchased during the year considering raw materials price was increasing. SDL also deposited share money deposit of BDT. 300 million to EOS Textile Mills Ltd. to acquire 40% shares of EOS Textile Mills Ltd. Earlier the amount was deposited with Shasha Millners and Textile Mills Ltd. As per approval of the shareholders in the last AGM, BDT.300 million was return back from Shasha Millners and Textile Mills Ltd. Total assets of the company as on 30 June, 2018 was BDT. 8,588.70 million which was BDT. 7,112.32 million as on 30 June, 2017.

On the other hand, accounts payable and short term loan was increased considerably due to huge stock made during the period. Total current liabilities was recorded BDT. 4,192.98 million as on 30 June, 2018 which was BDT. 2,997.99 million as on 30 June, 2017.

Since inception, Shasha Denims has been moving forward keeping excellence in its entire business arena. The company is very concerned on sustainability and as such holding the environment balanced through reasonably consuming water, electricity, gas, chemicals etc.

To meet up additional market demand and serve customers in a better way; in line with introducing new and unique denim products, we have also upgraded & strengthened our internal systems & procedures that added value to all our stakeholders.

For that purpose, we have already spent an amount of BDT. 145 crore received from IPO of BDT. 175 to purchase and install the machineries and other required equipment.

Maximum machineries are put in place by now &delivery of other required parts is already done. We hope to have a magnificent production and profit by this expansion project very soon InShaa Allah.

We didn't stop our journey here. Again we added a new highlight in our milestone through a new attainment of '**EOS Textiles Ltd.'.**

Broadening Horizon Acquiring EOS Textiles Ltd.

We made a tremendous achievement in the first quarter of 2018. Shasha Denims signed a MOU and also Share-Sale and Purchase Agreement (SSPA) with EOS Textile Mills Ltd. for acquiring the company (EOS Textiles Ltd.) investing Tk. 48 crore (Tk. 30 crore from IPO fund and Tk. 18 crore from company's own fund) in which Shasha Denims will be the owner of 40% shares of EOS Textiles and rest 60% will be owned another company named Shasha Spinnings Ltd.

EOS Textiles Mills Limited, a sister concern of world reputed Italian company Berto E.G. Industria Tessile S.r.L is 100% exportbased textile company located at plot # 1-6&17-22 DEPZ (Extn), Ganak Bari, Savar, Dhaka was established on 08 June, 1998 by foreign companies.

As there are available spaces inside the factory of EOS Textiles, we see further chance to set up additional machinery there in future to have more production.

Currently, EOS's sales are BDT. 150 crore (approx.). We are optimistic to make the figure double InShaa Allah within few years and as the owner of 40% shares; we hope, Shasha Denims would enjoy the additional profit proportionately.

Heightening our List of Accolades

For the last couple of years, SDL has been winning several illustrious awards (including national award) and recognitions from different government and private sector & organizations. It reflects our conformity in compliance regulation, governance & transparency we personify.

For having remarkable contribution in denim exporting as well as earning outstanding amount of foreign currency, Shasha Denims has achieved the prestigious national award '**National Export Trophy' (Gold)** three times for three consecutive years (financial years 2011-12, 2012-13 & 2013-14).

As a token of brilliance, we stood 2nd position and won the glorious **'Silver Award'** of ICSB National Award for Corporate Governance Excellence-2016. We had another accreditation as the **'Gold Supplier-2017'** from one of the world leading fashion companies H&M in recognition of our remarkable contribution towards their business. All these have enriched our extensive list of accolades.

An Empowering Board Emphasizes on Complying with the Highest Standards of Corporate Governance-the Backbone of Success

As you know, good corporate governance system is essential for effective business operation, long-term stability and also having sustainable growth of an organization. SDL governance system is designed to ensure transparency and accountability in all levels of doing business.

Shasha Denims always runs businesses justly& ethically. For itself, since start, the company has been continuing its business clearing all the taxes timely without having a single outstanding due. As such, in line with ensuring a sustainable growth for the industry, the company is contributing remarkably in the National Exchequer and also the economy.

I must take the opportunity to thank our Board for not only setting the right governance benchmarks, but also vigilantly empowering the management that has enabled us to carry forward the company fairly leading the way through making certain proper business initiatives as well as reinforcing the legacy of transparency.

We always try to follow the guidelines set out by the regularity authority-Bangladesh Textile Mills Association (BTMA) and other regularity bodies-BSEC, BEPZA 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 facing all the challenges bravely and confidently.

Approaching Prudently for Meeting Unmet Demand

We believe our success depends on our ability to driving the growth, meeting the market needs, bringing diversification in products that satisfy our customers and make them embedded with us.

By working with integrity and maintaining pace in sustainable business operation; during the audited year 2017-2018, SDL has produced highest quality finest products and also high-end segment items and delivered successfully to its brand customers.

The Company exports its products through export oriented RMG mostly in EU countries. We have started expanding

our business arena. Recently, SDL has grabbed the market of Australia and Japan which operation is going to be initiated shortly.

To meet the customers' demand and fulfill their fashion cravings, we have installed new machinery and expanded our factory in DEPZ area and already started manufacturing there.

Through our excellent team spirit and efforts, we have already placed ourselves as one of the renowned denim manufacturing brands nationally and globally and built a solid foundation upon which we will strive and take SDL to ever greater heights.

Addressing Stakeholder Concerns and Leveraging Technology in Preparation for a Challenging Environment

Since commencement, SDL has embarked on a journey to grow up its capabilities for becoming larger and better–through introducing new technology, diversified products portfolio, new sales teams and channels as well.

Along the lines of, new and essential machineries including a very exclusive and most modern indigo dyeing machine has 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 machines which is the first time ever in Asia.

Shasha Denims is always prepared to face challenges of the situation. For itself, from Factory to Head Office, the Company is well set everywhere using environment friendly high tech technology to ensure the maximum productions as well as safety and security under its sustainable program. We have our plan to put in new modern loom machine shortly replacing the existing one.

For bringing innovation and variation in the products, the Company already made a good amount of investment in research and development (R&D) sector & established a laboratory equipped with modern machineries inside the factory premises.

The R&D personnel are continuously giving their efforts for doing the needful of our valued clients. Now the company is confident to compete with intensifying market drives through applying high graded R&D.

SDL is always concerned about its stakeholders' interests. Amongst the stakeholders, customers are our main focus; because their satisfaction is our ultimate success. Our devoted people are engaged always to meet the needs through delivering their required products timely with proper care and in such way maintaining a harmonious relationship with them.

We carry forward one of the best HR practices towards our devoted workforce. Shasha Denims always recognizes its people as its most valuable assets.

In order to create opportunity and attractiveness for the new hires also retain the existing personnel, the company follows excellent HR policies providing Congenial Working Environment, Safe and Healthy Organization, Equal Employment Opportunity, Employee Development Program, Health and Group Insurance Policies, Recognition of Achievements and a number of financial facilities i.e, provident fund, gratuity, production bonus, incentive bonus etc.

Shasha Denims efforts and emphasizes on giving the highest benefits to its all levels of stakeholders as well as shareholders at every time. We believe there is a connection between our success and the success of our key stakeholders-customers, communities, investors and team members. These are the relations which we nurture every day.

Our Footprints & Heading towards Future

Alhamdulillah, since beginning, we have been moving forward ensuring sustainable growth in our business and commitment to delivering long term value to the shareholders and other stakeholders. As I said, we have already made a good investment to expand our company for more production and the installation works of the machineries are already done.

The above statement indicates that gradually we are getting bigger. We have our plan to invest more in future to establish new ventures. We hope to see Shasha Denims a composite company in the coming days which would lead the industry in near future.

Expressing Gratitude towards Concerned

In conclusion, I must say that the visionary stewardship of the vigilant Board of Directors is the main instrument in shaping the Company a successful one. I sincerely express my profound gratefulness to my Board for their unflinching support I received.

I also acknowledge that our goals have been achieved through a team effort where everyone-from the members of the Board to the newest recruits manning our counters-have contributed wholeheartedly for implementing the strategies and achieving our goals without compromising the qualities and values that mirrors the vision and mission of our Shasha Denims.

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

Finally, none of this would have been possible without our investors, clienteles and all other stakeholders who have reposed their confidence, unwaveringly in Shasha Denims.

I am immensely proud for being able to see the great run of Shasha Denims so far and consider myself privileged for having the opportunity to work passionately in building value for our customers & shareholders towards taking this great company to even greater heights.

Wishing You My Best!



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	2017-2018	2016-2017	2015-2016	2015	2014	2013	2012
Total Assets	12,077	10,879	9,701	9,208	13,840	7,402	7,789
Paid up Capital	1,196	1,128	1,128	1,128	481	401	401
Number of Shares	120	113	113	113	48	40	40
Sharehoders' Equity	5,940	5,339	5,059	4,777	2,852	2,995	2,824
Long Term Loan	721	888	1,024	1,086	1,190	1,271	1,538
Total Debts	3,879	4,259	3,889	3,910	4,052	3,989	4,524
Total Revenue	7,511	6,257	5,635	5,145	4,180	3,824	3,735
Gross Profit	1,239	1,208	1,095	1,105	796	798	934
Operating Profit	1,005	1,010	940	937	674	712	853
Profit before Tax	636	665	662	660	238	193	408
Profit after Tax	556	592	563	561	176	149	378
Liquidity Ratio							
Current Ratio	1.33	1.41	1.52	1.68	1.04	1.07	1.04
Time Interest Earned Ratio	3.68	3.75	3.66	3.37	2.57	2.46	2.96
Debt Equity Ratio	0.65	0.80	0.77	0.82	1.42	1.33	1.60
Operating Ratio							
Inventory Turnover Ratio	2.76	2.78	4.69	5.79	4.67	4.06	3.72
Assets Turnover Ratio	0.62	0/58	0.58	0.56	0.30	0.52	0.48
Profitability Ratio							
Gross Margin Ratio	16.50	19.30	19.42	21.48	19.05	20.86	25.00
Operating Income Ratio	14.10	16.88	17.37	18.76	16.64	18.62	22.85
Return on Assets (ROA)	4.83	5.75	5.96	4.87	1.66	1.96	5.53
Return on Equity (ROE)	11.41	13.68	13.93	19.08	8.60	7.29	21.46
Return on Investment (ROI)	9.79	11.24	11.13	13.89	5.41	4.32	10.98
Basic Earning Per Share	4.64	5.23	5.10	4.96	3.67	3.73	9.43
Fully Diluted Eearning Per Share	4.64	4.94	4.71	4.68	1.47	1.25	3.35
Net Assets Value Per Share	49.69	47.34	44.86	42.35	59.32	74.76	70.50
Fully Diluted Net Assets Value per Share	49.64	46.23	42.32	39.95	23.85	25.05	23.62
Dividend	**C-15%, B-7%**	**C-25%, B-6%**	**C-25%**		**C-20% B-15%**	**-**	**B-20%**

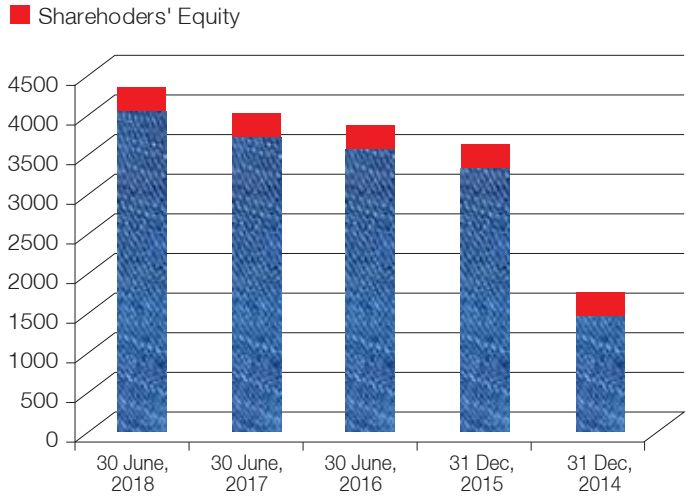
SHASHA DENIMS LIMITED

Financial Highlights on Financial Position of Shasha Denims Ltd.

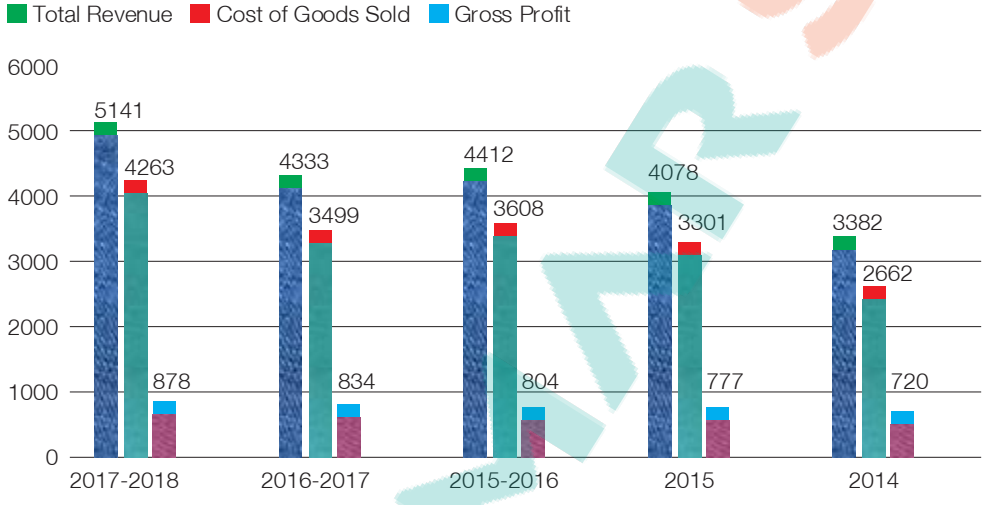
Amount in million except ratios and per share data

Particulars	2017-2018	2016-2017	2015-2016	2015	2014	2013	2012
Total Assets	8,589	7,112	6,615	6,345	11,004	4,043	4,020
Paid up Capital	1,196	1,128	1,128	1,128	481	401	401
Number of Shares	120	113	113	113	48	40	40
Sharehoders' Equity	4,328	4,046	3896	3,647	1,747	1,431	1,227
Long Term Loan	-	-	34	49	89	129	93
Total Debts	2,694	2,702	2,416	2,410	2,553	2,426	2,657
Total Revenue	5,141	4,333	4412	4,078	3,382	3,007	2,798
Gross Profit	878	834	804	777	720	623	479
Operating Profit	707	681	680	636	618	548	411
Profit before Tax	497	526	578	556	375	244	153
Profit after Tax	423	459	483	460	317	204	124
Liquidity Ratio							
Current Ratio	1.29	1.42	1.48	1.63	0.99	0.99	1.11
Time Inerest Earned Ratio	4.31	4.80	4.72	4.25	3.55	2.91	2.68
Debt Equity Ratio	0.62	0.67	0.62	0.66	1.46	1.70	2.17
Operating Ratio							
Inventory Turnover Ratio	2.28	2.84	4.48	5.13	3.74	3.23	3.09
Assets Turnover Ratio	0.60	0.61	0.67	0.64	0.31	0.74	0.70
Profitability Ratio							
Gross Margin Ratio	17.09	19.24	18.23	19.05	21.28	20.73	17.12
Operating Income Ratio	13.75	15.72	15.42	15.60	18.27	18.23	14.69
Return on Assets (ROA)	5.39	6.69	7.45	5.30	4.21	5.07	3.43
Return on Equity (ROE)	**10.10**	**11.57**	**12.80**	**17.05**	**19.93**	**15.39**	**10.61**
Return on Investment (ROI)	10.10	11.57	12.77	16.87	19.28	14.91	10.20
Basic Earnings Per Share	3.54	4.07	4.37	4.08	6.59	5.10	3.09
Fully Diluted Earnings Per Share	3.54	3.84	4.04	3.85	2.65	1.71	1.03
Net Assets Value Per Share	36.20	35.87	34.55	32.34	36.35	35.72	30.61
Fully Diluted Net Assets Value per Share	36.20	33.84	32.59	30.51	14.62	11.97	10.26

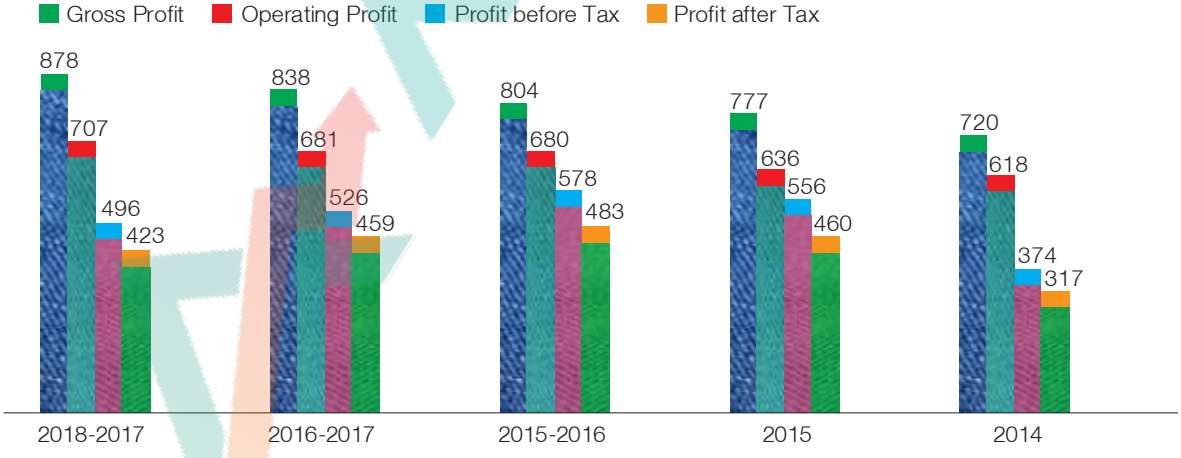
Shareholders' Equity



Comparision of Revenue, Cost of Goods Sold and Gross Profit



Operational Result



ITNAR STOCK

Directors' **Report**

Bismillahir Rahmanir Rahim

Honourable Shareholders,

Assalamu Aalaikum!

The Board of Directors of Shasha Denims Ltd. (SDL) takes pleasure in presenting the Directors' Report, the Auditors' Report and the Audited Financial Statements of the Company before you for the year ended June 2018 in its 21st Annual General Meeting (AGM).



A snapshot of the world economic trend with the performance of Bangladesh economy along with the economic prospect of the Country 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.

A review of this report would reveal consolidation of growth of the Company in a very stiff competitive environment that ultimately leads the Company towards sustainability.

Moreover, in this regard, the Directors are pleased to explain and disclose some issues, which they consider relevant to ensuring more transparency. The Directors believe that report will provide captivating insights of the Company's performance during the year under review. This is a humble presentation for consideration and approval of our valued Shareholders.

World Economy

After disappointing global growth at around 3.0 percent over the past few years, the overall economy jumped back and upswing through strengthening its economic activity with the projected growth rate of 3.7 percent in 2017.

Broad-based upward revisions occurred in the euro area, Japan, emerging Asia, emerging Europe, and Russia through notable pickups in investment, trade, and industrial production, coupled with stronger business and consumer confidence supported the recovery.

Emerging and developing Asia also enjoyed strong growth, largely driven by high external demand, better policymaking, and recovering commodity prices & experienced 6.5% growth in 2017.

Through continued growth expansion, Global Economy is projected to grow by 3.9% in 2018, 0.2 percentage point higher than previous year's growth. The revision reflects increased global growth momentum and the expected impact of the recently approved U.S. tax policy changes.

Most of the growth will be driven by emerging economies, in particular commodity exporters, with growth rates for the group as a whole rising to around 4.6% while advanced economies are expected to grow at 2.2% in 2018.

There remain a number of risks that could push the global economy out of the calm waters it is now in. The key risks to our global outlook are: (1) misguided fed policy, (2) a hard landing in China, (3) US protectionism, (4) oil price volatility, (5) geopolitical risk, and (6) financial market correction.

Global Economy is characterized by both developed and developing countries economy and a developing nation can leapfrog through sharing the economy of Developed Country.

Chinese are providing labor and used as opportunity of backward integration of the developed countries' manufacturing industry.

China is the world leader in merchandise exporting and providing labor using as opportunity of backward integration of the developed countries' manufacturing industry.

In the global merchandise exporting, India's position is 17th, whereas Bangladesh holds the 61st position in the same arena.

Bangladesh Economic Review

For Bangladesh, 2017 has been a mixed year of achievements and challenges. Though some macro

indicators reflect the positive trends, the overall strength of the economy was weakening for making a number of investments to some developments toward the second half of the year.

One of the major achievements of economy has been a 7.28 percent economic growth in FY 2016-17 breaking the 6% cycle that continued for a decade or so. Like the previous years, major boost of growth has come from the industrial sector followed by the services sector in the FY 2017-2018.

In 2017, the banking sector exposed further weaknesses through major indicators such as rise of non-performing loans, lower capital adequacy and the overall lack of governance in the sector. The government has been recapitalizing the state-owned banks for their losses every year without any fruition. This has been an unfortunate example of using public money towards compensating for the greed of bank defaulters.

On the other hand, the Gov't has reduced corporate tax for the garment sector from existing 20 percent to 15 percent and 14 percent for the green garment factory owners for their contribution in saving energy, water and environment. But the proposed facilities could not make the garment owners happy as they have been passing through a bad time due to volatile economic situation in the major export destinations, including EU and US.

Despite a number of financial, economic and environmental challenges including Rohingyas entry into Bangladesh, increased food inflation due to flood in north-western region specially in haor areas, instability in money market, double digit interest rates, price hiking of global fuel, pressure on foreign exchange volatility; The year 2018 has become a turning point for Bangladesh in many ways as in the current year, the country has graduated to lower-middle income group status from the least developed country status.

Industry Outlook (2018)

Bangladesh RMG sector plays an important role in changing the economy of the country. Currently, Bangladesh holds the second largest position in denim manufacturing after China. There are huge opportunities here. Its export destinations exceeded EU and US market to all over the world driven by its large-scale manufacturing capacity and lower production cost.

The local mills are enrobing enormously making huge investment on state-of-the-art technology and imported machinery especially on the weaving and processing side and setting up large plants in the country and thus by increasing production capacity and meeting up the growing demand of International market.

Manufacturers are also taking less producing time as they are sourcing the fabrics from local mills instead of importing. As a result, now they are getting more orders from their buyers.

Bangladeshi denim products are dominating the global markets by beating its competitors in the European markets as well as in the United States in occupying a lion's share of the proverbial denim pie. As of now, Bangladesh is the largest exporter of denim products to Europe with a 27% market share topping China, the largest exporters of clothing products to both Europe and the US. With a 14.20% market share, currently Bangladesh is also the third largest exporter of denim products in the US after Mexico and China.

According to Eurostat, (statistics directorate of the European Commission), Bangladesh in 2017 exported denim products worth of €1.30 billion – a 0.54% hike from 2016's €1.29 billion.

'Bangladesh'-in the world's denim industry at a glance:

- the largest Exporter in EU with a 27% market share
- the third largest exporter in the US with a 14.20% market share
- exported products worth Euro 1.30 billion to EU markets in 2017
- exported products worth $508 million to US markets in 2017
- 31 manufacturing mills producing over 400.40 million meters of denim per year

Bangladesh's export earnings from the apparel sector registered a growth of 8.76% reaching $30.61 billion in FY2018.

According to Export Promotion Bureau (EPB) data, Bangladesh's export earnings from the RMG sector stood at $30.61billion, posting 8.76% growth in the last fiscal year. The figure is 1.51% higher than the target of $30.16 million for FY18.

Along with opportunities, the industry has some challenges too. Infrastructure is a major challenge. Inefficiency in ports, inadequate rail and road networks, gas and electricity crisis, forward moving production cost and the urgent need of a deep sea port are some of the major challenges for Bangladesh denim industry.

The cost of production for the sector has been increasing at 18 percent annually, but at the same time,

the prices of apparel items are not increasing globally, and even in some cases the prices of clothing items declined due to rising price of yarn market as well as it is vastly stocking by China.

The garment sector has been witnessing a little above 13 percent growth over the last 10 years, but the growth declined to less than 3 percent in recent months due to the global instability.

However, the industry has great prospect to overcome the challenges and become the world leader. In this regard, Bangladesh government should prioritize denim products and provide all out support to the entrepreneurs.

Shasha Denims Ltd.

With a vision to build a green and sustainable denim manufacturing company through maintaining a global standard; after commencement in 1996, Shasha Denims Ltd. began its commercial operations in 2000.

Progressively moving forward, we have now positioned ourselves as one of the leading 100% export based denim producers in Bangladesh while we continuously develop and refine environmental friendly techniques and procedures emphasizing more on human consideration in creating our products.

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, at present, SDL is a well managed and technically sound an organization which is able to make a grade harmonizing the current craze to deliver the world class products to its valued customers.

Over the years, the company has been investing in its research and development (R&D) for the highest technological environment to ensure the production of the best quality denim which is incomparable to any other denim manufacturer in Bangladesh.

At Shasha Denims, our team focuses on developing a perfect balance between fashion and sustainability through treatment and fabric. Without compromising quality, we have eliminated many harmful practices in developing high quality denim fabric and become a staple in world class denim wear.

Our factories are equipped with state of the art technology and environment friendly machineries from Switzerland, Germany, Belgium and USA which allow us to produce a kind of indigo shades in terms of tone and depth of the color.

We currently have a capacity of 2.10 million yards per month to produce different types of denim fabrics. We have perfected the art of producing all types of denim fabrics from 4.50 oz to 15.00 oz that enabled us to supply our global customers with a range of colors from the lightest shades of indigo to the darkest hue as well as a range of effects and textures such as the smooth indigo surface and the salt effect in denim.

Our efforts to stand apart in the global arena for denim manufacturing has led us to an installation of the most high tech indigo dyeing machine in the extended project in the DEPZ area. For the first time in Asia, the innovation allows us to save 60% water and 40% chemical usage in our denim manufacturing processes in comparison to conventional indigo dyeing machines used across the continent and the globe as well.

Our continuously improving production processes are supported by engaging skilled human resources at every level that creates world class denim at competitive prices. Our high quality denim wears are produced for people of all ages, keeping functionality, aesthetics and renewability in mind. Now SDL is capable enough to take challenges to compete with any denim manufacturer in Bangladesh.

Shasha Denims is a trusted source of the world renowned buyers, and in most cases, it is the only nominated supplier for its valued buyers. Currently, the Company manufactures fabrics for the world reputed brands such as **H&M, O'STIN, Esprit, Debenhams, Marks & Spencer, LPP, Pull & Bear, S. Oliver, Zara, Bestseller, River Island** etc.

At present, the Company exports the products in Europe market through export oriented RMG and also heading towards Japan, Australia and other giants to grab those markets.

Performance of Shasha Denims Ltd. in 2017-2018

Though there were a number of challenges posed by various internal-external economical, political and natural environments; utilizing the maximum capacity and the quality of driving with momentum, Shasha Denims Ltd. made a sustainable performance during the year 2017-2018.

Production and Revenue of the Company increased significantly and the Total Revenue stood at BDT. 5141.25 million in 2017-2018 as against BDT. 4,333.17 million in 2016-2017. Revenue growth recorded 18.65% compared to last year. Revenue increased due to volume sales increased during the period.

Cost of Goods Sold registered at BDT. 4,262.76 million in 2017-2018 as against 3,499.54 million in 2016-2017. This indicated that cost of production is increased by 21.81% compared to last year. Cost of Goods Sold increased due to increase of yarn price and other direct utility expenses. Revenue increased not parallel with cost of goods sold. Total cost of goods sold increased more than revenue increased. As a result Gross Profit margin ratio increased slightly i.e. 2.91% in spite of revenue increased by 18.65% over the last year.

Utilization of IPO fund and the machineries installation work into the extended factory are done. In the meantime, production started there partly. Output of these extension was added to the total revenue. However, the Company is trying to increase its selling price. We hope selling price will be adjusted in the year coming.

Financial Income during the year was decreased by 59.96% but financial expenses increased by BDT. 37.69 million i.e. 19.81% higher than last year. The adverse effect of financial expenses finally pulled down its pre tax profit. Profit Before Tax stood at BDT. 496.69 million in 2017-2018 which was BDT. 525.61 million in 2016-2017. Profit befor tax registered 5.50% lesser than last year. Finally Earnings Per Share (EPS) of Shasha Denims Ltd. stood BDT. 3.54 in 2017-2018 which was recorded BDT. 3.84 in the last year.

From the above, it is revealed that total assets and shareholder' equity of the Company increased during the reporting year. Total assets of the company recorded BDT. 8589 million which was registered 20.77 % growth over last year. During the period the company made remarkable raw material stock as a proactive measure

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	2017-2018	2016-2017	2015-2016	2015	2014	2013	2012
Total Assets	8,589	7,112	6,615	6,345	11,004	4,043	4,020
Paid up Capital	1,196	1,128	1,128	1,128	481	401	401
Number of Shares	120	113	113	113	48	40	40
Sharehoders' Equity	4,328	4,046	3,896	3,647	1,747	1,431	1,227
Long Term Loan	-	-	34	49	89	129	22
Total Debts	2,694	2,702	2,416	2,410	2,553	2,426	2,657
Total Revenue	5,141	4,333	4,412	4,078	3,382	3,007	2,798
Gross Profit	878	834	804	777	720	623	479
Operating Profit	707	681	680	636	618	548	411
Profit before Tax	497	526	578	556	375	244	153
Profit after Tax	423	459	483	460	317	204	124

against price hike of raw material in international market and dollar price. Increase of accounts receivable by BDT. 646 million over last year kept contribution to increase the total assets of the company.

Shareholders' Equity increased due to current due to current year profit added to retained earnings as on 30 June, 2018. There was no long term loan during the year side by side short term loan was decreased by BDT. 7 million but Accounts payable was increased remarkably by BDT. 1166 million over last year. These huge amount of accounts payable was made due to import liability is payable to the suppliers through the supplier's bank as these were 100% import LC liability.

All profitability ratios of the company indicated that SDL profits was decreased slightly compared to last year.

Key Performance Ratio

Particulars	2017-2018	2016-2017	2015-2016	2015	2014	2013	2012
Gross Margin Ratio	17.09	19.24	18.23	19.05	21.28	20.73	17.12
Operating Income Ratio	13.75	15.72	15.42	15.60	18.27	18.23	14.69
Return on Assets (ROA)	5.39	6.69	7.45	5.30	4.21	5.07	3.43
Return on Equity (ROE)	10.10	11.57	12.80	17.05	19.93	15.39	10.61
Return on Investment (ROI)	10.10	11.57	12.77	16.87	19.28	14.91	10.20
Basic Earning Per Share	3.54	4.07	4.37	4.08	6.59	5.10	3.09
Net Assets Value Per Share	36.20	35.87	34.55	32.34	36.35	35.72	30.61

Financial Result and Proposed Dividend and Appropriation of Profit

The Company posted profit before tax for the year ended on 30 June, 2018 amounting to BDT. 496.69 million as against BDT. 525.61 million in 2016-2017 while net profit after tax recorded 423.00 million in 2017-2018 as against BDT. 459.37 million in 2016-2017.The Company has following available retained earnings to declare dividend for the year 2017-2018.

	2017-2018	2016-2017
Net Profit after Tax for the year	423,003,997	459,368,043
Retained Earning brought forward	1,667,681,869	1,518,479,808
Profit available for appropriation	2,090,685,867	1,977,847,851
Less: Dividend Paid:	208,657,108	310,165,983
Profit available for declaration of dividend	1,882,028,758	1,667,681,869

Dividend

Shasha Denims Ltd. aims to declare commendable and sustainable rate of dividend to its shareholders. Considering, present business position and future business prospect-based plan, the Board of Directors of Shasha Denims Ltd. in its meeting held on 27 October, 2018 recommended 15% cash dividend and 7% stock dividend for the year 2017-2018.

Segment Information

Shasha Denims Ltd. fabricates 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 accordingly supplies the same towards its respective customers' destination.

Shasha Denims Ltd. (SDL) has also remarkable investment in its subsidiary companies that manufacture 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. (SGL), manufactures garments items for Gents, Ladies and Kids and exports the products to Europe and America. On the other hand, Shasha Textile Ltd. (STL) has been established for producing fabrics and the business operation will start shortly.

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

Business Segment
For the year ended on June 30, 2018

Amount in Tk. million

Particulars	SDL	EPCL	SGL	STL
Revenue	5,141.25	1,624.10	745.91	-
Less: Cost of Goods sold	4,262.76	1,328.20	680.80	0.05
Gross Profit	878.48	295.89	65.11	-
Less: Selling and Admn. Exp.	171.31	43.85	19.11	0.49
Operating Profit	707.16	252.04	46.00	(0.54)
Add: Financial Income	13.15	-	-	-
Less: Financial Expenses	227.94	159.29	7.27	-
Add: Other Income	4.33	4.36	4.47	-
Profit before Tax	496.69	97.12	43.20	(0.54)
WPPF	-	-	0.21	-
Income Tax	73.69	-	6.81	-
Profit after Tax	423.00	97.12	36.18	(0.54)
Non-current Assets	3,181.73	1,689.96	51.87	1107.96
Current Assets	5,406.97	1,881.34	315.51	87.56
Total Assets	8,588.69	3,571.30	367.38	1195.52
Non-Current Liabilities	68.14	720.97	0.41	-
Current Liabilities	4,192.98	1,008.01	119.89	13.06

Extraordinary Gain or Loss

Extraordinary gain or loss of a company refers to infrequent and unusual gain or loss by the company which is not a part of the Company's ordinary/day to day operations. During the year, SDL incurred loss of BDT. (2.95) million from sales of fixed assets. Details of this losses are given in notes 28.1 of SDL accounts.

Capital Expenditure

During the reporting year, the company accounted for BDT. 1,329.26 million as addition of property, plant and equipment. Earlier it was shown as capital work in progress. Among the addition of fixed assets, most of the assets was purchased / acquired from the IPO fund. Company spent entire amount IPO fund to procure property, plant and equipment as per approval of the shareholders.

Total written down value of fixed assets of the Company as on 30 June, 2018 stoods at BDT. 2,082.29 million as against BDT. 847.17 million as on 30 June, 2017. The details note on acquisition of Property, Plant and Equipment is given under the note no. 4 of the Financial statements in the page no.161.

Capital Infusion

During the year, there was an equity capital infusion of BDT. 67.67 million which resulted from issuance of 6% bonus shares for the year 2016-2017. As a result, paid up capital of the Company stood at BDT. 1195.55 million.

Capital structure of the Company is given at page #114

Utilization of IPO Fund

As per approval of the Shareholders in the last AGM, Shasha Denims already utilized entire amount of the

IPO funds within the stipulated time. Using the fund, SDL has built two three-storied building at factory premises and installed new capital machineries, also invested BDT. 30 crore to acquire 40% shares of EOS Textile Mills Ltd. Process of acquisition of EOS Textile is going on.

We already started getting output from the newly extended factory. And also hope to have a remarkable production jointly from here as well as our recently investment in EOS Textile.

For growing up sustainably and profitably, we will continue our focus on holding the leading position and financing the emerging denim sector and other essential areas and so on. Shasha Denims is confident with its strategic focus on people, processes and modern technology along with the cost efficient approaches that will facilitate to overcome the increasing competition and further challenges.

Investment in EOS Textile Mills Ltd.

As per approval of the shareholders in the last Annual General Meeting, Shasha Denims signed a MOU and also Share-Sale and Purchase Agreement (SSPA) with EOS Textile Mills Ltd. for acquiring the company (EOS Textiles Ltd.) investing Tk. 48 crore (Tk. 30 crore from IPO fund and Tk. 18 crore from company's own fund) in which Shasha Denims will be the owner of 40% shares of EOS Textiles and rest 60% will be owned another company named Shasha Spinnings Ltd.

EOS Textiles Mills Limited, a sister concern of world reputed Italian company Berto E.G. Industria Tessile S.r.L is 100% export based textile company located at plot # 1-6 & 17-22 DEPZ (Extn), Ganak Bari, Savar, Dhaka was established on 08 June, 1998 by foreign companies.

As there are available spaces inside the factory of EOS Textiles, we see further chance to set up additional machinery there in future to have more production.

Currently, EOS's sales are BDT. 150 crore (approx.). We are optimistic to make the figure double InShaa Allah within few years and as the owner of 40% shares; we hope, Shasha Denims would enjoy the additional profit proportionately.

Subsidiary and Associates

The following three subsidiary companies are under Shasha Denims Ltd. (SDL):

- 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 Tk. 150 crore and Tk. 98.37 crore respectively. Investment of Shasha Denim Ltd. in capital of EPCL is Tk. 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, Chittagong. 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. According to the agreement present term will be expired on 8th February, 2019.

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 under review, EPCL earned revenue of BDT. 1624.10 million by generating and supplying55 mw electricity to BPDB. The Company registered net profit after tax of BDT. 97.12 million in 2017-2018 as

against BDT. 88.91 million in 2017-2018. Throughout the year, the Company was able to have had an uninterrupted production.

Financial Statement of EPCL has been given in page 184 to page 200

Shasha Garments Limited

Incorporation

Shasha Garments Ltd. is a 100% Export Oriented Garments Industry locate3d at Hashem Plaza (4th Floor), Ganakbari, Ashulia, Savar, Dhaka. Yearly production capacity of Five line Shasha garments Ltd. is 12,00,000 pieces per year. The Company is expanded with a floor area of 30,000 sqft. Its total manpower is engaged within the factory. The Head Office of Shasha Garments Ltd. is placed at House #23, Road # 129, Gulshan, Dhaka.

Nature and Capital Structure of the Company

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

Financial Results of Shasha Garments Ltd.

Shasha Garments Ltd. earned revenue BDT. 745.91 million during the year 2017-2018 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 2017-2018, Shasha Garments registered net profit after Tax of BDT. 36.18 million as against BDT. 43.64. million during the corresponding year. Total assets of the Company stood at BDT. 367.38 million as at 30 June, 2018 from the assets BDT. 345.59 million as on 30 June, 2017. Company has a plant to expand its business in the coming days.

Financial Statement of Shasha Garments has been given from page 201 to page 213

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 Tk. 500 million and Tk.70 million respectively. Total assets of the Company as on 30 June, 2018 BDT.1,195.52 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. declared no 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.

A report on the Going Concern is given in page # 78-80

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 risks are encompassed around it.

The risks may have adverse affect in the Company's sales and profit. Mostly, the risk arises from falling demand for the product, shortage of power, workers' unrest, raw material shortage along with other relevant situation 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 also troubles in China and Turkey.

Over the years, SDL became one of the biggest giants in denim business of Bangladesh. A great deal of marketing and modifications in production and a

dynamic administration of management have led SDL to create a customer base of around 131 local buyers. To produce quality denim, SDL imported and installed world class machineries in its factory.

Fundamental principles of risk management philosophy of Shasha Denims 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 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 reducing 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 right people, we strongly believe that the efficient management & skilled workers are our greatest assets as their efforts and performances are truly priceless and as such, they are recognized here as the 'Building Blocks' of the Company.

We continue investing in our people to enhance and upgrade 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 what each employee exerts towards the organization and adopt policy to reward them accordingly through providing various financial and 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 always focuses on ethics, innovation and transparency.

The establishment of well founded corporate governance within the Company should be continued 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, other stakeholders and the 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 given from the page # 93 to 97

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 # 35 on page #180 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#164 of Financial Statements of the Company.

Events Occurring After the Reporting Date

As at the date of this report, the directors are not aware of any matter or circumstance that has arisen since the end of the year 2017-2018 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.

Management

The Management of SDL always tries to improve 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 several times with a number of awards & recognitions for her tremendous contribution in different business arena.

Managing Director proves the track records in leading the team as well as the company throughout 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 is directly involved in the company's merchandising, procurement, production and its whole procedures and also responsible to report to the Managing Director.

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

There are different departments under the Company to perform different activities. Departments' Heads have significant experiences in relevant business areas and are liable to monitor respective department's operations. 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 718 workers in the factory and 280 officers and staff in the head office & factory. Amongst different fringe benefits; the Company provides residential facility, festival bonus, profit sharing, production bonus etc. to its employees.

Appointment of Auditors

M/S S F Ahmed & Company, Chartered Accountants, House # 51, Road # 9, Block # F, Banani, Dhaka-1213 was appointed as the External Auditor of the Company by the shareholders in 20th AGM held on 15 November, 2017. S F Ahmed & Company, Chartered Accountants has carried out the audit for the year 2017-2018 of Shasha Denims Ltd. This is their first year Audit with SDL., and since the firm is eligible for reappointment and accordingly expressed their willingness to be re-appointed for the year 2018-2019.

The Audit Committee reviewed the proposals for re-appointment and conducted a formal assessment and recommended to the Board for appointment of S F Ahmed & Co. Chartered Accountants as the statutory auditor the year 2018-2019.

Upon the recommendation of the Audit Committee, the Board of Directors proposes the appointment of M/s S F Ahmed & Company, Chartered Accountants, House # 51, Road #9, Block # 9, Banani, Dhaka-1213 as the statutory Auditor in the 21st AGM for approval of the shareholders and fix their fees. It may be mentioned that Audit fee for the year 2017-2018 was fixed at Tk. 3 lac only.

Independence of External Auditor

The Company's external auditors are prohibited from non-audit as prescribed by the Bangladesh Securities and 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.

Appointment of audit or/firm to issue a report on compliance on Corporate Governance Code

M/s Mazumder Sikder and Associates, Cost & Management Accountants has conducted the audit to issue a report on compliance on corporate governance code. M/s Mazumder Sikder and Associates submitted express of interest to conduct compliance auditor for the year 2018-2019. The Board of Directors considered their proposal and recommended to place in next AGM for Shareholders approval.

The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 is hereby disclosed **as per Annexure-B and Annexure-C. which are given in page # 98 and 107**

Composition of the Board of Directors

The Board is comprised of five Directors including Managing Director and two Independent Director Ms. Parveen Mahmud and Zareen Mahmud are the shareholder Director. Mr. Shams Mahmud is managing Director and Director Mr. N K A Mobin and Mr. Sayed Mayeenul are independent Director.

Mr. Aftabur Rahman Jafree and Ms. Nishat Nahrin Hamid were representative Director of Shasha Garment ltd. They were resigned from the board on 11 November, 2018 as per decision of Shasha Garment Ltd

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 15 November, 2017 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 Directors will 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 21st Annual General Meeting.

Ms. Zareen Mahmud

Board Meetings

The Board of Directors met five 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 two Sub Committees named the Audit Committee and Nomination and Remuneration Committee (NRC) During the year, Audit Committee Meetings were held in different times to assist the Board to take decisions on respective issues.

Directors' Fee & 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 Notes 25. Non Executive Directors including Independent Directors are paid only attendance fee of Tk. 10,000/- for attending per meeting.

Audit Committee

As required by the BSEC, the Board constituted its Audit Committee. The Committee was formed with 3 (three) 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.

A separate report on the Audit Committee is given in page # 111-112

Nomination and Remuneration Committee (NRC)

In terms of provision of 6 of Bangladesh Securities and Exchange Commission notification dated 3 June, 2018 the Company in its 86th Board Meeting held on 27 October, 2018 formed Nomination and Remuneration Committee headed by Company's Independent Director Mr. Syed Mayeenul Huq. In pursuance to the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration all Directors, key managerial personnel and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the company

Constitution of NRC Committee

The Board of Directors of Shasha Denims Limited constituted "Nomination and Remuneration Committee" consisting of three Non-Executive Directors of which majority are Independent Directors in accordance with the provision of Section 6 of Bangladesh Securities and Exchange Commission Gadget Notification dated : 3 June, 2018. The Committee is composed of Mr. Syed Mayeenul Huq, Chairman NRC, Mr. N K A Mobin and Ms. Parveen Mahmud.

Objective of NRC

NRC shall be independent and responsible or accountable to the Board and to the shareholders. As per notification, NRC shall oversee, among others, the following matters and make report with recommendation to the Board:

I) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board , relating to the remuneration of the directors, top level executive, considering the following:

a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the Company successfully;

b) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c) Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;

ii) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;

iii) identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;

iv) formulating the criteria for evaluation of performance of independent directors and the Board;

v) identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and

vi) developing, recommending and reviewing annualy the company's human resources and training policies:

Board Meetings and Attendance

During the year, total 5 nos of Board Meetings were held. Two directors were retired and re-elected during the year.

Name of the Director	Position	Meetings Attended
Ms. Parveen Mahmud	Chairman	5
Mr. N K A Mobin	Director	5
Mr. Shams Mahmud	Managing Director	3
Mr. Syed Mayeenul Huq	Director	4
Mr. Aftabur Rahman Jafree (Resigned on 11 Nov, 2018)	Director	4
Ms. Zareen Mahmud	Director	3
Ms. Nishat N. Hamid (Resigned on 11 Nov, 2018)	Director	3

Statement of Directors on Financial Reports

The Directors in accordance with BSEC Notification No.BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 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.

Declaration or certification by the MD and the CFO to the Board as required under condition No. 3(3) is disclosed as per Annexure-A in page # 113

Shareholding Pattern

The shareholding pattern as on June 30, 2018 as per clause 1.5(xxiii) of the BSEC notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 are shown in **page # 55 and 56.**

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 where we live.

As one of the leading denim manufacturers of Bangladesh, Shasha Denims is excessively aware about CSR and acts upon accordingly through a broadened sphere.

We have considered our CSR touching in every sensible arena. We are concerned about-all of our valued stakeholders, ethical business functioning, employees' right and welfare, disadvantaged human beings of the society-their health & education, environment related issue etc.

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

We realize that sustainable development is a continuous procedure. We are well positioned & prepared to work for the society compliant with our responsibilities in the short, medium and long-term.

A separate report on Corporate Social Responsibility has been attached herewith the annual report at page # 82.

Health & Safety

Shasha Denims provides the best Health & Safety Policy to its employees/workers based on SDL's Corporate Business Principles and the Management and Leadership Principles which is maintained by the whole Shasha Group and also committed to continual improvement the standards of the policy.

The Company ensures utmost safety in the whole business operations that meets or exceeds the requirements in which all activities are operated considering the highest security and safety from all types of possible accidents as well as the protection of the people at work place.

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

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

Business Ethics

SDL come a reputed brand in denims for delivering innovation, performance and craze of fashion to its clients. The key element of long-term success is integrity and sincerity through performing the business fairly, a factor that contributes greatly in keeping the long-standing affiliations with our valued clients.

All of our employees are instructed to behave decently during delivering their words & deeds based on Shasha's ethical principles.

We have designed our policy to hold our reputation of an excellent Company all the way through a fantastic client servicing and ethical business dealings. This is how we manage our business and maintain high standard all the time.

Our motto is to grow with our esteemed clients and stakeholders harmonizing a good acquaintance as well as provide them nothing less than the best.

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

Outlook 2018-2019

The wide consumption of denim by fashion connoisseurs globally has created a new opportunity for Bangladesh. The industry in Bangladesh presently has 29 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 promising. The main challenges are building confidence to 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 International market, the local mills are investing hugely on state-of-the-art imported machineries especially on the weaving & processing 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.

Again we invested BDT. 30 crore to acquire 40% shares of EOS Textile Mills Ltd. The acquisition procedure is under the route which is expected to be done within next 7 to 9 months.

We are highly optimistic to have a remarkable profit jointly from newly expanded manufacturing unit and also from EOS Textile.

Our existing capacity illustrates that the year 2018-2019 will be another successful year for Shasha Denims Ltd. and the Company will maximize its revenue by using 100% capacity and its quality products.

To cope up with the time and situation, I assure you that your company will continue to maintain a prudent policy of expansion which indicates to deliver the highest amount of dividends for its shareholders and satisfy them accordingly.

Appreciation

Shasha Denims Ltd. closed the financial year 2017-2018 recording excellent performance in all core areas of operation. The continued endeavors of the Management and staff of the Company valuable supported by the Board of Directors, above all sincere cooperation of all concerned have significantly contributed to reach the Company the newer height of success.

My deep appreciation goes to the Management team for their prudent action and dedicated services. Again I take the opportunity to thank my Board colleagues for their worthy guidance and inspiration in moving the Company to the right direction.

I express my 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 were the partners in the growth of our Company and a number of Commercial Banks of Bangladesh i.e, Bank Asia Ltd., Premier Bank Ltd., United Commercial Bank Ltd., and others for extending their cooperation and everyone in the Shasha Family for their untiring support & assistance.

The Board would like to put on record its appreciation of hard work and enthusiasm of the Shasha's people who generously contributed to its growth over the past years and in a word, on whom our success depends on. We look forward to have their unremitting support.

I conclude by conveying my very sincere thanks and heartfelt felicitations to our respected shareholders, valued customers/clients, patrons, well-wishers and external auditors for their cooperation, patronage and finally trust placed on us and continued remaining with us as loyal partners in our journey of growth.

We are proud of you all and look forward to have each and every one amidst us as we navigate ahead to take Shasha Denims frontward as a leading player not only within the country but beyond of it.

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 30-06-2018.

Particulars	Positiona	No. of shares held	%
Directors and Sponsor			
Ms. Parveen Mahmud FCA	Chairman	8,177,285	6.840%
Mr. N K A Mobin, FCA, FCS, CFC	Independent Director	-	-
Mr. Shams Mahmud	Managing Director	12,740,500	10.656%
Mr. Aftabur Rahman Jafree	Nominated Director	6,582	0.0055%
Repres. of Shasha Garments Ltd.	Shasha Garments Ltd.	2,513,090	2.102%
Ms. Zareen Mahmud FCA	Director	3,205,726	2.681%
Mr. Anisul Islam Mahmud	Sponsor	28,963,440	24.226%
Mr. Sayed Mayeenul Huq	Independent Director	6,582	0.0055%
Ms. Nishat N. Hamid Repres. of Shasha Garments Ltd.	Nominated Director Shasha Garments Ltd.	-	-
Company Secretary, CFO and HOIA			
Mr. Aslam Ahmed Khan FCA	Company Secretary	-	-
Mr. Sarwar Hossain FCA	Chief Financial Officer	-	-
Khondoker Shamrita Tabassum	Head of Internal Audit	-	-
Top Five Executives			
Mr. Mohammad Jamal Abdun Naser	Director, Operation	731,400	0.6117%
Mr. Md. Ahasanul Haque	Director, Finance	500,000	0.4180%
Mr. Rafiqul Alam	DGM	128,048	0.1071%
Mr. Syed Mohammad Hassan	DGM	95,400	0.0797%
Mr. Mazharul Islam Bhuiyan	DGM	117,890	0.0986%
Shareholders Holding 10% or more voting interest in the Company		Nil	

AMARSTOCK

Annexure-2

Involve of Directors in other organization

Sl	Particulars	Directorship	Position in the Company
01	Ms. Parveen Mahmud FCA Chairman	Shasha Textiles Ltd.	Chairman
		Shasha Spinnings Ltd.	Chairman
		Shasha Garments Ltd.	Chairman
		Shasha Apparels Ltd.	Chairman
		Shasha Millners and Textiles Ltd.	Director
		Energis Power Corporation Ltd.	Director
		Grameen Phone Ltd.	Director (Nominated)
		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 Shamogri Ltd.	Director
		Grameen Shamogri Uttaranchal Ltd.	Director
		Grameen Samajik Byabsha Ltd.	Director
		Linde Bangladesh Ltd.	Director
		BRAC International	Director
		BRAC Association	Director
		Manusher Jonno Foundation	Director
		Saburo Indigo Ltd.	Director
		Palli Karma Shayak Foundation (PKSF)	Director
		Transparency International Bangladesh	Director
		MIDAS	Chairman
		MIDAS Financing Ltd.	Director
		UCEP-Bangladesh	Director
		Moner Bandhu	Director
		Campaign for Popular Education (CAMPE)	Director
		RDRS-Bangladesh	Member-Trustee Board
		Ghashful	Chief Adviser
		Syada Anjuman Ara Girls School-Kumilla	Director
02	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)
		HerStory Foundation	Executive Director
		Aga Khan Foundation Bangladesh	National Committee Member
		Ghashful	Member
03	Mr. Shams Mahmud Managing Director	Shasha Textiles Ltd.	Managing Director
		Shasha Spinnings Ltd.	Director
		Shasha Apparels Ltd.	Director
		Shasha Garments Ltd.	MD
		Shasha Telecom Ltd.	Director
		Form Icon Ltd.	Director
		Shasha Denims Ltd. (unit-2)	MD
		Trade Matrix Bangladesh Ltd.	MD
04	Mr. Aftabur Rahman Jafree, Director Nominated by Shasha Garments Ltd.	Ghashful	CEO/Executive Director
05	Mr. N K A Mobin Independent Director	Emerging Credit Rating Ltd. (ECRL)	MD/CEO
		Biman Bangladesh Airlines Ltd.	Director
		Viyellatex Group	Independent Director
06	Mr. Syed Mayeenul Huq, Independent Director	CARSA	Board Member
07	Ms. Nishat N Hamid, Director Nominated by Shasha Garments	Shasha Millners and Textiles Limited	Director
		Energis Power Corporation Ltd.	Director

RISK **MANAGEMENT**



KUMAR STOCK



Risk Management and **Sustainability Analysis**

> "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."

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, financials 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 committeed to manage those Risks that arisein the course of the business to an acceptable level, so that it could maximize the opportunities and minimize the impact.

The Board of Directors of Shasha Denims Ltd. has overall responsibility of 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 encompass with Shasha Denims Ltd. is exposed to and how the company manages them is discussed in the following:

RISK FACTORS					
INDUSTRY RISK	MARKET AND TECHNOLOGY RELATED RISK	INTEREST RATE RISK	EXCHANGE RATE RISK	OPERATIONAL RISK	REPUTATIONAL RISK

(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.

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 H&M, O'STIN, Esprit, Debenhams, Marks & Spencer, LPP, Pull & Bear, S. Oliver, Zara, Bestseller, River Island etc. 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.

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 employees 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.



Value Added **Statement**

For the year ended on 30 June, 2018



Value Added Statement is a financial statement that shows wealth created by an organization and how is that wealth distributed among various stakeholders.

Value added can also be defined as the difference between the value that the customers are willing to pay for the finished goods and the cost of materials.

	2017-18 in Mn BDT	Percentage	2016-17 in Mn BDT	Percentage
Export revenue	7,511		6,257	
Total Operating expenses	7,008		5,742	
Depreciation expenses	(232)		(241)	
Staff cost	(589)		(502)	
Operating expenses excluding staff cost & depreciation	6,187		4,998	
Value Addedd	**1,324**		**1,259**	
Distribution of Value Addition				
Employees as salaries & allowances	589	44%	502	40%
Government as tax on income	46	4%	71	6%
Shareholders as dividend	209	16%	310	25%
	844		883	
Retained for expansion & future growth				
Value retained in business	248	19%	134	11%
Depreciation	232	18%	241	19%
Amount Distributed	**1,324**		**1,259**	
Number of employees at the end of the year	**998**		**918**	
Value created per employee (in Mn BDT)	**1.33**		**0.73**	
Number of shares	**120**		**120**	
Value created per share	**11.07**		**10.52**	

Market Value Added **Statement**

For the year ended on 30 June, 2018



Market Value Added (MVA) reveals the Company's external performance evaluated by the market through the share price of the Company.

Market value added (MVA) is a calculation that shows the difference between the market value of a company and the capital contributed by all the investors, both the bondholders and the shareholders. In other words, it is the sum of all capital claims held against the company plus the market value of debt and equity.

Companies with a higher MVA are attractive and a good indication. It shows that the company has created substantial wealth for their shareholders. A negative MVA means that the value of management's actions and investments are less than the value of the capital contributed to the company by the capital market (or that wealth and value have been destroyed).

The following statement illustrates how the MVA has been calculated for the year ended June 30, 2018 and 2017.

	30 June, 2018	30 June, 2017
Market Price Per Share	57.00	68.10
Number of Shares	119,554,887	112,787,630
Market Value of the Company	**6,814,628,559**	**7,680,837,603**

Economic Value **Added Statement**

For the year ended on 30 June, 2018



Economic Value Added (EVA) is an estimate of an entity's economic profit, or the value created in excess of the required return of the company's shareholders. EVA is the net profit less the equity cost of the entity's capital. The idea is that value is created when the return on the entity's economic capital employed exceeds the cost of that capital. The EVA of Shasha Denims Limited hence resulted as below:

	2017-18 in Mn BDT	2016-17 in Mn BDT
Net Operating profit	636	592
Provision for taxes	(80)	(73)
Net Profit after tax	**556**	**519**
Charges for Capital		
Capital employed	5,734	5,387
Cost of equity	8.90%	8.05%
Economic Value Addedd	**510**	**434**

Capital employed has been calculated as average shareholders equity from the current year and previous year shareholders equity.



Contribution to the national **Exchequer and Economy**

"SDL contributes to the economy by paying due corporate income tax and value added tax, as per prevailing laws and regulations. During the year 2017-2018, SDL paid income tax of Taka 46.37 Million. The company also responsible for deduct and collect VAT/Tax at source on payment against various supplies."

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 contribute more 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 been making its significant contribution by paying Gov't Tax, VAT, Stamp duty etc. and always on time.

The company pays Tax at 15% rate and also VAT/Custom duty on its products. SDL is also responsible for deducting Tax and VAT on various payment and depositing it to the Government exchequer within the stipulated time.

During the year 2017-2018, the company contributed Tk. 46.37 Million to the National Exchequer as Advance Income Tax as against Tk. 70.52 Million in 2016-2017.

The company also deducted AIT from dividend and deposited to Govt. Exchequer amounting BDT. 18.03 million in 2017-2018

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 998 employees as on June 30, 2018. During the year 2017-2018, the company paid total Tk.575 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, SDL paid income tax of Taka 46.37 Million. The company also responsible for deduct and collect VAT/Tax at source on payment against various supplies.

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.

During the year, SDL paid as cash dividend to its shareholders for the year 2016-2017. Besides, the company also declared stock dividend @ 6% for the year 2016-2017 which was credited to the shareholder's BO Account.

Market Capitalization:

Shasha started its journey with a capital of Tk. 200 million in the year 1996. At the end of the year 2018, its total size of paid up capital is Tk. 1196 Million equivalent to market capitalization of BDT. 4625 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.

VANARSTOCK



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.”

AMARSTOCK

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 dependency on imported chemical; the main challenges are building confidence into the mind of global buyers ensuring political stability and supplying 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.

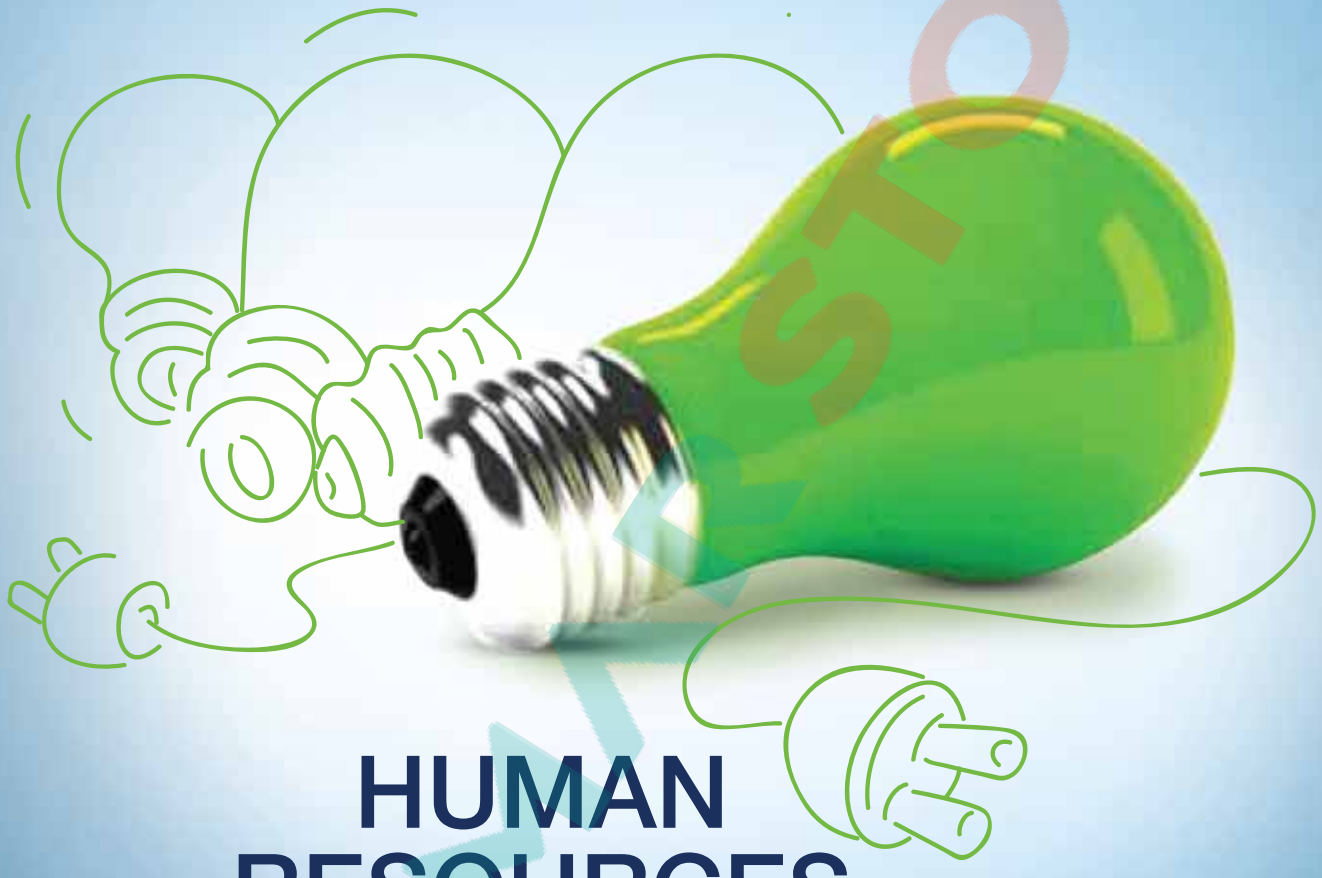
The Bangladesh aims at fetching $7bn by exporting denim products which would help the RMG sector to achieve $50bn export target by 2021. The denim sector in comparison to other giant sectors in Asia is still evolving in Bangladesh. However due to competitive price, the denim industry over here are flourishing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

To keep pace with the current customers' demand, SDL has already expanded its existing factory in DEPZ area. Again we have signed a MOU & Share Sales Purchase Agreement with EOS Textile Mills Ltd. for acquiring 40% shares of EOS Textiles in favor of SDL and rest 60% shares will be acquired by Shasha Spinning Ltd. We hope to have remarkable revenue jointly from this expended project and the acquisition of the new factory.

We are optimistic through utilizing optimum of its current capacity; SDL will be able to as maximize its profit as to 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 and acquisition of new factory would make its shareholders benefited all the way through delivering their highest dividends in future and ahead.





HUMAN RESOURCES

TEST STOCK

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 & 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; since inception, we encompass some code of ethics in our business policy regulating conduct to leveraging a values-based code that inspires principled performance amongst 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 & 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.

WWW.SHASHADENIMS.COM



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, it needs to translate the vision and strategy and also clearly define it to every employees of the organization individually through setting 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, increasing 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. A good number of employees started their career with this Shasha Denims since long ago and they have been duly recognized and prompted by the organization.

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 his/her 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 recognizes its people as the valuable assets, SDL ensures 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 an 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 as such adopt policy to reward their efforts accordingly.

Human Resource Strategy

- Attracting qualified personnel through creating a secured workplace
- Retaining competent employees by creating a motivating workspace
- Encouraging employees to express professional skills and give them the opportunity to develop and grow up accordingly
- Maintaining a spirit of ambition, efficient decision making, flexibility and quick responses towards 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, salaries and other financial and non-financial benefits
- 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 or reach its final destination. In every organization, all the resources like money, material, machine 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, makes sure 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 and 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 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 & 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 retained only through our people. No other asset in the company is as important as the people that contribute their endeavors to our culture and 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 accordingly try to make a congenial working environment for all of them.

ARYAN STOCK

Safe And Healthy Organization

From the concept 'Safety is Non-Negotiable', Shasha Denims provides the utmost 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 issue in managing our business in such way that exceeds or meets the requirements of health and safety issues in which all activities are considered with a perspective of prevention of all types of accidents and protection of the people at work place.

For ensuring maximum safety; the factory staffs are always dressed up properly wearing necessary aprons, mask, helmet, boots etc. & that is compulsory during the time while work in the factory inside.

We commit people to work with us through seeking out systematic identification of hazards and 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 their performances, we not only practice to formally appreciate the deserving candidates, subsequently promote them as a token of recognition of their good deeds.

Personal & 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 disagree to take people leave when it is required. Also sometimes, we arrange social events where employees are invited with their familly members.

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 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 a big success.

Incentive & Rewards

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

VMART STOCK

Employee Welfare Activities

To reward our employees' excellent performances and motivate them for better more, we promote their great 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 salary 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 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 of 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 with picking up and dropping off services from home to office and returning home.

Hospitalization & 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

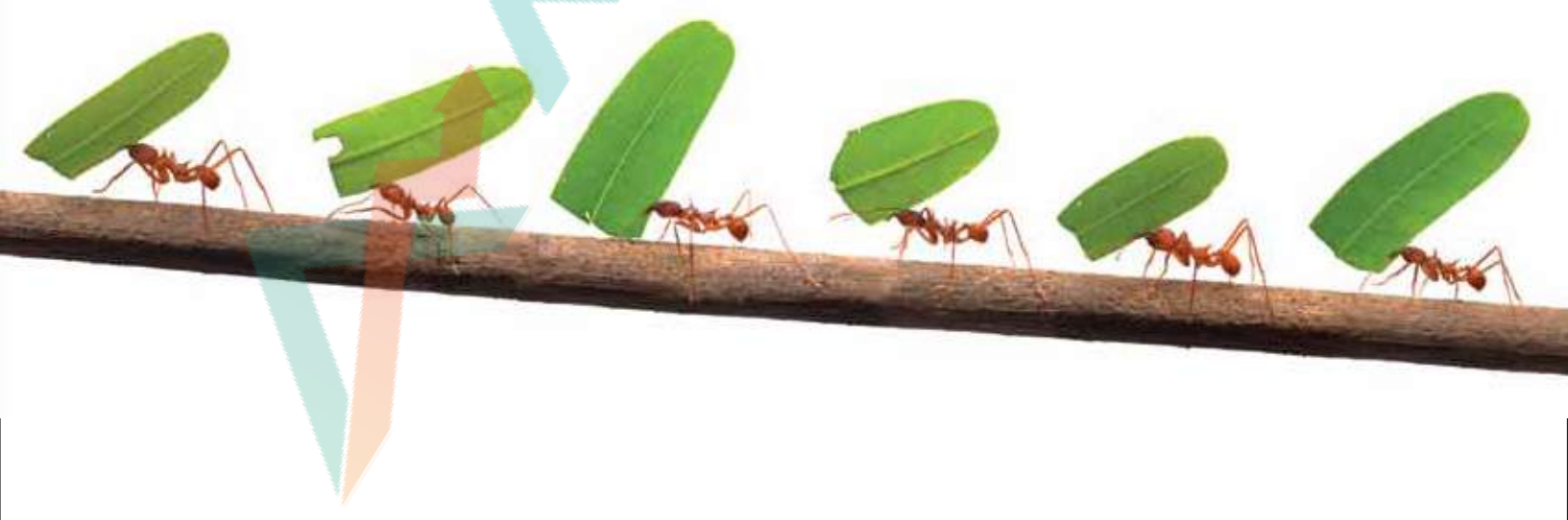
At SDL, female employees and the spouses of male employees are entitled to get this benefit.

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 a year.

Annual Picnic

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



AMARSTOCK

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 evolves as a going concern entity as a 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' 2018 is prepared based on the going concern assumption.

FINANCIAL INDICATIONS

Positive Net Current Assets

SDL has positive net current assets of Tk. 1214 million as on 30 June 2018. It signifies company's ability to meet up its short-term obligations using the short-term assets.

Fixed Term Debt with Realistic Renewal or Repayment

At the close of financial year 2017-2018, total borrowing from other banks and financial institutions was about BDT 2694 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 2017-2018, total short term borrowing/current liabilities of the company were Tk. 2694 million, representing only 48.81.% 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.

Every year since listing, the company has been continuously paying stock dividend that reflects company's long-term viability in operational existence. The company has been started to pay cash dividend to its shareholders from the year ended June' 2016.

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 excellent growth in its operating performance. Company's total revenue has increased to Tk. 5,141 million in 2017-2018 from Tk.4,337 million in 2016-2017, indicating a growth of more than 18.53% over last year. Total profit after tax is Tk.423 million. All those indicators support Company's continuance in foreseeable periods.

OPERATING INDICATIONS

No Key Management Turnover

During the year 2017-2018, 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 has built 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 done and operation has already been started. 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 employees 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 2018, the Company's total equity fund stands at Tk.4327 million as against BDT4045 million as on 30 June 2017. On the other hand, as on the date of the reporting, the paid up capital of company 145 million The Board has recommended 15% cash dividend and 7% stock dividend for the year 2017-18.

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

Satisfactory Credit Rating

Shasha Denims Ltd. has been rated as AA3 long term credit rating and ST-2 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.



SUSTAINABILITY REPORTING



STOCK

Corporate Social **Responsibility Initiatives**



CSR is the dedication and approaches of a Company whereby companies contribute towards a better society through some sustainable business operations and social investments.

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 has had an increasing impact on shaping the relationship between business and societies. The key areas of CSR are environmental protection, the well being of employees, the community and the society-both for now and for the future.

From the belief that success is measured by actions more than financial results; to make an integration between social responsibility and SDL's core business strategy, Shasha Denims always try to come up with special initiatives of CSR at every strides of its business process.

We always carry forward with some socially responsible initiatives prioritizing the following 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, and
- Environment

Customers

To meet up the demand of time, Shasha Denims has taken various initiatives including factory expansion and significant up gradation of products for its valued customers.

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

As our work forces are vital part for our success, we strive to create a working environment that promotes them towards team spirit, passion, engagement and achievement ensuring proper safety and security as well.

Apart from delivering various financial and non-financial benefits for their encouragement and motivation, the Company also provides the following facilities for their people:

- pick up and drop off service by company's own vehicles,
- dormitory facilities for office assistants,
- free lunch for the head office employees

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 employment 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 social development through Corporate Social Responsibility (CSR) Initiatives; specially Education, Healthcare, Environment, Arts & Culture and Community Development.

Project and policies are initiated on long term basis accompanied with sustainability and advancement.

Financial Aid for Students

Realizing the necessity of education to have an enlightened society, SDL always focuses on education of all types; general, vocational and technical, encourages students in achieving special diploma/degree to glorify their lives and society and as such provides need based financial support to the meritorious students of different sectors of the society.

Presently, 200 students are receiving monthly scholarships from Shasha Foundation, a welfare trust of Shasha Denims Ltd. The Foundation provides scholarships and stipends to the students of ICAB (Female), Acid Survivors Foundation, UCEP- Bangladesh, Ghasful KG Educare School, Chittagong as well as a good number of children of SDL's employees.

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 endowment in near future to facilitate a bright and ornamented future for the financially challenged brilliant students of Bangladesh.

Healthcare Assistance

In order to build a healthy nation, SDL is highly concerned about Healthcare issues of the society's underprivileged people.

Shasha Foundation extends its kind hand for critical medical treatment of its staff, workers and other patients who are financially in challenged situation. The Company also sponsors eye camps through Ghasful.

Apart from contributing through Shasha Foundation, in response to humanity, the Management of Shasha Denims regularly donates to a number of philanthropic areas.

They help and provide all out supports to some cancer patients bearing all of their medical expenses including the cost of chemotherapy. Also help some old distressed couples who have no children to look after themselves.

To alleviate the thirsty people on roads from scarcity and sufferings of pure drinking water, sometimes Shasha's Management sets up purified water dispenser so that they can have pure drinking water and keep themselves healthy.

Disaster Management:

In a country like Bangladesh, it is extremely important to come up with due assistance to face adverse effect of disaster. Winter comes with a massive havoc of cold and extreme sufferings for the helpless poor people specially northern areas of Bangladesh. Those people are in need of essential and immediate aid and clothing for saving their lives. Moreover, flood is a common phenomenon in our country. It sweeps away locality and makes people homeless.

For the last couple of years, during every winter and flood, some of our Management team members have been contributing generously with proper clothing, blankets, dry food and other necessary stuffs as relief and as such giving comfort to the lives of winter stricken and flood affected people of our country.

They also contribute when sudden necessary arises, i.e, Rohinga crisis and so on.

Fostering Art & Culture

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

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

We wish to build a culturally enriched Bangladesh for our next generation.

Sports' Indulgence

Shasha Denims indulges sports. To promote sports and bring the glories for the Country, the Company often sponsors different sports and encourage them.

Recently, the Company sponsored a team under the leadership of Ms. Nishat Mozumder for expedition of the Mount Elbrous, highest pick of Europe. 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 there in different ways through the welfare trust 'Shasha Foundation'.

SDL is also concerned for its deceased employees' family and as such has taken responsibility of their orphans for completing their education by providing financial aids. In the approaching years, we have our plan to expand our CSR activities in more areas.

We will explore and undertake a lot of new and unique CSR initiatives in different ground keeping education, environment and health at the core.

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

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

Reduction of Natural Resources Consumption: We minimize using energy and water within our premises and processes in order to conserve supplies and reduce the consumption of natural resources.

Water Treatment Plant Usage: 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.

Goods Purchase: We always purchase preferable products, and services for all our daily operational needs that do the least damage of our environment.

Pollution Prevention Practice: We conserve natural resources by adopting pollution prevention practices.

Equipments' Life Expansion: In order to extend the life of equipments, we take some initiatives through preventive maintenance scheduling, purchasing and reworking used equipments etc.

Sensitive Equipments Records: We regularly inhibit including prevention and repair of leaks, checking for leakages and keeping records of the most sensitive equipments.

Standardization Necessary Appliances: We regulate work which includes disposing, maintaining servicing and dismantling of refrigerators, freezers, air-conditioning equipments and heat pumps as well as 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 trainings and certification programs 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.

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 Shasha Denims a green leader in the industry.

Sustainability **Reporting**

Sustainability is a balancing act, the quality of not being harmful to the environment or depleting natural resources, and thereby supporting long-term ecological balance. Sustainable development is a dynamic process which enables people to realize their potential and improve their quality of life in ways which simultaneously protect and enhance the earth's life support systems.

Shasha Denims views sustainability as a continuous improvement process with positive effects for the perception of the Company in the public field and the development of financial results. The Company is committed to providing information to the interested stakeholders and the general public regarding the development of sustainability activities and progress to get them updated about such essentials.

We recognize the significance of our role in creating truly sustainable products. We embrace our responsibility-as a Company, as a leader, and as an innovator-to contribute to a brighter future for all. And we know we can draw on our legacy of stewardship to forge new paths to that future, where people are healthy and well nourished, and where ecosystems are leveraged responsively to support global needs for energy, chemicals and others resources. Although there is much more to do, we believe we are already contributing to that future.



Shasha Denims: Based on our sustainability management system, we are dedicated to transparent reporting on our own activities and goals to create value for both the stakeholders and the Company as well.

Environment: As Shasha Denims always remains very ethical in its every operation; to hold excellence in environmental protection, the Company believes & acts in applying some intelligent concepts and environment friendly technologies which reduces environmental impacts and preserves biodiversity.

Employees: Shasha Denims provides equal employment opportunity to its all levels of employees and recruits who are well-qualified and committed to the Company and as such creates a congenial working environment for them where every individual can be ideally integrated and make the most of their potentials to achieve success. Shasha Denims' code of conduct includes the framework for this.

Associates: To protect human rights, Shasha Denims is committed to maintain internationally accredited engagement and social standards to all of its associates complying with local and national environmental laws to make an active contribution to protect the environment. We believe it is our collective best interest to support their capacity development to contribute to a sustainable future.

Products: To comply with the highest expectations of consumers; Shasha Denims manufactures and ensures its customers world class top quality, design, and harmless products and as such holds sustainability.

Society: By taking on social responsibility as a commitment within the community and accordingly to contribute in social development largely, Shasha Denims extends its all out supports to the society's vulnerable area.

As the Company is highly concerned on sustainability issues, it has developed the following sustainability strategies on-

- risk management
- personnel development
- environmental protection
- occupational safety
- social causes program
- health protection and stakeholders' interest.

SDL regularly cherishes to execute those strategies through the following sustainability management initiatives:

1. Corporate Social Responsibilities (CSR)
2. Environment Related Initiatives
3. Environmental and Social Obligations
4. Integrated Reporting



MYRSTOCK

Environment **Related Initiatives**

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

Though every day we are coming up with new ideas new technologies for the benefit of mankind; but sometimes, we, the human being, 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 the following green endeavors:

Environmental Priority: SDL integrates and considers the environmental concerns and its impacts during the time of decision making and executing the activities.

Environment-Friendly Office: 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.

Laws and Regulation Compliant: We strictly comply with environment-related laws and regulations.

Minimizing Energy and Water Usage: We are determined to fulfill our social responsibilities through minimizing use of energy and water within our own premises and also in the factories in order to conserve the resources and reduce the wastage & cost as well.

Educating Staff on Environmental Principles: 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.

Eco-Friendly Office Equipments: We usually purchase computers, monitors, printers, fax machines, copiers and other office equipments keeping in mind that those are functional, cost effective & eco friendly.

Encouraging Laptop Usage: SDL encourages its employees using laptop computers instead of standard desktop computers in order to consume 90% less energy.

Electronics Devices Switched off After Work: The employees of the Company are very careful to turn off computers, monitors, printers, copiers, lights and also main switch at the end of daily works and that practice is strictly maintained.

Email: We usually prefer using email instead of sending memos and faxing documents for reducing time and papers as well.

Recycle Papers: To reduce the use 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: LCD monitors are used here for lesser power consumption.

Paperless Office: We are trying to set up a paperless office.

CNG Converted Vehicles: All the cars of the Company even the pool's cars for transportation are CNG converted to reduce air pollution and cost as well.

Auto Temperature Regulated Air Coolers: 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: Energy savings bulbs are always being used everywhere in the office premises. We have our plan to use LED lights all over the places of our head office, factory and subsidiary companies for the least power consumption.

WWF STOCK

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 getting 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.

We have presented our Annual Report-2018 as an 'Integrated Report', using the Global Reporting Initiative (GRI) Standard, the GRI Sustainability Reporting Standards (GRI Standards) are the first and most widely adopted global standards for sustainability reporting. 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 and 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 2018 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 2018 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 2018 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	SF Ahmed & Co., Chartered Accountants
2.	Corporate Governance	Mazumdar Sikder and Associates

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.





Occupational **Health and Safety**

Occupational Health and Safety

To ensure occupational health and safety, Shasha Denims has introduced a policy that deals with all the issues relating to both sustainability and safety. The policy covers each and every departments of the Company and its staff making sure their utmost safety, security through maintaining an up-dated environmental standards. This policy reveals that we are acting globally and not just thinking it.

Along with initiattion the policy, we also preserve data to locate the root cause of the workers' any vulnerability issue if occurs and accordingly solve it.

This reporting year (2017-2018), there were about 41 workers injured by different minor accidents happened during working hours. This is about 19.6% less than what was recorded last year (2016-2017) where the figure stood at 51.

To protect our workers from inevitable dust causing from rolling of machines, we have wonderful arrangement of dust absorber. For ensuring maximum safety and security, the workers are also compelled to wear essential **mask, apron, helmet, boot, gloves** etc. while work inside the factory. Finally, in order to combat the heat, there are cooling pads on all the floors.

Furthermore, as our factory is located in DEPZ area, the workers always enjoy direct medical facility from BEPZA medical unit in case of emergency.

Following safety measures we render for our people:

Fire Safety:

- Fire Extinguisher
- Alarms
- Smoke Detectors
- Automatic Sprinkler System
- Water Drums & Buckets
- Gong Bells
- Emergency Lights
- Lock Cutters
- Safety Equipments

Electrical Safety:

- Top quality cabling and accessories for electrical system
- Trained team of technicians for maintenance
- International safety features for equipments
- Maintain maintenance and risk analysis records

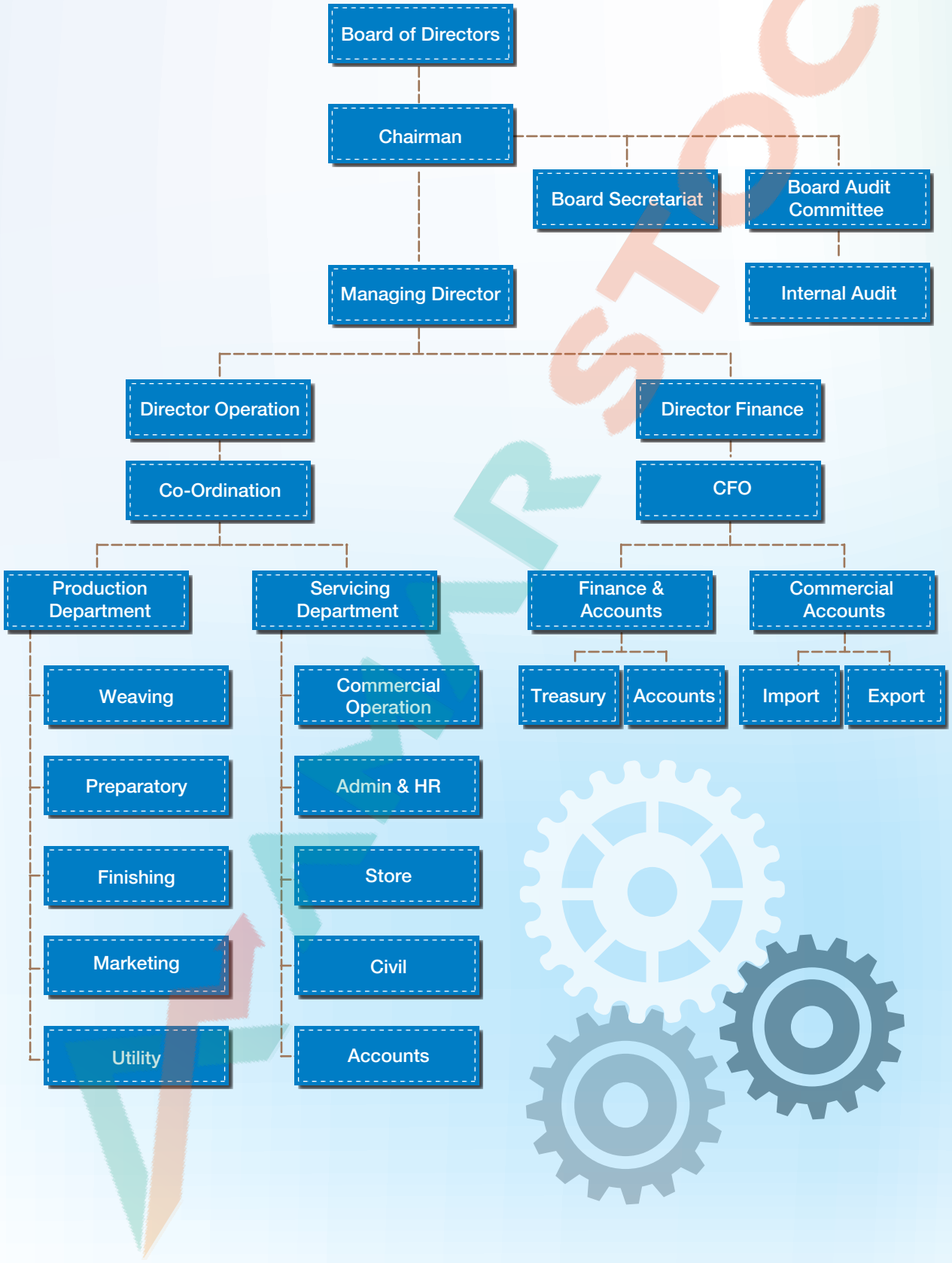
Building Safety:

- Structural assessments for all units
- Following Bangladesh National Building Code (BNBC) during construction
- Building certification with Architectural and Structural Design Standard
- Scaled as-built drawings

Chemical Safety:

- Careful Assessment of All Chemicals
- Chemical Management
- Chemical Usage Policy
- Material Safety Data Sheet (MSDS)
- Personal Protective Equipment (PPE)
- Regular Trainings
- Chemical Inventory Management

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 drive 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 5 (five) directors including Managing Director and Managing Director is playing the role of ex-office 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 5 (five) 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 Nahrin Hamid representative directors of Shasha Garments Limited resigned from the board on 11 November, 2018. Mr. N K A Mobin FCA, FCS, CFC and Mr. Syed Mayeenul Huq are the independent directors of the Company. Other three Directors are shareholder director 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. Syed Mayeenul Huq was appointed as independent director for 2nd term by the shareholders in its 20th Annual General Meeting held on 15 November, 2017.

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.

VALUE STOCK

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 doesn't 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 do not have any other relationship with Company and other directors of the company. They do not 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) 12 August-2017, 10-October-2017, 15-November-2017, 27-January-2018 and 26 April-2018.

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. 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	five	five
2	N K A Mobin	Independent Director	five	five
3	Shams Mahmud	Managing Director	five	five
4	Syed Mayeenul Huq	Independent Director	five	four
5	Aftabur Rahman Jafree (Resigned)	Director (Nominated by Shasha Garments)	five	four
6	Zareen Mahmud	Director	five	three
7	Nishat N. Hamid (Resigned)	Director (Nominated by Shasha Garments)	five	three

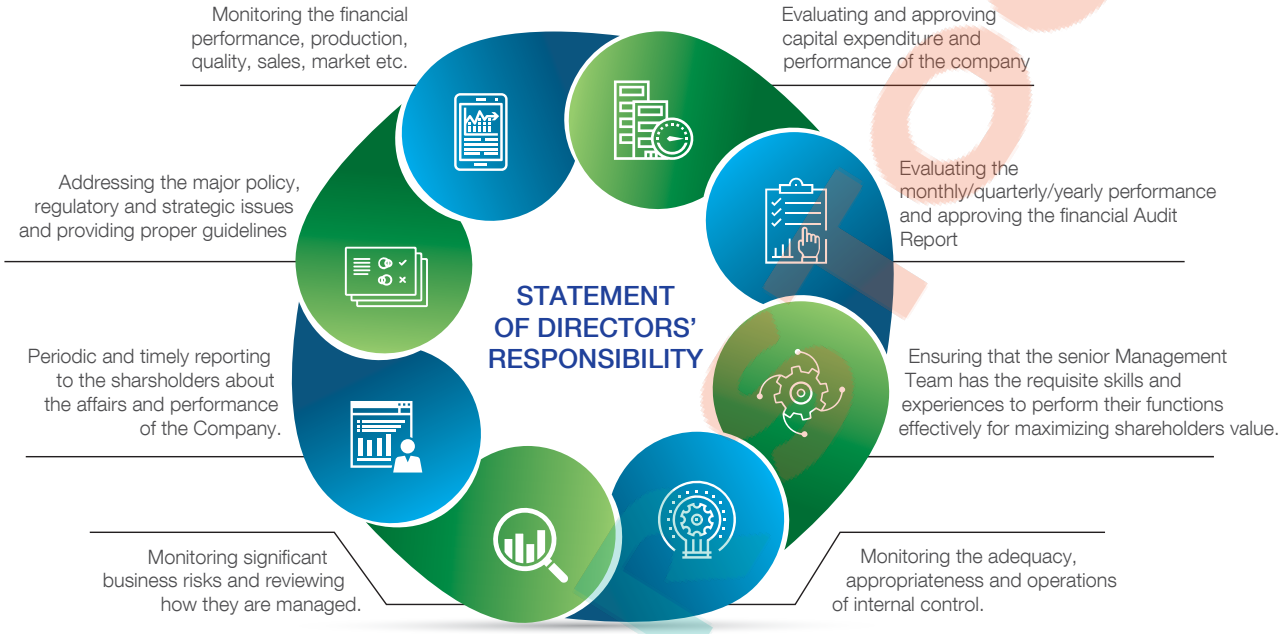
INFORMATION GIVEN TO THE BOARD

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:



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 Tk.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 Bank.

Role of the Managing Director

Subject to the control and supervision of the Board of Directors the business and affairs of the Company is 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 control of 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 Managing Director of the Company for five years. The appointment of the Managing Director of the Company was subsequently approved in the Annual General Meeting held on 16 July, 2012. After expiry of his first term, the Board of Directors appointed him for further five years which was approved by the shareholders in its 20th AGM held on 15 November, 2017. Remuneration of the Managing Director is fixed Tk. 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 CHIEF FINANCIAL OFFICER, 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 the Board regularly.

FORMATION OF AUDIT COMMITTEE

As per requirement of BSEC notification, the Board of Directors of Shasha Denims Limited 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. Details of Audit Committee functions are given in "Report on the Audit Committee."

FORMATION OF NOMINATION AND REMUNERATION COMMITTEE (NRC)

As per BSEC notification dated 3 June, 2018 the Board of Directors of Shasha Denims Ltd. formed a Nomination and Remuneration Committee as sub committee of the Board. The Committee is composed of 3 (three) members headed by Company's independent director Mr. Syed Mayeenul Huq. Mr. N K A Mobin FCA, FCS, CFC. and Parveen Mahmud are the other members of the Committee. Role of the NRC was properly communicated to the members of the Committee.

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. has 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. also appointed in the Subsidiary company.
- Minutes of Subsidiary Company are also placed 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 THE 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 inform decision.

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 on 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 send 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 above the company send Half yearly financial result and 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.



MAZUMDAR SIKDER AND ASSOCIATES
Cost & Management Accountants

Report to the Shareholders of Shasha Denims Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Shasha Denims Limited for the year ended on 30 June, 2018. This Code relates to theNotification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 of the Bangladesh Securitiesand Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our

examination was limited to the procedures and implementation thereof as adopted by theManagement in ensuring compliance to the conditions of the Corporate Governance Code.

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

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

(a) The Company has complied with the conditions of the Corporate Governance Code asstipulated in the above mentioned Corporate Governance Code issued by theCommission or not complied (if not complied, specify non-compliances);

(b) The company has complied with the provisions of the relevant Bangladesh SecretarialStandards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh(ICSB) as required by this Code or not complied (if not complied, specify noncompliances);

(c) Proper books and records have been kept by the company as required under theCompanies Act, 1994, the securities laws and other relevant laws or not complied (if notcomplied, specify non-compliances); and

(d) The governance of the company is highly satisfactory or satisfactory or not satisfactory.

Place -Dhaka.
Date- 12 Nov. 2018

Mazumdar Sikder and Associates
Cost & Management Accountants

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

Shasha CG Report
2017-2018

Status of compliance with the conditions imposed by the Commission's Notification No BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued 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.	√		

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Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
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	
1.4	**Duality of Chairperson of the Board and Managing Director or CEO.**			
1.4(a)	The positions of the Chairperson of the Board and the Managing Director and / or CEO of the company shall be filled by different individuals.	√		
1.4 (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position another listed company.	√ √		
1.4 (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the Company.	√		
1.4 (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/ or CEO.	√ √		
1.4 (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√	N/A	
1.5	**The Directors' Report to the 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.		N/A	

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
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)	Protection of Minority Shareholders Interest	√		
1.5(xvii)	Ability to continue as a going concern.	√		
1.5(xviii)	Significant deviations from the last year's.			N/A
1.5(xix)	Key operating and financial data of at least preceding 5 (five) year.	√		
1.5(xx)	Reasons for not declared dividend.	√		N/A
1.5 (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend:	√		
1.5(xxii)	Number of board meetings held during the year and attendance.	√		
1.5(xxiii)	**Pattern of Shareholding:**			
1.5(xxii)a)	Parent/Subsidiary/Associated Companies and other related parties.	√		
1.5(xxii)b)	Directors, CEO, CS, CFO, HIA and their spouses and minor children.	√		
1.5(xxii)c)	Executives.	√		
1.5(xxiii)d)	10% or more voting interest.	√		
1.5(xxiv)	Appointment/re-appointment of director:	√		
1.5(xxiv)a)	Resume of the director	√		
1.5(xxiv)b)	Expertise in specific functional areas.	√		
1.5(xxiv)c)	Holding of directorship and membership of committees of the board other than this company.	√		
1.5 (xxv)	A Management's Discussion and Analysis signed by CEO or MD	√		
1.6	**Meeting of the Board of Directors**			
	The company shall conduct its Board meeting and record the minutes of the meeting and keep records as per Provision of ICSB.	√		
1.7	**Code of Conduct for the Chairperson, other Board members and Chief Executive officer**			
1.7 (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6 for the Chairperson of the Board, other board members and Chief Executive Officer of the Company	√		Working for formulated

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.7 (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behaviour; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.			Working for formulated
2	**Governance of Board of Directors of Subsidiary Company**			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	√		
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	√		
2(c)	The minutes of the respective Board Meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	√		
2(d)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	√		
3.	**Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)**			
3.1 (a)	The Board shall appoint a Managing Director, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance	√		
3.1 (b)	The positions of the Managing Director (MD) or Chief Executive Officer, Company Secretary, and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals.	√		
3.1 (c)	The MD, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3.1 (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS:	√		
3.1 (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and Stock Exchange.	√		
3.2	**Requirement to attend Board of Directors' Meetings**			
	The MD or CEO, CS, CFO and HIAC of the Company shall attend the meeting of the Board	√		
3.3	**Duties of Managing Director (MD) or Chief Executive officer (CEO) and Chief financial Officer (CFO)**			

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
3.3 (a) (i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
3.3 (a) (ii)	These statements together present a true and fair view of the company's affair and are in compliance with existing accounting standards and applicable laws	√		
3.3 (b)	The MD and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's board or its members;	√		
3.3 (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.			
4.	**Board of Directors' Committee**			
4.1	Audit Committee	√		
4.2	Nomination and Remuneration Committee	√		
5.	**Audit Committee:**			
5.1 (a)	Constitution of Audit Committee	√		
5.1.(b)	Assistance of the Audit Committee to Board of Directors.	√		
5.1.(c)	Responsibility of the Audit Committee.	√		
5.2	Constitution of the Audit Committee:	√		
5.2(a)	At least 3 (three) members.	√		
5.2(b)	Appointment of members of the Audit Committee including	√		
	independent Director	√		
5.2(c)	Qualification of Audit Committee members.	√		
5.2(d)	Term of service of Audit Committee members.	√		
5.2(e)	Secretary of the Audit Committee.	√		
5.2(f)	Quorum of the Audit Committee.	√		
5.3	Chairman of the Audit committee:	√		
5.3(a)	Board of Director shall select the Chairman.	√		
5.3 (b)	In case of absence of Chairman of Audit Committee, the remaining members may elect one of themselves as chairperson	√		
5.3(c)	Chairman of the audit committee shall remain present in the AGM.	√		
5.4	Meeting of the Audit Committee			
5.4.(a)	The Audit Committee shall conduct at least its four meeting in a financial year			
	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee whichever is higher, where presence of an independent director is a must.	√		
5.5	**Role of Audit Committee:**			
5.5(a)	Oversee the financial reporting process.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
5.5(b)	Monitor choice of accounting policies and principles.	√		
5.5(c)	Monitor Internal Control Risk management process.	√		
5.5(d)	Oversee hiring and performance of external auditors.			
5.5(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the board for approval.	√		
5.5(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	√		
5.5(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval; Review the adequacy of internal audit function.	√		
5.5(h)	Review the adequacy of internal audit function.	√		
5.5 (i)	Review the Management's Discussion and Analysis before disclosing the Annual Report;	√		
5.5 (j)	Review statement of significant related party transactions.			
5.5 (k)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors.			
5.5 (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors			
5.5 (m)	Oversee the proceeds raised through Initial Public Offering (IPO) have been utilized as per approval.			
5.6	Reporting of the Audit Committee:			
5.6.(a)	Reporting to the Board of Directors.			N/A
5.6.(a)(i)	Activities of Audit Committee.			N/A
5.6.(a)(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any			N/A
5.6(a)(ii)a	Conflicts of interests.			N/A
5.6(a)(ii)b	Material defect in the internal control system.			N/A
5.6 (a) (ii)c	Infringement of laws, rules and regulations.			N/A
5.6.(a)(ii)d	Any other matter.			N/A
5.6.(b)	Reporting to the Authorities.			N/A
5.7	Reporting to the Shareholders and General Investors.	√		
6.	**Nomination and Remuneration Committee (NRC)**			
6.1	**Responsibility to the Board of Directors**			
6.1.a	The Company shall have a Nomination and Remuneration Committee as a sub sub-committee of the Board;			
6.1.b	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualification, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executives			

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Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
6.1.c	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b)	√		
6.2	**Constitution of the NRC**			
6.2.(a)	The Committee shall comprise of at least three members including an independent director	√		
6.2.(b)	All members of the Committee shall be non-executive directors	√		
6.2.(c)	Members of the Committee shall be nominated and appointed by the Board	√		
6.2.(d)	The Board shall have authority to remove and appoint any member of the committee	√		
6.2.(e)	(e) In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		
6.2.(f)	The Chairperson of the Committee may appoint or co-opt any external expert	√		
6.2.(g)	The company secretary shall act as the secretary of the Committee;	√		
6.2.(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6.2.(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	√		
6.3	**Chairperson of the NRC**			
6.3.(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6.3.(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		
6.3.(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:			
6.4	**Meeting of the NRC**			
6.4.(a)	The NRC shall conduct at least one meeting in a financial year;			To be followed
6.4.(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		
6.4.(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	√		

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

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
7.1.(iii)	Book-keeping or other services related to the accounting records or financial statements;	√		
7.1.(iv)	Broker-dealer services	√		
7.1.(v)	Actuarial services	√		
7.1.(vi)	Internal audit services or special audit services	√		
7.1.(vii)	Any service that the Audit Committee determines;	√		
7.1.(viii)	Audit or certification services on compliance corporate governance as required under condition No. 9 (1); and	√		
7.1.(ix)	Any other services that create conflict of interest	√		
7.2	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company	√		
7.3	Representative of external or statutory auditors shall remain present in the shareholders' Meeting (Annual General Meeting or EGM) to answer the queries of the shareholders.	√		
8	**Maintaining a website by the Company**			
8.1	The company shall have an official website linked with the website of the stock exchange.	√		
8.2	The company shall keep the website functional from the date of listing	√		
8.3	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange	√		
9	**Reporting and compliance of corporate Governance**			
9.1	The company shall obtain a certificate from a practicing Professional Accountant or Secretary other than its statutory auditors or audit firm on yearly basis regarding compliance of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9.2	The Professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the Shareholders in the annual general meeting.	√		
9.3	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors report whether the company has complied with these conditions or not;	√		

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. 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 2017-2018 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

Particulars	2017-2018			2016-2017		
	31-Mar-18	31-Dec-17	30-Sep-17	31-Mar-17	31-Dec-16	30-Sep-16
Balance Sheet						
Non-Current Assets	5,074	5,033	5,038	4,661	4,946	4,904
Current Assets	7,555	7,007	5,695	5,448	5,047	4,785
Total Assets	12,629	12,041	10,734	10,108	9,993	9,689
Capital & Reserve	5,647	5,493	5,476	5,176	5,187	5,014
Non-Current Liabilities	786	859	912	994	1,011	1,041
Current Liabilities	5,994	5,489	4,145	3,739	3,596	3,436
Income Statement						
Revenue	**2,244**	**1,989**	**1,546**	**1,568**	**1,623**	**1,305**
Less: Cost of Goods Sold	1,922	1,650	1,251	1,292	1,284	1,053
Gross Profit	**321**	**339**	**295**	**276**	**338**	**251**
Less: Administrative & Selling Exp.	64	64	55	49	42	49
Operating Profit	**256**	**274**	**240**	**226**	**296**	**202**
Add: Financial Income	4	3	4	4	9	14
Less: Financial Expenses	94	109	83	85	104	73
Profit before Non-Operating Income	**166**	**168**	**161**	**145**	**201**	**142**
Add: Non-operation income/(loss)	2	9	-2	3	-	5
Profit before WPPF	**169**	**178**	**159**	**148**	**201**	**147**
Less: Provision for WPPF	-	-	-			
Profit before Income Tax	**169**	**177**	**159**	**148**	**201**	**147**
Current Tax	19	26	22	18	29	23
Deferred Tax	-	-	-	-	-	-
Net Profit after Tax	**150**	**152**	**137**	**131**	**173**	**124**
Non-Controlling	**1**	**-**	**-**	**-**	**-**	**-**
Net Profit attributable to the Shareholders	**149**	**151**	**137**	**131**	**173**	**124**
Earnings Per Share	**1.25**	**1.27**	**1.21**	**1.16**	**1.53**	**1.10**

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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

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SL. No	BAS Title	BAS Effective Date	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 3 (three) 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

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 2017-2018, under review the Audit Committee of Shasha Denims Ltd. met 4 (four) times on the following dates.

i) 10 October, 2017
ii) 15 November, 2017
iii) 27 January, 2018
iv) 26 April, 2018



Name	Position	Attended During the Year	Percentage
N K A Mobin	Chairman Independent Director	Four	100%
Syed MayeenulHuq	Member Independent Director	Four	100%
Zareen Mahmud	Member	Two	50%
Aftabur Rahman Jafree (Resigned on 11/11/2018)	Member	Four	100%

UNCTIONS 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 auditfunction
- 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-Independent Director

MD & CFO'S **Declaration**

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

Subject: Declaration on Financial Statements for the year ended on 30 June, 2018.

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 Dated 03 June, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

(1) The Financial Statements of Shasha Denims Limited for the year ended on 30 June, 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;

(2) The estimates and judgments related to the financial statements were made on a prudentand reasonable basis, in order for the financial statements to reveal a true and fair view;

(3) The form and substance of transactions and the Company's state of affairs have beenreasonably and fairly presented in its financial statements;

(4) To ensure above, the Company has taken proper and adequate care in installing asystem of internal control and maintenance of accounting records;

(5) Our internal auditors have conducted periodic audits to provide reasonable assurancethat the established policies and procedures of the Company were consistently followed;

and

(6) The management's use of the going concern basis of accounting in preparing thefinancial statements is appropriate and there exists no material uncertainty relatedto events or conditions that may cast significant doubt on the Company's abilityto continue as a going concern.

In this regard, we also certify that: -

(i) We have reviewed the financial statements for the year ended on 30 June, 2018 and that tothe best of our knowledge and belief:

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

(b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Companyduring the year which are fraudulent, illegal or in violation of the code of conduct for thecompany's Board of Directors or its members.

Sincerely yours,

Shams Mahmud
Managing Director

Md. Sarwar Hossain FCA
Chief Financial Officer

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Capital Structure **of the Company**

Shasha Denims Ltd. is a strong Capital Base Company. The Company started its business with paid up Tk. 20 million now its existing paid up capital stood to Tk.1,195.55 million. In the last year SDL's paid up capital increased by Tk. 677 million as the Shareholders of the Company approved 6% stock dividend for the year 2016-2017. Authorized Capital of the Company is Tk. 2,250 million dividend into 200 million ordinary shares and 25 million redeemable preference shares at Tk.10 each. The Company raised paid up capital by Tk. 500 million through IPO. The Company is listed with DSE and CSE. The market capitalization of the Company is Tk.6,815 million as on 30 June, 2018. The market price of share of Shasha Denims Ltd. was Tk.57 as on 30 June, 2018. Sector and range wise shareholding of Shasha Denims Ltd. as on 30 June, 2018 are as follows:

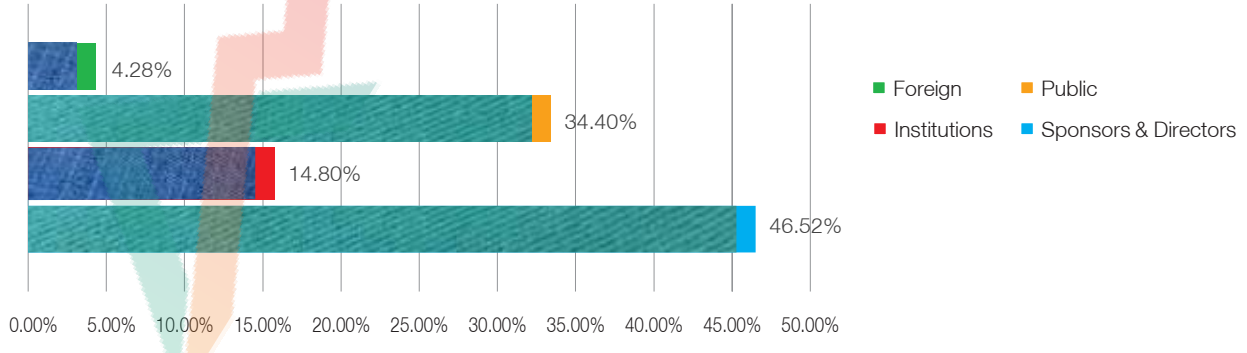
The Paid up Capital of Shasha Denims Ltd.

		Amount (Tk.)	Percentage
Sponsor & Directors	:	556,132,050/-	46.52%
Institutions	:	176,891,700/-	14.80%
Foreign	:	51,200,770/-	4.28%
Others	:	411,324,350/-	34.40%
		1,195,548,870/-	**100%**

The Range of Shareholdings

Shareholding Range	No. of Shareholders	No. of Shares	Percentage
Up to 500 Shares	6,346	1,132,993	0.94%
501 to 5000 shares	1,415	2,907,773	2.43%
5001 to 10,000 Shares	361	2,660,224	2.23%
10001 to 20000 shares	242	3,526,655	2.94%
20001 to 30,000 shares	108	2,715,359	2.26%
30001 to 40000 shares	56	1,960,042	1.63%
40001 to 50000 shares	36	1,658,432	1.38%
50001 to 1,00,000 shares	98	6,892,727	5.76%
100001 to 1000000 shares	76	19,663,222	16.54%
1000001 and above shares	16	76,437,460	63.93%
Total	**8,754**	**119,554,887**	**100%**

Sector Wise percentage Shareholding



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	Company Overview	6 - 7
	An integrated report should identify the organization's mission and vision, and provides essential context by identifying matters such as the organization's:	Vision, Mission and Objectives	14 - 15
	Culture, ethics and values	Code of Conduct	16 - 18
	ownership & operating structure including size of the organization, location of its operations	Corporate Profile	5
	Principal activities & markets	Company Overview	6-7
	Competitive landscape and market positioning (Considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, and the intensity of competitive rivalry)	Directors' Report	41 - 56
	Key quantitative information	Financial Highlights	38 - 40
	The number of employees, revenue and number of countries in which the organization operates highlighting, in particular, significant changes from prior periods	Directors' Report	41 - 56
	Significant factors affecting the external environment and the organization's response:	Risk Management & Sustainability Analysis	58 - 60
	The legitimate needs and interests of key stakeholders	Directors' Report	41 - 56
	Macro and micro economic conditions, such as economic stability, globalization and industry trends	Directors' Report	41 - 56
	Market forces, such as the relative strengths & weaknesses of competitors & customers' demand	Directors' Report	41 - 56
	The speed & effect of technological change	Directors' Report	41 - 56
	Societal issues, such as population and demographic changes, human rights, health, poverty, collective values and educational systems	Directors' Report	41 - 56
	The political environment in countries where the organization operates and other countries that may affect the ability of the organization to implement its strategy	Directors' Report	41 - 56
	Environmental changes, such as climate change, the loss of ecosystems, and resource shortages as planetary limits are approached	Sustainability Reporting	81 - 89
	The legislative & regulatory environment in which the organization operates	Sustainability Reporting	81 - 89
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 Guideline	93 - 97
	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	Corporate Organogram	92
	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 & Sustainability Analysis	58 - 60

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Sl. No.	Particulars	Content Reference	Page No.
	Particular actions those charged with governance have taken to influence and monitor the strategic direction of the organization and its approach to risk management	Risk Management & Sustainability Analysis	58 - 60
	Whether the organization is implementing governance practices that exceed legal requirements/ Key Policies	Report on Corporate Governance Guideline	93 - 97
	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 Address and Managing Director's Observation	30 - 33 34 - 37
	An integrated report should contain qualitative and quantitative information about performance:	Directors' Report	41 - 56
	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.		
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 & Sustainability Analysis	58 - 60
	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 and Objectives	14 -15

Sl. No.	Particulars	Content Reference	Page No.
	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	Directors' Report	41 - 56
	How it will measure achievements and target outcomes for the short, medium and long term.	Directors' Report	41 - 56
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 Address	30 - 33
	The organization's expectations about the external environment the organization is likely to face in the short, medium and long term	Directors' Report	41 - 56
	How that will affect the organization		
	How the organization is currently equipped to respond to the critical challenges and uncertainties that are likely to arise.		
	The discussion of the potential implications including implications for future financial performance which may include:	Risk Management & Sustainability Analysis and Directors' Report	58 - 60 And 41 - 56
	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.	Financial Highlights	38 - 40
	Disclosures about an organization's outlook in an integrated report should consider the legal or regulatory requirements to which the organization is subject.	Directors' Report Integrated Reporting	41 - 56
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	90
	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		

Sl. No.	Particulars	Content Reference	Page No.
2	**Responsibility for an integrated report**		
	An integrated report should include a statement from those charged with governance that includes:	Integrated Reporting	90
	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.	Financial Highlights	38 - 40
	Comparison of information over time in the form of ratio		
3.2	**Connectivity of Information**		
	An integrated report should show a holistic picture of the combination, interrelatedness and dependencies between the factors that affect the organization's ability to create value over time.	Integrated Reporting	90
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	41 - 56
3.4	**Assurance of the Report**		
	The policy and practice relating to seeking assurance on the report,	Integrated Reporting	90
	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	

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AUDITORS' REPORT AND FINANCIAL STATEMENTS



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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SHASHA DENIMS LIMITED

We have audited the accompanying consolidated financial statements of Shasha Denims Limited and its subsidiaries, which comprise the statement of financial position as at 30 June 2018 and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on theseconsolidated 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 our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the 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 prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the financial position of Shasha Denims Limited its subsidiaries as at 30 June 2018 and the results of its financial performance and its statement of cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

a) we have obtained all the information and explanations 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 statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and

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

S. F. Ahmed & Co.,
Chartered Accountants

Place: Dhaka
27 October 2018

Chittagong Office: Ispahani Building, Agrabad, Chittagong; Phone: 31-716184; Fax: 31-713683; E-mail: sfaco@bbts.net

SHASHA DENIMS LIMITED

Consolidated Statement of Financial Position

as at June 30,2018

Particulars	Note	Amount in Taka		
		30 June 2018	30 June 2017	01 July 2016
				(restated)
ASSETS				
NON-CURRENT ASSETS		**4,963,415,632**	**4,708,191,058**	**4,545,834,747**
Property, Plant & Equipment	4.00	4,910,771,780	3,737,865,630	3,797,320,238
Intangible Assets	5.00	4,523,663	3,486,468	3,855,390
Capital work in progress	6.00	-	918,418,771	696,238,930
Investment in Associates	7.00	48,120,189	48,420,189	48,420,189
CURRENT ASSETS		**7,113,765,780**	**6,171,205,479**	**5,155,228,760**
Inventories	8.00	2,270,752,424	1,816,859,869	968,055,817
Materials In Transit	9.00	352,496,618	72,748,419	107,635,359
Accounts Receivable	10.00	3,149,252,735	2,544,304,233	2,486,151,728
Interest Receivable		1,037,000	1,622,714	4,719,100
Deposit for Share	11.00	373,677,926	374,248,146	72,334,462
Advance, Deposit & Prepayments	12.00	840,105,092	607,765,836	361,219,688
Cash and Cash Equivalent	13.00	126,443,985	753,656,260	1,155,112,605
TOTAL		**12,077,181,412**	**10,879,396,537**	**9,701,063,507**
EQUITY AND LIABILITIES				
CAPITAL & RESERVE		**5,940,471,302**	**5,527,006,897**	**5,246,989,476**
Share Capital	14.00	1,195,548,870	1,127,876,300	1,127,876,300
Share Premium Account	15.00	1,250,000,000	1,250,000,000	1,250,000,000
Share Money Deposit		284,187,933	284,187,933	284,196,380
Retained Earnings		2,336,827,839	1,991,036,004	1,711,010,136
Revaluation reserve		873,906,660	873,906,660	873,906,660
Non Controlling Interest	16.00	**13,243,530**	**11,936,557**	**10,365,614**
NON CURRENT LIABILITIES		**789,523,031**	**957,069,353**	**1,060,331,950**
Long Term Loan	17.00	239,777,506	451,599,095	599,481,385
Financial Liability		481,200,000	436,400,000	391,600,000
Deferred Tax Liability		68,545,525	69,070,258	69,250,565
CURRENT LIABILITIES		**5,333,943,550**	**4,383,383,732**	**3,383,376,467**
Accounts Payable	18.00	1,796,490,936	686,526,861	23,497,753
Liability for Expenses	19.00	199,022,515	89,773,777	270,639,702
Provision for Tax	20.00	163,475,094	232,658,415	188,062,004
Current Portion of Long Term Loan		-	-	33,091,839
Others Payable		13,000,000	-	-
IPO Fund Received	21.00	3,436,928	3,436,928	3,457,928
Short Term Loan	22.00	3,158,518,077	3,370,987,753	2,864,627,241
TOTAL		**12,077,181,412**	**10,879,396,537**	**9,701,063,507**
Net Asset Value per Share		**49.69**	**46.23**	**43.89**

The annexed notes form an integral part of these statements.

Director | Managing Director | Company Secretary

Signed in terms of our separate report of even date annexed.

Place: Dhaka
27 October 2018

S. F. Ahmed & Co.,
Chartered Accountants

SHASHA DENIMS LIMITED

Consolidated Statement of Profit or Loss and other Comprehensive Income

for the year ended 30 June 2018

Particulars	Note	Amount in Taka	
		2017-2018	2016-2017
Revenue	24.00	7,511,254,092	6,256,605,210
Less: Cost of Goods Sold	25.00	6,271,816,134	5,048,773,797
Gross Profit		**1,239,437,958**	**1,207,831,413**
Less: Administrative Expenses	26.00	180,463,304	152,002,133
Less: Selling & Distribution Expenses	27.00	54,299,582	45,433,320
Operating Profit		**1,004,675,072**	**1,010,395,960**
Add: Financial Income		13,146,937	32,845,521
Less: Financial Expenses	28.00	394,521,014	383,801,463
Add: Non-Operation Income/(loss)	29.00	13,161,312	5,544,062
Profit/(Loss) before WPPF		**636,462,307**	**664,984,080**
Less: Central Fund (SGL-.03%)		208,574	188,513
Profit/(Loss) before Tax		**636,253,733**	**664,795,567**
Less: Income Tax			
Current Tax	30.00	81,022,550	73,213,080
Deferred Tax		(524,734)	(180,307)
Net Profit/ (loss) for the period after Corporate Tax		**555,755,916**	**591,762,794**
Other comprehensive Income		-	-
Total Comprehensive Income		**555,755,916**	**591,762,794**
Profit attributable to:			
Owners of the Company		**554,448,943**	**590,191,851**
Non-Controlling interest		**1,306,973**	**1,570,943**
		555,755,916	**591,762,794**
Total Comprehensive income attributable to:			
Owners of the Company		**554,448,943**	**590,191,851**
Non-Controlling interest		**1,306,973**	**1,570,943**
		555,755,916	**591,762,794**
Basic Earnings Per Share (EPS)	31.00	**4.64**	**4.94**

The annexed notes form an integral part of these statements.

Director | **Managing Director** | **Company Secretary**

Signed in terms of our separate report of even date annexed.

Place: Dhaka
27 October 2018

S. F. Ahmed & Co.,
Chartered Accountants

SHASHA DENIMS LIMITED

Statement of Changes in Equity

2017 - 2018 For the year ended 30 June 2018

Particulars	Share capital	Share Premium	Retained earnings	Share Money Deposit	Revaluation reserve	Total
Balance as on 01.07.17	1,127,876,300	1,250,000,000	1,991,036,004	284,187,933	873,906,660	5,527,006,897
Net profit for the period	-	-	554,448,943	-	-	554,448,943
Cash Dividend	-	-	(140,984,538)	-	-	(140,984,538)
Stock Dividend	67,672,570	-	(67,672,570)	-	-	-
Balance as on 30.06.18	**1,195,548,870**	**1,250,000,000**	**2,336,827,839**	**284,187,933**	**873,906,660**	**5,940,471,302**

SHASHA DENIMS LIMITED

Statement of Changes in Equity

2016 - 2017 For the year ended 30 June 2017

Particulars	Share capital	Share Premium	Retained earnings	Share Money Deposit	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
Adjustement of correction	-	-	(96,576,548)	284,187,933	(13,538)	187,597,847
Restated Balance as on 01.07.16	1,127,876,300	1,250,000,000	1,711,010,136	284,187,933	873,906,660	5,246,981,029
Net profit for the period	-	-	590,191,851	-	-	590,191,851
Cash Dividend	-	-	(310,165,983)	-	-	(310,165,983)
Balance as on 30.06.17	**1,127,876,300**	**1,250,000,000**	**1,991,036,004**	**284,187,933**	-	**5,527,006,897**

The annexed notes form an integral part of these statements.

Director **Managing Director** **Company Secretary**

Signed in terms of our separate report of even date annexed.

Place: Dhaka
27 October 2018

S. F. Ahmed & Co.,
Chartered Accountants

SHASHA DENIMS LIMITED

Consolidated Statement of Cash Flows

for the year ended June 30,2018

Particulars	Note	Amount in Taka	
		2017-2018	2016-2017
Cash flow from operating activities			
Collection from Turnover		6,932,687,912	6,233,418,863
Payment for cost & other expenses		(6,226,630,051)	(5,473,021,376)
Financial Expenses		(394,521,014)	(387,629,236)
Central Fund (RMG-30%)		(208,574)	(188,513)
Income Tax Paid		(46,371,195)	(70,520,592)
Net cash provided by operating activities		**264,957,079**	**302,059,146**
Cash flow from investing activities			
Acquisition of Fixed Assets		(494,744,705)	(181,596,062)
Capital work in progress		-	(222,179,841)
Advance for Land & Land Development		2,038,555	(64,336,665)
Received from Machinery Sale		4,250,000	-
Net Cash used by investing activities		**(488,456,150)**	**(468,112,568)**
Cash flow from financing activities			
Dividend Paid		(140,984,538)	(310,165,983)
Investment in Associates		300,000	-
Dividend Income-SGL		3,042,380	6,519,810
Deposit for Shares		(13,012,427)	(442,180,177)
Long Term Loan		(211,821,589)	(147,882,290)
Current Portion of Long Term Loan		-	(33,091,839)
IPO Fund Transferred		-	(21,000)
Share Money Deposit		13,582,647	140,258,043
Others Payable		13,000,000	-
Financial Liability		44,800,000	44,800,000
Short-Term Loan		(113,041,524)	506,360,512
Net Cash used by financing activities		**(404,135,052)**	**(235,402,923)**
Increase/ (decrease) in cash and bank balances		**(627,634,123)**	**(401,456,345)**
Effect of Un-realized Gain/(Loss) due to Currency Translation		421,848	-
Cash and cash equivalent at the beginning of the year		753,656,260	1,155,112,606
Cash and cash equivalent at the closing of the year		**126,443,985**	**753,656,260**
Net Operating cash flow per share		**2.22**	**2.53**

The annexed notes form an integral part of these statements.

Director | Managing Director | Company Secretary

Signed in terms of our separate report of even date annexed.

Place: Dhaka
27 October 2018

S. F. Ahmed & Co.,
Chartered Accountants

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SHASHA DENIMS LIMITED

Notes to the Financial Statements

as at and for the year ended June 30, 2018

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

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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

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	
		2017-18	2016-17
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%

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 indentifiable net assets at the date of acquisition as per Para 19 of BFRS-3 "Business Combinations".

The company presents the non-controlling interests in the consolidated balance sheet within equity, separately from the equity of the owners of parent as per Para 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 23 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 interests changes, the company adusted the carrying amounts of the controlling and non-controlling interests to reflect the changes 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 consideration paid or received, and atribute it to the owners of the parent by as per provision of Para B96 of BFRS-10 "Consolidated Financial Statements".

2.3 Reporting Period:

The financial period of the company covers the period from 1 July 2017 to 30 June 2018.

2.4 Date of Authorization

The board of directors has authorized these financial statements on October 27, 2018.

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.

Changes in accounting policies

Shasha Denims Limited changes its accounting policy only if the change is required by a BFRS or results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the company's financial position, financial performance or cash flows. Changes in accounting policies is to be made through retrospective application by adjusting opening balance of each affected components of equity i.e. as if new policy has always been applied.

Changes in accounting estimates

Estimates arise because of uncertainties inherent within them, judgment is required but this does not undermine reliability. Effect of changes of accounting estimates is included in profit or loss account.

Correction of error in prior period financial statements

Shasha Denims Limited corrects material prior period errors retrospectively by restating the comparative amounts for the prior period(s) presented in which the error occurred; or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

As per BFRS 10, when the proportion of the equity held by non-controlling interests chenges, an entity shall adjust the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the subsidiary. However, Shasha Denims Limited had not accounted for such changes in accordance with BFRS 10. During the year ended 2018, Shasha Denims Limited has identified the error and decided to adjust the amount through retrospective application by adjusting opening balance of each affected components of equity. The impact of this correction of error is primarily to increase share money deposit and decrease non-controlling interest.

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.

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

	2017-2018	2016-2017
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. However, during this financial year, the assets were transferred to property plant and equipments as these assets were ready for its intended use.

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.

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.

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(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).

3.9 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.

3.10 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 idle fund of the company and 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.

4. Property, Plant & Equipment

Particulars	Original Cost				Original Cost				Written down Value as at 30.06.18
	Balance as at 01.07.17	Addition during the year	Sale/ Disposal	Total Cost as at 30.06.18	Balance as at 01.07.17	Sale/ Disposal	Charged during the year	Total as at 30.06.18	
Tangible Assets									
Land & Land Development	1,082,011,387	28,038,555	-	1,110,049,942	-	-	-	-	1,110,049,942
Building & Civil work	377,208,468	190,947,597	-	568,156,065	114,134,892	-	9,222,458	123,357,350	444,798,716
Plant & Machinery	1,764,379,682	781,233,664	31,484,258	2,514,129,088	1,123,309,869	24,281,669	66,959,881	1,165,988,081	1,348,141,007
Generator, Sub-Sta., Elec.	2,207,144,095	360,648,570	-	2,567,792,665	1,027,684,569	-	98,165,149	1,125,849,718	1,441,942,947
Turbine	602,625,301	-	-	602,625,301	307,296,653	-	23,626,292	330,922,945	271,702,356
Local Machinery & Installation	246,284,056	-	-	246,284,056	111,965,773	-	10,745,463	122,711,236	123,572,820
Workshop Equipment	3,707,628	3,564,546	-	7,272,174	2,916,554	-	118,661	3,035,215	4,236,959
Fire Door, Alarm & Extinguisher	12,048,453	28,541,170	-	40,589,623	5,128,815	-	1,419,845	6,548,660	34,040,964
Office Equipment	29,602,090	1,727,512	-	31,329,602	19,346,345	-	1,668,954	21,015,299	10,314,303
Furniture & Fixture	10,492,256	625,003	-	11,117,259	5,817,716	-	591,788	6,409,504	4,707,756
Crockery & Cutlery	148,452	13,760	-	162,212	84,614	-	12,615	97,229	64,983
Air Conditioner	10,813,573	314,300	-	11,127,873	7,751,868	-	565,832	8,317,700	2,810,173
Sanitary Fittings	24,788	-	-	24,788	22,875	-	287	23,162	1,626
Vehicle	105,773,952	4,925,210	-	110,699,162	51,474,047	-	9,287,546	60,761,593	49,937,569
Office Decoration	15,591,189	-	-	15,591,189	5,709,792	-	1,206,048	6,915,840	8,675,349
Hydrant Line	998,026	682,504	-	1,680,530	816,277	-	96,082	912,359	768,171
ETP Plant	7,095,097	1,863,519	-	8,958,616	4,061,764	-	455,000	4,516,764	4,441,852
Other Assets	36,968,465	4,977,300	-	41,945,765	15,787,109	-	2,979,223	18,766,332	23,179,433
Deep Tube-Well	11,281,790	3,667,072	-	14,948,862	5,665,773	-	585,295	6,251,068	8,697,794
CC Cemera	1,792,902	-	-	1,792,902	948,068	-	84,484	1,032,552	760,350
Oil Tanker	22,452,405	-	-	22,452,405	5,796,298	-	3,331,222	9,127,520	13,324,885
Furnace Oil Reserver	11,287,184	-	-	11,287,184	6,145,941	-	539,417	6,685,358	4,601,826
Total	**6,559,731,243**	**1,411,770,282**	**31,484,258**	**7,940,017,267**	**2,821,865,613**	**24,281,669**	**231,661,542**	**3,029,245,486**	**4,910,771,780**
Property, Plant & Equipment as at 30 June 2017	**6,378,152,181**	**181,579,062**	**-**	**6,559,731,243**	**2,580,831,942**	**-**	**241,033,670**	**2,821,865,613**	**3,737,865,630**

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5. Intangible Assets

Particulars	Original Cost				Original Cost				Written down Value as at 30.06.18
	Balance as at 01.07.17	Addition during the year	Sale/ Disposal	Total Cost as at 30.06.18	Balance as at 01.07.17	Sale/ Disposal	Charged during the year	Total as at 30.06.18	
Software Development	5,697,767	1,393,194	-	7,090,961	2,211,299	-	355,999	2,567,298	4,523,663
Intangible Assets as at 30 June 2017	**5,680,767**	**17,000**	**-**	**5,697,767**	**1,825,377**	**-**	**385,922**	**2,211,299**	**3,486,468**

5.1 Allocation of Depreciation & Amortization

Factory	227,715,124
Administrative	4,302,417
Total	**232,017,541**

AMAR STOCK

		Amount in Taka	
		30.06.18	30.06.17
6.00	**Capital Work in progress**		
	Particulars		
	Plant & Machinery, Others	-	742,109,134
	Building & Civil Work	-	176,309,636
		-	**918,418,771**
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
	Shasha Denims Ltd.(SGL)	20,616,000	20,616,000
	Energis Holdings Ltd.	350,000	350,000
	Total:	**48,120,189**	**48,420,189**
8.00	**Inventories:**		
	Particulars		
	Yarn	992,742,837	655,987,381
	Chemical	235,138,725	156,793,768
	Packing Materials	2,616,100	1,617,211
	Stationery	1,210,753	1,623,815
	Spare Parts & Others	115,480,174	89,481,089
	Fuel, Oil & Lubricants	3,124,077	2,608,310
	Finished Fabric	271,296,108	288,480,141
	Fabric & Others -SGL	46,935,909	40,209,460
	Fuel, Oil & Lubricants-EPCL	340,529,468	532,485,975
	Spare Parts-EPCL	10,053,817	12,209,317
	Work-in-Progress- Fabric	131,735,976	19,050,628
	Work-in-Progress- Sizing Yarn & Chemical	119,888,481	16,312,773
	Total:	**2,270,752,424**	**1,816,859,869**
9.00	**Materials In Transit:**		
	Particulars		
	Yarn	315,991,474	61,598,817
	Chemical	27,301,268	11,149,603
	Machine	2,190,197	-
	Spare Parts & Others	7,013,680	-
	Total:	**352,496,618**	**72,748,419**

AMAR STOCK

		Amount in Taka	
		30.06.18	30.06.17
10.00 Accounts Receivable :			
Particulars			
Export Bill receivable		1,809,620,260	1,162,996,473
Export Bill receivable-SGL		120,518,360	71,652,531
Rental Bill-BPDB		271,751,192	262,850,793
Energy Bill-BPDB		28,139,222	29,513,628
Service Charge (Transportation)-EPCL		69,764,436	69,323,546
Fuel Payment-HFO		-	98,507,997
Disputed Deduction-Fuel		849,459,265	849,459,265
Total:		**3,149,252,735**	**2,544,304,233**
11.00 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	6,622,520
EOS Textiles Mills Ltd.		300,000,000	-
Shasha Millners & Textiles		-	300,570,220
Form Icon Limited		66,381,622	66,381,622
Total:		**373,677,926**	**374,248,146**
12.00 Advance Deposit & Prepayments			
Particulars			
Security Deposit & Guarantee	(note: 12.01)	54,570,148	52,893,818
Advances	(note: 12.02)	369,359,268	218,436,411
Prepayments	(note: 12.03)	416,175,676	336,435,607
Total:		**840,105,092**	**607,765,836**
12.01 Security Deposit & Bank Guarantee:			
Particulars			
Security Deposit	(note: 12.1.1)	53,287,058	51,610,728
Bank Guarantee	(note: 12.1.2)	1,283,090	1,283,090
Total:		**54,570,148**	**52,893,818**
12.1.1 Security Deposit:			
Particulars			
Security Deposit BEPZA Land		1,117,871	1,117,871
Security Deposit BEPZA Land Elect. Plot-189-292		1,820,982	1,820,982
Security Deposit BEPZA Electric		1,207,500	1,207,500
Security Deposit BEPZA Water Connection		103,068	103,068
Security Deposit Titas Gas		19,477,100	19,477,100
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

		Amount in Taka	
		30.06.18	30.06.17
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		991,419	-
Security Deposit-CDBL		411,636	411,636
Security Deposit-Office Rent		400,000	400,000
Security Deposit-IDLC		4,337,420	3,652,509
Security Deposit-Load 2500 KW		2,152,500	2,152,500
Security Deposit-Electricity 2500 kW		20,103,747	20,103,747
BPDB		100,000	100,000
Total:		**53,287,058**	**51,610,728**

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
BG Margin-Titas Gas		556,000	556,000
Total:		**1,283,090**	**1,283,090**

12.02 Advances:

Particulars			
Office Employees		9,488,803	9,191,042
House Rent-Chittagong		510,000	510,000
Office Rent-AB Paribhan		-	96,000
Office Rent-Gulshan		-	880,000
Flat Purchase-Samudra Builders		15,211,925	15,211,925
Advance - Shasha Garments Ltd (SGL)		81,163,586	7,356,179
Rajuk-Land		-	500,000
Store & Garage Rent		3,192,900	3,041,000
D.G Department of Environment		2,288,000	2,288,000
Others Receivable		41,181,217	-
Advance-Suppliers & Others (EPCL)		216,322,836	179,362,265
Total:		**369,359,268**	**218,436,411**

12.03 Prepayments:

Particulars			
Factory Expenses		4,466,255	8,772,402
Land & Land Development		86,059,023	88,097,578
Deposit & Prepayments-SGL		78,200	78,200
Mobile Bill & Others		356,148	362,650
L/C Margin-PBL		84,575,459	-
L/C & Bank Guarantee Margin-EPCL		80,194,916	50,382,583
Hashem Plaza-Civil Work-SGL		7,276,383	7,169,363
Advance Income Tax	Note: 12.03.01	95,538,391	116,468,601
Adv. Against Purchase	Note: 12.03.02	57,630,900	65,104,230
Total:		**416,175,676**	**336,435,607**

AMARSTOCK

		Amount in Taka	
12.03.01 Advanced Income Tax:		30.06.18	30.06.17
Particulars			
Opening Balance		116,468,601	74,594,678
Addition during the period		40,114,852	41,903,923
Adjusted during the year		61,045,062	30,000
Closing balance		**95,538,391**	**116,468,601**
12.03.02 Adv. Against Purchase:			
Particulars			
Foreign-TT		10,539,790	4,488,098
Local Purchase		47,091,110	60,616,132
Total:		**57,630,900**	**65,104,230**
13.00 Cash and Cash Equivalents:			
Particulars			
Cash in Hand	(note: 13.01)	5,256,906	9,551,241
Cash at Bank- Current Account	(note: 13.02)	10,181,941	134,617,009
Cash at Bank- Current Account	(note: 13.03)	38,701,688	90,562,477
Cash at Bank- Current Account	(note: 13.04)	11,303,450	151,188,960
Cash at Bank- Current Account	(note: 13.05)	61,000,000	367,736,573
		126,443,985	**753,656,260**
13.01 Cash in Hand:			
Particulars			
Head Office		4,150,834	3,762,767
Factory Office		1,106,072	5,788,474
Total:		**5,256,906**	**9,551,241**
13.02 Cash at Bank- Current Account:			
Particulars			
United Commercial Bank Ltd., CD-015-1101-000000371		151,942	-
IFIC Bank Ltd., CD-33014676		17,111	17,111
Sonali Bank Ltd.,CD-33053716		136,254	137,462
The Premier Bank Ltd., CD-11002930		3,506	4,656
The Premier Bank Ltd., CD-7632		97,970	13,935
Trust Bank Ltd.,CD-33001855		1,165,128	1,168,778
One Bank Ltd., CD-5006		111,824	4,029,568
First Security Bank, CD-111000553-4		17,250	18,687
United Commercial Bank Ltd.,CD-14/10		787,293	294,399
Bank Asia Ltd., RAD A/C		1,019	-
The Premier Bank Ltd.,CD-7609		1,005,907	1,009,557
United Commercial Bank ltd.,CD-105-440		4,645	8,295
Agrani Bank CD-8652-2		2,790	4,234,679
Bank Asia Ltd., CD-1208		49,190	49,765
Union Bank Ltd. CD-1197		4,089	5,239
Sonali Bank CD-705		46,938	46,938

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	Amount in Taka	
	30.06.18	30.06.17
The Premier Bank Ltd., CD-6886	250,617	594,843
DBBL CD-11820	22,733	68,623
Pubali Bank Ltd. CD-31950	75,450	12,454
Agrani Bank Ltd., Escrow A/C	2,525	2,524
City Bank CD-4001	3,390	3,390
Bank Asia CD-1829	163,026	245,756
United Commercial Bank Ltd., CD-120/18	268,284	978,559
DBBL CD-35950	2,355	5,000
Bank Asia , SND-101	1,012,873	73,125,275
Bank Asia Ltd., RAD A/C	1,637,744	-
United Commercial Bank Ltd., CD-7256	266,035	377,733
IFIC Bank Ltd. -041	908,282	908,282
Premier Bank Ltd., -869	1,373,076	1,050,201
Bank Asia Ltd., STD-625	592,696	46,205,298
Total:	**10,181,941**	**134,617,009**

13.03 Cash at Bank- Foreign Currency Account:

Particulars		
The Premier Bank Ltd., FC-128/04	4,515	4,289
Bank Asia Ltd.,FC-344	2,539,832	797,619
Sonali Bank Ltd.,FC-045	6,727,286	6,298,240
United Commercial Bank Ltd. FC-0054 17200000032	19,300,099	61,672,893
United Commercial Bank Ltd. ERQ A/C-129	5,969,938	8,152,807
The Premier Bank Ltd., FC-83	4,160,018	13,636,630
Total:	**38,701,688**	**90,562,477**

13.04 Cash at Bank- IPO Account:

Particulars		
Eastern Bank Ltd., -High Performance A/C-58906	8,062,765	7,852,543
Eastern Bank Ltd.- USD Account	132,557	124,801
Premier Bank Ltd. Uttara Br. SND-228	3,082,049	143,183,614
Eastern Bank Ltd.- Euro Account	13,744	14,001
Eastern Bank Ltd.- GBP Account	12,335	14,000
Total:	**11,303,450**	**151,188,960**

13.05 Cash at Bank- Fixed Deposit Account:

Particulars		
Premier Bank Ltd., Uttara Branch	61,000,000	285,295,309
Bank Asia LTd., Corporate Branch	-	61,000,000
Bank Asia LTd., Uttara Branch	-	21,441,265
Total:	**61,000,000**	**367,736,573**

14.00 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**

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	Amount in Taka	
	30.06.18	30.06.17
Issued & Paid up Capital:	1,195,548,870	1,127,876,300
11,27,87,630 ordinary shares of TK.10/- each	1,127,876,300	1,127,876,300
Add: Stock Dividend 6%	67,672,570	-
	1,195,548,870	**1,127,876,300**

The Paid up Capital of Shasha Denims Ltd.

	No. of Shares	Percentage
Sponsor & Directors	556,132,050	46.52%
Institutions	176,891,700	14.80%
Foreign	51,200,770	4.28%
Others	411,324,350	34.40%
	1,195,548,870	**100.00%**

The Range of Shareholdings:

Shareholding Range	No.of Shareholders	No. of Shares	Percentage
Up to 500 Shares	6,346	1,132,993	0.95%
501 to 5,000 Shares	1,415	2,907,773	2.43%
5,001 to 10,000 Shares	361	2,660,224	2.23%
10,001 to 20,000 Shares	242	3,526,655	2.95%
20,001 to 30,000 Shares	108	2,715,359	2.27%
30,001 to 40,000 Shares	56	1,960,042	1.64%
40,001 to 50,000 Shares	36	1,658,432	1.39%
50,001 to 1,00,000 Shares	98	6,892,727	5.77%
1,00,001 to 10,00,000 Shares	76	19,663,222	16.45%
10,00,001 and above shares	16	76,437,460	63.94%
	8,754	**119,554,887**	**100.00%**

	Amount in Taka	
	30.06.18	30.06.17
15.00 Share on Premium Account:		
5,00,00,000 Shares of Tk. 25 each	1,250,000,000	1,250,000,000
16.00 Non Controlling Interest:		
Particulars		
Adjusted Opening Balance (16.01)	11,936,557	10,365,614
Addition during the year	1,306,973	1,570,943
Total:	**13,243,530**	**11,936,557**
16.01 Adjusted Opening Balance:		
Opening balance as reported up to the last audited financial statements (30.06.16)	-	197,998,984
Less: Adjustment made directly in equity to reflect the prevailing NCI	-	(96,576,548)
Less: Exclusion of share money deposit from overstated NCI	-	284,187,933
Other adjustment for rounding factor	-	21,985
Restated opening Balance to adjust the accurate non controlling interest		**10,365,614**

		Amount in Taka	
		30.06.18	30.06.17
17.00 Long Term Loan:			
Particulars			
Project Loan for 55MW Power Plant	Note: 17.01	239,777,506	451,599,095
Total:		**239,777,506**	**451,599,095**
17.01 Project Loan for 55MW Power Plant:			
Particulars			
Agrani Bank Ltd.		42,092,947	103,155,919
Janata Bank Ltd.		42,340,346	102,702,118
Sonali Bank Ltd.		39,073,883	96,571,677
Premier Bank Ltd.		6,816,850	18,063,528
Bangladesh Commerce Bank Ltd.		9,217,211	22,288,172
South East Bank Ltd.		8,966,284	21,674,214
IPDC		14,189,643	23,443,437
IDLC		77,080,342	63,700,029
Total:		**239,777,506**	**451,599,095**
18.00 Accounts Payable:			
Particulars			
Dhaka Logoistics Network		86,721	520,975
General Enterprise		72,800	-
New Khan Transport Agency		4,013,166	2,014,966
Gazi International		5,800	5,800
New Asia Ltd.		19,000	19,000
New Light Corner		24,859	24,859
Bismillah Rubber & Engineering		4,680	136,000
Titas Spinning & Denim		14,781	14,781
Mr. Korsher Alam		51,750	6,250
Met Life Alico		18,862	2,643
Energypac Power Generation Services		-	83,515
Max Leather		10,000	10,000
J.R Collection		52,924	52,924
Sharmin Reed		10,800	10,800
Telecom Spare		81,225	81,225
S.Alam Electronics		35,507	35,507
Hakim Enterprise		6,437	6,437
Friends Chemitech		205,500	327,000
Japan Engr.		21,400	21,400
ITS Labtest Bangladesh Ltd.		164,900	926
Dana Engr. Ltd.		1,452	21,773
SGS Bangladesh Ltd.		908	0
Touch Paper		1,267,570	611,680
Sohel & Brothers		310,218	520,428
EOS Textiles Mills Ltd.		7,783,467	-
Unifil Composite Dyeing Mills		20,317	20,317
Dexterous Engr.-Chiller		171,760	
Rafi Paper		616,413	365,960
Z.R Color Chem		33,000	33,000
Ahsiar Fashions Ltd.		1,268,184	223,767

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	Amount in Taka	
	30.06.18	30.06.17
Richmod Hotel	16,710	229,206
TUV Rheinland Bangladesh	552	7,880
EMKAY Enterprise	82,750	82,750
Nibir Nirman	-	2,299,142
Shamim Enterprise	-	4
Lanka Bangla Infor. Sys. Ltd.	63,000	-
Mozumder Sikder Associates	7,500	-
Multicable Network	4,200	1,200
Kurmitola Golf Club	12,100	-
Sigma Pump	4,920	-
Others payable	143	-
Horizon Express Ltd.	668,750	191,109
SK International	-	58,140
Fiz Com	-	50
Karnaphulli Insurance	-	553,529
Bureau Veritas Con. Pro Bd Ltd.	169,852	1
Talha Fabrics	-	88
Md. Toha Hossain	366,016	376,438
Technical World	2,236	6,930
Engr.-Survey & Planning	-	67,350
Multibrand Workshop	79,210	387,339
New Star Communication	-	6,498
Aegis Services Ltd.	8,694	-
Civic Inn	33,345	-
Oversis Marketing Corp. Ltd.	7,500	-
Hashem Textiles	128,469	-
Al Baraka Enterprise	423,806	-
Fashion Bangla	873,217	-
Tareq Catering & Event	9,450	-
ICSB	9,500	-
H.A Engneering	14,000	-
Sovereign Technology	190,000	-
AE International	3,318	-
Saje Solution	233,200	-
Roots Construction	1,491	-
AA Synthetic	3,500	-
Atlas Copco	210,000	-
The Jamalpur Trade Syndicates	129,085	-
Credit Rating Agency of Bangladesh	230,000	-
Nazrul Islam Textiles	384,736	-
Camair Travels	24,000	-
Biniyoughbarta	40,000	20,000
South West Composite Ltd.	2,110,126	42,700
Import Liability-SDL	1,152,572,772	
Import Liability-SGL	78,864,872	-
Payable-Shasha Garments Ltd.	6,419,260	3,918,504
Payable-Energis Power Corporation Ltd.	535,714,262	673,106,070
Total:	**1,796,490,936**	**686,526,861**

AMARSTOCK

19.00 Liabilities for Expenses:

Particulars	Amount in Taka	
	30.06.18	30.06.17
BEPZA-Electric Bill	6,407,179	5,219,656
BEPZA-Water Bill	2,298,630	1,595,578
BEPZA-Gas Bill Service Charge	1,656,035	1,478,936
BEPZA-Medical Bill	78,306	76,436
BEPZA-Workers Welfare Fund	25,110	24,450
BEPZA-IP/SC/L	15,350	19,005
BEPZA-WWT	2,301,745	1,753,019
BEPZA	-	6,500
Titas Gas Bill	16,560,350	14,789,357
Electric Bill	81,629	98,319
Wasa Bill	23,281	103,370
Gas Bill	-	48,110
Telephone Bill	42,525	38,098
Mobile Bill	-	39,604
Rent Gulshan Office	487,000	352,500
Rent & utility-Mascot	-	41
Remuneration	1,178,542	850,000
Salary, Wages & Overtime	22,619,929	18,038,074
AIT-Titas, Salary & Others	243,249	348,420
Tax Liability	82,904,363	-
P.F Payable	5,118,076	4,555,639
Stamp Payable	10,260	19,480
Guest House Rent	615,105	564,000
Exchange/Discount (SB & BAL)	23,289,200	13,855,531
Garage Rent Payable	10,000	18,500
Audit Fees Payable	345,000	460,000
Board Meeting/Advisor Fees/Consultancy Payable	329,500	100,000
Afroza Enterprise	15,000	15,000
Share Biz Kortcha	74,750	153,400
DHL World Wide Express (BD)P. Ltd.	269,395	41,105
Bangladesh Trade Syndicate	5,494	5,494
Dhaka Com Ltd.	2,400	2,400
Royal Office	40,900	-
Root Marketing Services	1,640	1,640
Nirapad Aluminum	18,020	18,020
Khan Sons Automobiles	19,359	19,359
AD Creation	297,350	123,000
G4s Security Services BD. (P) Ltd.	1,005,179	535,900
Warrior Security Service	11,004	11,004
Overseas Marketing Co	7,000	7,000
Sanyo Refrigeration	38,000	-
ST Express	210,036	429,822
Comculus System & Innovation	10,000	-
Aamra Network	1,000	1,000
M/S Zahura and Sons	7,740	-

AMARSTOCK

		Amount in Taka	
		30.06.18	30.06.17
Sign Palace		17,000	17,000
Sohana Machinery		23,611	23,611
Gulshan Club		5,929	3,010
Nisa Software		8,225	7,000
KIA Service Center		-	40
DHS Motors Ltd.		1,076	1,076
Motin Courier Service		1,342	1,342
Elit Paint		9,867	9,867
CU Certification		41,411	9,532
Unique Thread		125,665	125,665
Travel Wise Ltd.		42,305	42,305
Metro Books		56,276	43,870
Liability -Shasha Garments Ltd.		14,067,190	9,323,743
Liability-Energis Power Corporation Ltd.		15,886,079	14,287,482
Liability -Shasha Textiles Ltd.		57,500	57,500
Other Expenses		4,409	3,970
Total:		**199,022,515**	**89,773,777**

20.00 Provision for Income Tax:

Particulars			
As per Last Year		232,658,415	188,062,004
Less: Paid During the year		9,398,821	28,616,669
Less: Tax Adjustment after Assesment (01/01/16-30/06/16)		51,399,885	-
Less: Tax Adjustment after Assesment (01/01/15-31/12/15)		89,407,166	-
Add: Addittional Charge SGL (2014,2015 & June,16)		-	-
Add: During the year		81,022,550	73,213,080
Closing Balance:		**163,475,094**	**232,658,415**

21.00 IPO Fund Received:

Particulars			
Eastern Bank Ltd., HP A/C-58906		3,436,928	3,436,928
Eastern Bank Ltd., USD			
Eastern Bank Ltd., Euro			
Eastern Bank Ltd., GBP			
		3,436,928	**3,436,928**

22.00 Short Term Loan:

Particulars			
Bank Asia Ltd.	Note: 22.01	1,082,141,391	1,783,725,486
The Premier Bank Ltd.	Note: 22.02	1,769,934,460	1,127,966,335
United Commercial Bank Ltd.	Note: 22.03	7,860,889	105,774,150
Agrani Bank Ltd.-EPCL		202,922,636	263,549,768
Others Loan-EPCL		95,658,701	89,972,015
Total:		**3,158,518,077**	**3,370,987,753**

22.01 Bank Asia Ltd.	Amount in Taka	
Particulars	30.06.18	30.06.17
Bank Asia Ltd., OD-692	204,903,441	202,558,698
Bank Asia Ltd., -FBN	320,813,988	547,303,214
Bank Asia Ltd., -EDF	141,787,792	114,672,927
Bank Asia Ltd., -PAD	147,446,981	29,441,412
Bank Asia Ltd., Demand Loan	215,539,642	-
Bank Asia Ltd., STL	51,648,653	459,707,663
Bank Asia Ltd., RAD	894	-
Accepted Liability (Raw Materials & Others)	-	430,041,572
Total:	**1,082,141,391**	**1,783,725,486**

22.02 The Premier Bank Ltd.		
Particulars		
The Premier Bank Ltd.,	157,834,224	210,029,278
The Premier Bank Ltd.,OD-141	613,438,168	210,537,061
The Premier Bank Ltd.,-FBN	853,086,489	288,146,250
The Premier Bank Ltd.,-Demand Loan	118,600,060	-
The Premier Bank Ltd.,-SOD	19,391,789	-
The Premier Bank Ltd.,-PAD	7,583,730	-
Accepted Liability(Raw Materials)	-	419,253,745
Total:	**1,769,934,460**	**1,127,966,335**

22.03 United Commercial Bank Ltd.		
Particulars		
Packing Credit	1,297,169	-
FBN	6,563,720	6,345,999
Accepted Liability(Raw Materials)-SGL	-	99,428,151
Total:	**7,860,889**	**105,774,150**

23.00 Revenue:	Amount in Taka	
Particulars	2017-2018	2016-2017
Export Bill -SDL	5,141,246,569	4,333,167,080
Rental Received	682,405,590	634,589,092
Energy Sale	103,732,459	90,602,627
Heavy Furnace Oil	826,759,920	554,109,866
Service Charge(Transportation)	11,201,204	7,876,737
Export Bill -SGL	745,908,349	636,259,808
Total:	**7,511,254,092**	**6,256,605,210**

AMARSTOCK

		Amount in Taka	
24.00 Cost of Goods Sold:		2017-2018	2016-2017
Particulars			
Materials-Yarn	Note: 24.01	3,041,161,591	2,472,555,685
Materials-Chemical	Note: 24.02	504,855,024	354,061,591
Materials Purchase-SGL		544,114,307	482,168,493
Packing Materials		17,372,313	16,660,879
Raw Materials Consumed		**4,107,503,234**	**3,325,446,648**
Add: Factory Overhead	Note: 24.03	2,265,967,471	1,778,263,487
Cost of Production		**6,373,470,705**	**5,103,710,135**
Opening Work-in-Progress		19,050,628	90,791,919
Less: Closing Work-in-Progress		131,735,976	19,050,628
Cost of Goods Manufactured		**6,260,785,358**	**5,175,451,426**
Opening Finished Goods		288,480,141	193,565,913
Opening Finished Goods-SGL		40,209,460	8,446,060
Less: Closing Finished Goods		271,296,108	288,480,141
Less: Closing Finished Goods-SGL		46,362,718	40,209,460
Cost of Goods Sold		**6,271,816,134**	**5,048,773,797**

24.01 Cost of Materials -Yarn			
Particulars			
Opening Stock			
Yarn		655,987,381	320,620,428
Work in Process-Yarn		16,312,773	16,034,613
Add: Purchases (Import)		3,344,249,431	2,732,044,283
Add: CIF Cost		137,243,322	76,156,516
		4,153,792,908	**3,144,855,840**
Less: Closing Stock			
Yarn		992,742,837	655,987,381
Work in Process-Yarn		119,888,481	16,312,773
Cost of Materials -Yarn		**3,041,161,591**	**2,472,555,685**

24.02 Cost of Materials -Chemical			
Particulars			
Opening Stock		156,793,768	110,149,611
Add: Purchase		560,209,755	389,838,879
Add: CIF Cost		22,990,225	10,866,870
		739,993,748	**510,855,360**
Less: Closing Stock		235,138,725	156,793,768
Cost of Materials -Chemical		**504,855,024**	**354,061,591**

AMARSTOCK

24.03 Factory Overhead:

Particulars	Amount in Taka	
	2017-2018	2016-2017
Factory Wages & allowance	504,124,528	428,993,509
Security Service charges	6,439,494	6,376,402
BEPZA Rent	6,170,454	5,936,831
Electric bill for Bepza,SGL & EPCL	86,309,520	53,905,540
Gas bill,S/Charge for Bepza	10,157,109	8,269,486
Water bill for Bepza	24,397,073	20,052,799
Medical bill	2,031,981	1,876,619
BEPZA-Worker Welfare Fund	298,470	288,060
BEPZA-Waste Water Bill	27,219,159	22,551,631
BEPZA-EP/IP/SC	243,916	119,680
Gas bill-Titas & SGL	103,198,574	84,104,508
Fuel, Oil and Lubricant	107,705,345	86,590,147
Heavy Furnace Oil (HFO)	826,759,920	554,109,866
Spare parts	46,631,604	103,924,347
Stationery	6,215,843	3,903,311
Ink & Cartidge	663,782	-
Repair	73,262,303	6,170,597
Operational Expenses	14,750,617	7,815,427
Water Refinery Expenses	2,907,000	1,930,500
Clearing Charge	6,414,540	6,735,092
Electrical expenses	786,205	1,942,943
Labour charges	4,261,486	3,789,307
Fabric Test	3,258,432	4,193,129
Carrying Charges	14,622,760	6,976,942
Insurance Premium	6,461,686	9,336,195
Laboratory Expenses	369,823	515,070
House Rent for workers	3,505,200	3,505,200
P.F Contribution	9,227,714	8,072,339
Entertainment	14,723,688	11,516,299
Group Insuarnce	2,358,469	2,042,264
Factory rent-Hashem Plaza	14,400,000	14,400,000
Courier Bill	5,995,332	3,427,464
Communication Expenses	1,297,541	1,495,682
Conveyance	424,126	633,516
Accomodation Bill	198,769	198,710
CBG for Boiler	2,394,991	2,031,157
Night Bill	673,400	507,340
Tiffin Bill	1,009,634	1,236,186
Carriage Inward	593,200	475,950
Land Rent, Rates, Taxes & Others	801,046	56,451
Fuel & Water Test	371,534	11,200
Misc. Expenses	1,072,132	550,299
Plant office Expenses	983,124	418,247
Liquidity Demerage	92,560,822	60,158,946
Depreciation	227,715,124	237,118,299
Total:	**2,265,967,471**	**1,778,263,487**

AMAR STOCK

25.00 Administrative Expenses:

Particulars	Amount in Taka	
	2017 - 2018	2016 - 2017
Directors Remuneration	11,955,000	10,200,000
Advisor Fees	-	475,000
Salary and allowance	70,895,965	58,411,097
Office Rent	2,484,000	2,016,000
Electric Bill	776,331	682,528
Gas Bill	55,100	-
Wasa Bill	218,804	317,996
Telephone Bill	189,920	202,727
Mobile Bill	1,384,631	1,238,209
Store Rent	300,000	300,000
Office Expenses	1,977,438	1,468,288
Donation & Subscription	945,870	149,396
Fees & forms	6,453,294	6,437,385
RJSC Expenses	12,677	2,406,200
Mortage & Registration Expenses	-	22,000
Renewal & Registration Fee	2,299,949	2,474,304
P.F Contribution	2,033,450	1,756,510
Postage & stamps	593,702	366,264
Stationery	1,190,577	1,583,634
Entertainment	3,265,275	2,356,699
Travelling & Conveyance	22,689,636	18,847,422
Photocopy	35,524	102,694
Courier bill	6,610,800	6,627,234
Medical Expenses	10,000	-
Board Meeting Fees	264,500	264,500
Audit Fees-IPO Exp.	212,750	258,750
Gift & compliments	257,000	143,620
Paper bill	12,580	11,358
Car Fuel	6,831,044	5,318,635
Car Expenses	591,579	2,054,275
Internet Bill	1,904,565	1,610,687
Computer Accessories	178,714	187,580
Books & Periodicals	3,030	5,220
AGM Expenses	2,892,348	1,773,530
Uniform & Leverage	249,570	263,700
Credit Rating Fees	575,000	92,000
Cable Charge	7,200	7,200
Consultancy/Professional Fees	4,243,500	4,039,000
Compliance Fees	34,500	-
Fine for Tax-SGL	27,250	
Traning & Skillness	-	65,000
Softwear Maintenance Charge	426,300	420,000
Advertisement	1,379,896	2,063,742
Insurance	187,664	497,580
Audit Fees	629,500	552,000
Transport Expenses	4,632,830	3,909,807
Rent,rates & Taxes	5,100	-
Survey Charge	93,500	310,350
Carrying Bill	2,700	
Misc. Exp.	11,473,524	4,673,505
Buying house commission	2,666,801	737,215
Depreciation (note:5.1)	4,302,417	4,301,291
Total:	**180,463,304**	**152,002,133**

		Amount in Taka	
		2017 - 2018	2016 - 2017
26.00 Selling ,Commercial & Distribution Expenses			
Particulars			
Sample & Marketing Expenses		46,334,173	41,227,882
Carriage outward		2,423,050	1,793,970
Forwarding charge		2,716,510	1,203,199
Trade Promotion		232,500	144,850
Freight Charge		2,593,349	1,063,419
Total:		**54,299,582**	**45,433,320**
27.00 Financial Expenses			
Particulars			
Bank Charges & Commission			
L/C advising and amend.charges		966,591	956,955
Comm.and Intt.for Export		943,210	1,183,400
Bank Charges & Commission		8,029,460	6,531,843
Discount-FBN		104,928,284	102,930,953
Foreign Bank Charge		8,477,834	7,867,456
Interest		-	-
Bank Asia Ltd.,Interest on OD-692		17,212,902	16,691,149
Bank Asia Ltd.,Int. on OAP A/C		5,450,642	-
Bank Asia Ltd.,Int. on Term Loan		30,093,990	26,153,247
The Premier Bank Ltd., Int. on OD		49,608,652	27,747,332
The Premier Bank Ltd., Int. on Demand Loan		2,191,274	-
Interest on EDF/PAD & Others		5,676,728	4,117,714
Bank Asia Ltd. Int. On FDBPL		-	-
IPDC- Interest on Loan A/C		1,650,000	2,109,146
Bank Charge, Intt. On Long & Short Term-EPCL		159,291,447	187,512,267
Total:		**394,521,014**	**383,801,463**
28.00 Non-Operating Income			
Particulars			
Gain/(Loss) on disposal of Assets	Note: 28.01)	(2,952,588)	-
Exchange Gan /(Loss)		4,364,485	(4,108,066)
Dividend Income		3,042,380	6,519,810
Others Income		8,707,035	3,132,318
Total:		**13,161,312**	**5,544,062**
28.01 Loss on Disposal of Plant & Machineary			
Particulars			
Cost		31,484,258	-
Less: Accumulated Depreciation		24,281,669	-
Carrying Value		**7,202,589**	-
Less: Selling Price		4,250,000	-
Gain/ (Loss)		**(2,952,589)**	-

AMAR STOCK

	Amount in Taka	
	2017-2018	2016-2017
29.00 Corporate Tax:		
Particulars		
Tax from Operating Income	75,546,366	62,939,161
Tax On Non-Operating Income	4,867,720	8,969,957
Tax On Dividend Income	608,464	1,303,962
Total:	**81,022,550**	**73,213,080**
30.00 Earnings Per Share (EPS)		
Basic Earnings Per Share:		
Net Profit	554,448,943	590,191,851
Outstanding Weight Average Number of Share	119,554,887	112,787,630
Basic Earnings Per Share (EPS)	**4.64**	**5.23**
Restated Earnings Per Share (EPS)		**4.94**
32.00 Net Assets Value per Share		
Consolidated Net Assets	5,940,471,302	5,527,006,897
Outstanding Weight Average Number of Share	119,554,887	119,554,887
Net Assets Value per Share	**49.69**	**46.23**
33.00 Net cash generated from operating activities in indirect method		
Net Profit before tax	636,253,733	
Adjustment for non cash items:		
Depreciation & amortizations	232,017,541	
Loss on sale of assets	2,952,588	
Exchange gain or loss	(4,364,485)	
Cash generated from operating activities before changes in working capital Adjustment for	**866,859,377**	
Adjustment for:		
(increase)/decrease in inventories & material in transit	(733,640,754)	
(increase)/decrease in accounts receivable	(604,948,502)	
(increase)/decrease in advance, deposits & prepayments	(232,339,256)	
(increase)/decrease interest receivable	585,714	
increase/(decrease) accounts payable	1,109,964,076	
increase/(decrease) liabilities for expenses	109,248,738	
Cash generated by operation	**(351,129,984)**	
Finance expenses	(205,262,596)	
Payment of taxes	(45,509,718)	
Net cash generated from operating activities	**264,957,079**	
34.00 Net Operating cash flows per shares (NOCFPS)		
Net cash generated from operating activities	264,957,079	302,059,146
Outstanding Weight Average Number of Share	119,554,887	119,554,887
	2.22	**2.53**

35.00 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	
		2018	2017
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	
	2018	2017	2018	2017	2018	2017
Revenue	745,908,349	636,259,808	-	-	1,624,099,174	1,287,178,322
Profit	36,180,339	43,642,391	(544,947)	(155,778)	97,116,527	88,908,138
Profit attributable to NCI	**1,280,784**	**1,544,941**	**(2,343)**	**(670)**	**29,135**	**26,672**
Current Assets	315,513,404	296,357,083	87,559,449	89,605,304	1,881,340,543	2,101,168,005
Non Current Assets	51,869,747	49,237,363	1,107,963,208	1,079,879,653	1,689,957,250	1,782,963,560
Current Liabilities	119,886,786	134,388,120	13,059,930	59,930	1,008,015,902	1,250,944,613
Non Current Liabilities	405,471	295,772	-	-	720,977,506	887,999,095
Net Assets	**247,090,894**	**210,910,555**	**1,182,462,727**	**1,169,425,027**	**1,842,304,385**	**1,745,187,858**
Net Assets attributable to NCI	**8,747,018**	**7,466,234**	**5,084,590**	**5,028,528**	**552,691**	**523,556**
Cash flow from operating activity	(112,591,298)	9,375,361	(544,947)	(141,848)	316,509,386	34,261,442
Cash flow from investing activity	(7,369,817)	(1,932,733)	(26,045,000)	(136,714,000)	(47,059,989)	(66,256,517)
Cash flow from financing activity	4,557,269	58,199,279	26,582,647	137,266,493	(274,157,090)	35,402,535
Net increase in cash and cash equivalents	**(115,403,845)**	**65,641,908**	**(7,300)**	**410,645**	**(4,707,693)**	**3,407,460**

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SHASHA DENIMS LIMITED

We have audited the accompanying financial statements of Shasha Denims Limited, which comprise the statement of financial position as at 30 June 2018 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

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

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

Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the financial position of Shasha Denims Limited as at 30 June 2018 and the results of its financial performance and its statement of cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

a) we have obtained all the information and explanations 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 statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and

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

S. F. Ahmed & Co.,
Chartered Accountants

Place: Dhaka
27 October 2018

Chittagong Office: Ispahani Building, Agrabad, Chittagong; Phone: 31-716184; Fax: 31-713683; E-mail: sfaco@bbts.net

SHASHA DENIMS LIMITED

Statement of Financial Position

as at June 30, 2018

Particulars	Note	Amount in Taka	
		30 June 2018	30 June 2017
ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipment	4	2,082,291,371	847,171,936
Intangible assets	5	3,829,867	2,715,584
Investment	6	1,095,604,189	1,095,904,189
Capital work in progress	7	-	918,418,771
		3,181,725,427	**2,864,210,480**
CURRENT ASSETS			
Inventories	8	1,873,233,230	1,231,955,118
Materials in transit	9	352,496,618	72,748,419
Accounts receivable	10	1,809,620,260	1,162,996,473
Interest receivable		1,037,000	1,622,714
Deposit for share	11	951,298,734	938,286,307
Advance, deposit & prepayments	12	327,287,489	241,410,920
Cash and cash equivalent	13	91,999,860	599,093,296
		5,406,973,193	**4,248,113,247**
TOTAL		**8,588,698,620**	**7,112,323,727**
EQUITY AND LIABILITIES			
CAPITAL & RESERVE			
Share capital	14	1,195,548,870	1,127,876,300
Share premium account	15	1,250,000,000	1,250,000,000
Retained earnings	16	1,882,028,758	1,667,681,869
		4,327,577,628	**4,045,558,169**
NON CURRENT LIABILITIES			
Deferred tax liability	17	68,140,054	68,774,486
		68,140,054	**68,774,486**
CURRENT LIABILITIES			
Accounts payable	18	1,175,492,547	9,502,287
Liability for expenses	19	169,011,748	66,105,053
Provision for tax	20	150,798,087	217,284,262
IPO fund received	21	3,436,928	3,436,928
Short term loan	22	2,694,241,629	2,701,662,542
		4,192,980,938	**2,997,991,072**
TOTAL		**8,588,698,620**	**7,112,323,727**
Net Asset Value (NAV) per share	31	36.20	33.84

The annexed notes form an integral part of these statements.

Director | Managing Director | Company Secretary

Signed in terms of our separate report of even date annexed.

Place: Dhaka
27 October 2018

S. F. Ahmed & Co.,
Chartered Accountants

SHASHA DENIMS LIMITED

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2018

Particulars	Note	Amount in Taka	
		2017-2018	2016-2017
Revenue	23	5,141,246,569	4,333,167,080
Less: Cost of goods sold	24	4,262,764,990	3,499,538,982
Gross Profit		**878,481,579**	**833,628,098**
Less: Administrative expenses	25	124,982,732	111,368,308
Less: Selling & distribution exp.	26	46,334,173	41,227,882
Operating profit		**707,164,674**	**681,031,908**
Add: Financial income		13,146,936	32,845,521
Less: Financial expenses	27	227,947,882	190,250,813
Add: Non-Operating income	28	4,326,713	1,984,144
Net profit/(Loss) before tax		**496,690,441**	**525,610,760**
Less: Income tax			
Current tax	29	74,320,876	66,376,274
Deferred tax		(634,432)	(133,557)
Net profit/ (loss) for the year after tax		**423,003,997**	**459,368,043**
Other comprehensive income		-	-
Total comprehensive income		**423,003,997**	**459,368,043**
Basic Earnings Per Share (EPS)	30	**3.54**	**3.84**

The annexed notes form an integral part of these statements.

Director | Managing Director | Company Secretary

Signed in terms of our separate report of even date annexed.

Place: Dhaka
27 October 2018

S. F. Ahmed & Co.,
Chartered Accountants

AMAR STOCK

SHASHA DENIMS LIMITED

Statement of Changes in Equity

2017-2018

For the year ended 30 June 2018

Particulars	Share capital	Share Premium	Retained earnings	Total
Balance as on 01.07.2017	1,127,876,300	1,250,000,000	1,667,681,869	4,045,558,169
Final cash dividend, 12.5% (2016-17)	-	-	(140,984,538)	(140,984,538)
Stock dividend, 6% (2016-17)	67,672,570	-	(67,672,570)	-
Net profit/(Loss) for the year	-	-	423,003,997	423,003,997
Balance as on 30.06.2018	**1,195,548,870**	**1,250,000,000**	**1,882,028,758**	**4,327,577,628**

SHASHA DENIMS LIMITED

Statement of Changes in Equity

2016-2017

For the year ended 30 June 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% (2015-2016)	-	-	(169,181,445)	(169,181,445)
Interim cash dividend 12.5% (2016-2017)	-	-	(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**

The annexed notes form an integral part of these statements.

Director | Managing Director | Company Secretary

Signed in terms of our separate report of even date annexed.

Place: Dhaka
27 October 2018

S. F. Ahmed & Co.,
Chartered Accountants

SHASHA DENIMS LIMITED

Statement of Cash Flows

For the year ended 30 June 2018

Particulars	Amount in Taka	
	2017-2018	2016-2017
Cash flow from operating activities		
Collection from turnover	4,515,212,885	4,444,251,319
Payment for cost & other expenses	(4,187,435,129)	(3,928,126,678)
Financial expenses	(227,947,882)	(194,078,586)
Income tax paid	(38,245,937)	(63,481,864)
Net cash provided by operating activities	**61,583,937**	**258,564,191**
Cash flow from investing activities		
Fixed assets	(412,231,344)	(41,029,476)
Capital work in progress	-	(222,179,841)
Received from machinery sale	4,250,000	-
Net cash used by investing activities	**(407,981,344)**	**(263,209,317)**
Cash flow from financing activities		
Dividend paid in cash	(140,984,538)	(310,165,983)
Investment in associates	300,000	-
Deposit for shares	(13,012,427)	(442,180,178)
Long term loan	-	(747,034)
Current portion of long term loan	-	(33,091,838)
IPO fund transferred	-	(21,000)
Short-term loan	(7,420,913)	319,934,801
Net cash used by financing activities	**(161,117,879)**	**(466,271,232)**
Increase/ (decrease) in cash and bank balances	**(507,515,284)**	**(470,916,358)**
Effect of unrealized gain/(Loss) due to currency translation	**421,848**	**-**
Cash and cash equivalent at the beginning of the year	**599,093,296**	**1,070,009,654**
Cash and cash equivalent at the closing of the year	**91,999,860**	**599,093,296**
Net operating cash flow per share	**0.52**	**2.16**

The annexed notes form an integral part of these statements.

Director | Managing Director | Company Secretary

Signed in terms of our separate report of even date annexed.

Place: Dhaka
27 October 2018

S. F. Ahmed & Co.,
Chartered Accountants

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SHASHA DENIMS LIMITED

Notes to the Financial Statements

For the year ended 30 June 2018

1 Reporting entity

1.1 Company profile

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 Basis of preparation of financial statements

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 Measurement of elements in the financial statements

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 2017 to June 2018.

2.4 Date of authorization

The board of directors has authorized these financial statements on 27 October, 2018.

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.

2.6 Use of estimates and judgement

The preparation of financial statements in conformity with Bangladesh Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and disclosures requirements for contingent assets and liabilities during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by BAS 8: Accounting Policies, Changes in Accounting Estimates and Errors.

In particular, significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, amortization, impairment, net realizable value of inventories, accruals, taxation and provision

Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial

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2.7 Comparative information and rearrangement thereof

Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

2.8 Going concern

When preparing financial statements, management makes an assessment of Shasha Denims Limited's ability to continue as a going concern. Renata Limited prepares financial statements on a going concern basis.

2.9 Accrual basis of accoun

Shasha Denims Limited prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used,the company recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the Framework.

2.10 Materiality and aggregation

Shasha Denims Limited presents separately each material class of similar items. The Company presents separately items of a dissimilar nature or function unless they are immaterial. Financial statements result from processing large numbers of transactions or other events that are aggregated into classes according to their nature or function.

2.11 Offsetting

Shasha Denims Limited does not offset assets and liabilities or income and expenses, unless required or permitted by a BFRS.

3 Significant accounting policies

Shasha Denims Limited selects and applies its accounting policies consistently for similar transactions, other events and conditions, unless a BFRS specifically requires or permits categorization of items for which different policies may be appropriate. The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these financial statements.

Changes in accounting policies

Shasha Denims Limited changes its accounting policy only if the change is required by a BFRS or results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the company's financial position, financial performance or cash flows. Changes in accounting policies is to be made through retrospective application by adjusting opening balance of each affected components of equity i.e. as if new policy has always been applied.

Changes in accounting estimates

Estimates arise because of uncertainties inherent within them, judgment is required but this does not undermine reliability. Effect of changes of accounting estimates is included in profit or loss account.

Correction of error (if any)

Shasha Denims Limited corrects material prior period errors retrospectively by restating the comparative amounts for the prior period(s) presented in which the error occurred; or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

3.1 Reporting foreign currency transactions

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.

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Initial recognition

A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Subsequent measurement

A foreign currency transaction may give rise to assets or liabilities that are denominated in a foreign currency. These assets and liabilities is translated into Shasha Denims Limited's functional currency at each reporting date. Foreign currency monetary items outstanding at the end of the reporting date are translated using the closing rate. The difference between this amount and the previous carrying amount in functional currency is an exchange gain or loss. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements is recognised in profit or loss in the period in which they arise

3.2 Property, plant and equipment

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.

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.

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

Particulars	2017-2018	2016-2017
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%

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Derecognition of property, plant and equipment

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of property, plant and equipment is included as other income in profit or loss when the item is derecognised.

3.3 Investments

Investments include investment in subsidiaries and some other non operating companies which represents management vision to business expansion. Investment is usually measured at equity method for the associates of the company only for those which are in operations.

3.4 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. However, during the end of the financial year, the entire items of capital work in progress is classified as property plant and equipments as these were ready for its intended use.

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.

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) 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. It also includes other short term facility provided by the banks to the entity (if any). It was including Trade Payables incurred from procurement of goods through Letter of Credit (L/C) previously which is also duly accepted by the bankers of the entity waiting for maturity of payment as per the terms & conditions, but for the better presentation purpose has been presented as import liability rather to classify as short term loan.

3.9 Borrowing cost

Shasha Denims Limited capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Shasha Denims Limited recognises other borrowing costs as an expense in the period in which it incurs them.

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.

3.10.1 Current tax

The current income tax charge is calculated based on tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

3.10.2 Deferred tax

Principle of recognition

Deferred tax is recognised as income or an expense amount within the tax charge, and included in the net profit or loss for the period. Deferred tax relating to items dealt with as other comprehensive income is recognised as tax relating to other comprehensive income within the statement of profit or loss and other comprehensive income

Taxable temporary difference

A deferred tax liability is recognised for all taxable differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill; or the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deductible temporary difference

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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Measurement

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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 idle fund as well as 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. However to comply with the directives of official gezzette of BSEC, a indirect method of cash flows are measured and presented only for the operating cash flows of the company.

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. Property, plant & equipment

Particulars	Original Cost				Depreciation					Written down Value as at 30.06.2018
	Balance as at 01.07.17	Addition during the year	Sale/ Disposal	Total Cost as at 30.06.2018	Rate %	Balance as at 01.07.17	Sale/ Disposal	Charged during the year	Total as at 30.06.2018	
Tangible Assets										
Building & Civil work	182,657,109	190,947,597		373,604,707	5%	81,946,898		5,163,373.48	87,110,271	286,494,435
Plant & Machinery	1,713,603,811	778,201,331	31,484,258	2,460,320,885	10%	1,086,655,067	24,281,669	64,404,389.42	1,126,777,787	1,333,543,098
Generator, Sub-Sta., Elec.	127,839,011	313,222,668		441,061,679	10%	77,880,333		5,030,090.01	82,910,423	358,151,255
Workshop Equipment	3,707,628	3,564,546		7,272,175	15%	2,916,555		118,661.04	3,035,216	4,236,959
Fire Extinguisher/Ditector	2,856,365	26,363,181		29,219,545.14	20%	1,172,857		622,683.89	1,795,541	27,424,005
Alarm System										
Office Equipment	15,079,187	1,234,132		16,313,319	20%	9,405,095		1,250,063.21	10,655,158	5,658,161
Furniture & Fixture	3,699,326	207,701		3,907,027	15%	2,276,014		228,691.83	2,504,706	1,402,321
Crockery & Cutlery	116,658	12,160		128,818	20%	73,585		10,378.07	83,963	44,855
Air Conditioner	7,263,573	123,000		7,386,573	15%	4,671,252		405,456.45	5,076,709	2,309,864
Sanitary Fittings	24,788	-		24,788	15%	22,873		287.18	23,161	1,627
Vehicle	71,811,610	4,925,210		76,736,820	15%	31,445,966		6,553,482.77	37,999,449	38,737,371
Office Decoration	6,374,774	-		6,374,774	15%	2,016,612		653,724.31	2,670,336	3,704,438
Hydrant Line	998,026	682,504		1,680,530	15%	816,277		96,081.55	912,358	768,172
ETP Plant	7,095,097	1,863,519		8,958,616	15%	4,061,765		454,999.87	4,516,764	4,441,852
Other Assets	18,079,047	4,242,300		22,321,347	15%	9,652,640		1,795,577.17	11,448,217	10,873,131
Deep Tube-Well	1,880,000	3,667,072		5,547,072	15%	1,406,139		71,079.15	1,477,218	4,069,853
Furnace Oil Reserver	1,450,000	-		1,450,000	15%	944,148		75,877.77	1,020,026	429,974
Total	**2,164,536,011**	**1,329,256,921**	**31,484,258**	**3,462,308,674**		**1,317,364,075**	**24,281,669**	**86,934,897**	**1,380,017,303**	**2,082,291,371**
Property, Plant & Equipment as at 30 June 2017	**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**

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5 Intangible Assets

Particulars	Original Cost				Depreciation					Written down Value as at 30.06.2018
	Balance as at 01.07.17	Addition during the year	Sale/ Disposal	Total Cost as at 30.06.2018	Rate %	Balance as at 01.07.17	Sale/ Disposal	Charged during the year	Total as at 30.06.2018	
Software Development	4,579,167	1,393,194		5,972,361	10%	1,863,583	-	278,911.40	2,142,494	3,829,867
Total	**4,579,167**	**1,393,194**		**5,972,361**		**1,863,583**		**278,911**	**2,142,494**	**3,829,867**
Intangible Assets										
as at 30 June 2017	4,562,167	17,000	-	4,579,167		1,563,315	-	300,268	1,863,583	2,715,584

5.1 Allocation of Depreciation & Amortization

Factory	84,386,583
Administrative	2,827,225
Total	**87,213,809**

**This allocation of deprteciation is based on the nature of assets contribution directly to production and administration of operation.

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6 Investment

	Amount in Taka	
	30 June 2018	30 June 2017
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 Unit-2 Ltd.	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
Energis Holdings Ltd.	350,000	350,000
	1,095,604,189	**1,095,904,189**

7 Capital work in progress

	Amount in Taka	
Particulars	30 June 2018	30 June 2017
Plant & Machinery, Others	-	742,109,134
Building & Civil Works	-	176,309,636
	-	**918,418,771**

The company was making capital investment in plant and machinery and in buiding & civil works as per the declaration of prospectus and time to time updates on the declaration from its IPO fund. During the year, the company has achieved its target timeline and successfully completed the procurement and installatioin of plant and machineries as well as the buildings are also ready for its intended use. As a consecuence, the company transferred these capital work in progress works to property plant and equipments.

8 Inventories

	Amount in Taka	
	30 June 2018	30 June 2017
Yarn	992,742,837	655,987,381
Chemical	235,138,725	156,793,768
Packing Materials	2,616,100	1,617,211
Stationery	1,210,753	1,623,815
Spare Parts & Others	115,480,174	89,481,089
Fuel, Oil & Lubricants	3,124,077	2,608,310
Finished Fabric	271,296,108	288,480,141
Work-in-Progress- Fabric	131,735,976	19,050,628
Work-in-Progress- Sizing Yarn	119,888,481	16,312,773
	1,873,233,230	**1,231,955,118**

9 Materials in transit

Yarn	315,991,474	61,598,817
Chemical	27,301,268	11,149,603
Machine	2,190,197	-
Spare Parts & Others	7,013,680	-
	352,496,618	**72,748,419**

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10 Accounts receivable

	Amount in Taka	
	30 June 2018	30 June 2017
Export Receivable(note: 10.10)	1,809,620,260	1,162,996,473
	1,809,620,260	**1,162,996,473**

10.1 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.

11 Deposit for shares

	Amount in Taka	
	30 June 2018	30 June 2017
Shasha Textiles Ltd.	238,500,426	224,917,779
Shasha Apperals Ltd.	201,818	201,818
Shasha Spinning Ltd.	471,966	471,966
Cider Education Services Ltd.	6,622,520	6,622,520
Energis Power Corporation Ltd.	339,120,382	339,120,382
Eos Textiles Mills Limited	300,000,000	-
Shasha Millners & Textiles	-	300,570,220
Form Icon Ltd.	66,381,622	66,381,622
	951,298,734	**938,286,307**

The company had invested in Shasha Millners & Textiles Ltd during the previous financial years according to the decision of the shareholders of the company in its 19th AGM but later on, in 20th AGM the shareholders again decided to divestment from Shasha MIllners & Textiles and to make investment in an A type readily available textile company in EPZ. According to that decision the company made investment in EOS Textile Mills Ltd.

12 Advance deposit & prepayments

	Note	Amount in Taka	
		30 June 2018	30 June 2017
Security Deposit & Guarantee	Note: 12.1	48,146,489	48,146,489
Advances	Note: 12.2	55,423,506	28,268,127
Prepayments	Note: 12.3	223,717,495	164,996,303
		327,287,489	**241,410,920**

12.1 Security deposit & bank guarantee

Security Deposit	Note: 12.1.1	47,419,399	47,419,399
Bank Guarantee	Note: 12.1.2	727,090	727,090
		48,146,489	**48,146,489**

		Amount in Taka	
		30 June 2018	30 June 2017
12.1.1 Security deposit			
Security Deposit BEPZA Land		1,117,871	1,117,871
Security Deposit BEPZA Land Plot-189-292		1,820,982	1,820,982
Security Deposit BEPZA Electric		1,207,500	1,207,500
Security Deposit BEPZA Water Connection		103,068	103,068
Security Deposit Titas Gas		19,477,100	19,477,100
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-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-2500 kW		20,103,747	20,103,747
Group4s Security		259,996	259,996
		47,419,399	**47,419,399**
12.1.2 Bank guarantee			
BG Margin-Titas Gas-Bank Asia		523,750	523,750
BG Margin-Titas Gas-Premier Bank Ltd.		203,340	203,340
		727,090	**727,090**
12.2 Advances			
Office & Factory Employees		9,403,963	9,106,202
Office Rent Advance-Gulshan		-	880,000
Store & Garage Rent		20,000	18,000
Office Rent		96,000	96,000
Flat Purchase-Samudra Builders		15,211,925	15,211,925
Rajuk-Land		-	500,000
F.K Textiles		0.41	-
Others Receivable		28,181,217	-
Store Rent-Ali Imam		222,400	168,000
D.G Department of Environment		2,288,000	2,288,000
		55,423,506	**28,268,127**
12.3 Prepayments			
Factory Expenses		4,466,255	6,626,034
Adv. Against Purchase	Note: 12.3.1	54,935,187	58,967,236
Mobile Bill & Others		356,148	361,940
L/C Margin-PBL		84,575,459	-
Advance Income Tax	Note: 12.3.2	79,384,445	99,041,093
		223,717,495	**164,996,303**
12.3.1 Advanced against purchase			
Foreign- T.T		8,142,415	4,488,098
Local suppliers		46,792,772	54,479,138
		54,935,187	**58,967,236**

AMARSTOCK

	Note	Amount in Taka	
		30 June 2018	30 June 2017
12.3.2 Advanced income tax			
Opening Balance		99,041,093	63,669,965
Addition during the period		33,246,040	35,401,128
Adjusted during the year		52,902,688	30,000
Closing balance		**79,384,445**	**99,041,093**
13 Cash and cash equivalents			
Cash in Hand	Note: 13.1	3,182,766	7,541,091
Cash at Bank- Current Account	Note: 13.2	3,081,993	51,889,894
Cash at Bank- Foreign Currency Account	Note: 13.3	13,431,651	20,736,777
Cash at Bank- IPO	Note: 13.4	11,303,450	151,188,960
Cash at Bank- Fixed Deposit Axxount	Note: 13.5	61,000,000	367,736,573
		91,999,860	**599,093,295**
13.1 Cash in hand			
Head Office		2,457,213	2,699,822
Factory Office		725,553	4,841,269
		3,182,766	**7,541,091**
13.2 Cash at bank- current account			
United Commercial Bank Ltd. CD-015-1101-000000371		151,942	-
IFIC Bank Ltd.CD-33014676		17,111	17,111
Sonali Bank Ltd., CD-33053716		136,254	137,462
The Premier Bank Ltd., CD-11002930		3,506	4,656
The Premier Bank CD-7632		97,970	13,935
Trust Bank Ltd., CD-33001855		1,165,128	1,168,778
One Bank Ltd., CD-5006		111,824	4,029,568
First Security Islami Bank, CD-111000553-4		17,250	18,687
United Commercial Bank Ltd., CD-14/10		787,293	294,399
NCC Bank Ltd., CD # 1702		-	-
Bank Asia Ltd., RAD AC		1,019	-
Bank Asia Ltd., STD-625		592,696	46,205,298
		3,081,993	**51,889,894**
13.3 Cash at bank- foreign currency account			
The Premier Bank Ltd., FC-128/04		4,515	4,289
Bank Asia Ltd., FC-344		2,539,832	797,619
Sonali Bank Ltd.,FC-045		6,727,286	6,298,240
The Premier Bank Ltd., FC-83		4,160,018	13,636,630
		13,431,651	**20,736,777**
13.4 Cash at bank- IPO account			
Eastern Bank Ltd., High Performance A/C-1011360258906		8,062,765	7,852,543
Eastern Bank Ltd.- USD Account		132,557	124,801
Eastern Bank Ltd.- Euro Account		13,744	14,001
Premier Bank Ltd. STD-22-8		3,082,049	143,183,614
Eastern Bank Ltd.- GBP Account		12,335	14,000
		11,303,450	**151,188,960**

WWW.SHARESTOCK

	Amount in Taka	
	30 June 2018	30 June 2017
13.5 Cash at bank- fixed deposit account		
The Premier Bank Ltd.	61,000,000	285,295,309
Bank Asia Ltd.	-	21,441,265
Bank Asia Ltd.	-	61,000,000
	61,000,000	**367,736,573**
14 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		
11,27,87,630 ordinary shares of TK.10/- each	1,127,876,300	1,127,876,300
Stock Dividend 6%	67,672,570	-
	1,195,548,870	**1,127,876,300**

The paid up capital of Shasha Denims Ltd.

	Amount (Tk.)	Percentage
Sponsor & Directors	556,132,050	46.52%
Institutions	176,891,700	14.80%
Foreign	51,200,770	4.28%
Others	411,324,350	34.40%
	1,195,548,870	**100.00%**

The Range of Shareholdings:

Shareholding Range	No.of Shareholders	No. of Shares	Percentage
Up to 500 Shares	6,346	1,132,993	0.95%
501 to 5,000 Shares	1,415	2,907,773	2.43%
5,001 to 10,000 Shares	361	2,660,224	2.23%
10,001 to 20,000 Shares	242	3,526,655	2.95%
20,001 to 30,000 Shares	108	2,715,359	2.27%
30,001 to 40,000 Shares	56	1,960,042	1.64%
40,001 to 50,000 Shares	36	1,658,432	1.39%
50,001 to 1,00,000 Shares	98	6,892,727	5.77%
1,00,001 to 10,00,000 Shares	76	19,663,222	16.45%
10,00,001 and above shares	16	76,437,460	63.94%
	8,754	**119,554,887**	**100.00%**

15 Share on premium account		
5,00,00,000 Shares of Tk. 25 each	**1,250,000,000**	**1,250,000,000**

	Amount in Taka	
	30 June 2018	30 June 2017
16 Retained earnings		
Opening Balance	1,667,681,869	1,518,479,808
Add: Net profit during the year	423,003,997	459,368,043
	2,090,685,865	**1,977,847,851**
Less: Final Dividend	140,984,538	169,181,445
Less: Interim Dividend	-	140,984,538
Less: Stock Dividend	67,672,570	-
	1,882,028,757	**1,667,681,869**
17 Deferred tax liability		
Written down Value (Accounting Base)	2,086,121,238	849,887,520
Written down Value (Tax Base)	1,631,854,211	391,390,946
Temporary Difference	**454,267,027**	**458,496,574**
Tax Rate	15%	15%
	68,140,054	**68,774,486**
18 Accounts payable		
Dhaka Logoistics Network	86,721	520,975
General Enterprise	72,800	-
New Khan Transport Agency	4,013,166	2,014,966
Gazi International	5,800	5,800
New Asia Ltd.	19,000	19,000
New Light Corner	24,859	24,859
Bismillah Rubber & Engineering	4,680	136,000
Titas Spinning & Denim	14,781	14,781
Met Life Alico	18,862	2,643
Md.Khorshed Alam Store Owner	51,750	6,250
Energypac Power Generation Services	-	83,515
Max Leather	10,000	10,000
J.R Collection	52,924	52,924
Sharmin Reed	10,800	10,800
Telecom Spare	81,225	81,225
S.Alam Electronics	35,507	35,507
Hakim Enterprise	6,437	6,437
Friends Chemitech	205,500	327,000
Japan Engr.	21,400	21,400
ITS Labtest Bangladesh Ltd.	164,900	926
Dana Engr. Ltd.	1,452	21,773
SGS Bangladesh Ltd.	908	0.25
Touch Paper	1,267,570	611,680
Sohel & Brothers	-	520,428
EOS Textiles Mills Ltd.	7,783,467	-
Unifil Composite Dyeing Mills	20,317	20,317

AMARSTOCK

	Amount in Taka	
	30 June 2018	30 June 2017
Dexterous Engr.-Chiller	171,760	-
Z.R Color Chem	33,000	33,000
Richmond Hotel	16,710	229,206
TUV Rheinland Bangladesh	552	7,880
Multicable Network	4,200	1,200
Kurmitola Golf Club	12,100	-
EMKAY Enterprise	82,750	82,750
Sigma Pump	4,920	-
ABC Building	-	1
Nibir Nirman	-	2,299,142
Shamim Enterprise	-	4
Others payable	143	-
SK International	-	58,140
Rafi Paper	616,413	365,960
Fiz Com	-	50
Karnaphuli Insurance -Open	-	553,529
Bureau Veritas Con pro BD.Ltd.	169,852	1
Talha Fabrics Ltd.	-	88
MD.Thoha Hossain (Sumon)	366,016	376,438
Multibrand Workshop Ltd.	79,210	387,339
Sohel & Brothers	310,218	-
Mozumder Sikder Associates	7,500	-
Aegis service ltd	8,694	-
civic inn	33,345	-
oversis marketing corp ltd	7,500	-
Hashem Textiles	128,469	-
AL Baraka Enterprise	423,806	-
Fashion Bangla	873,217	-
Tareq catering & Event	9,450	-
ICSB	9,500	-
H.A Engineering	14,000	-
Technical World	2,236	6,930
Sovereign Technology	190,000	-
Ahsiar fashions Ltd.	1,268,184	223,767
Eng. Survey & Planning	-	67,350
New Star Communication	-	6,498
Lanka Bangla Infor. Sys. Ltd.	63,000	-
AE International	3,318	-
Saje Solution	233,200	-
Roots Consortium	1,491	-
AA Synthetic	3,500	-

AMARSTOCK

		Amount in Taka	
		30 June 2018	30 June 2017
Atlas Copco		210,000	-
Biniyoughbarta		40,000	20,000
Southwest Composite Ltd.		2,110,126	42,700
The Jamalpur Trade Syndicate		129,085	-
Credit Rating Agency of Bangladesh		230,000	-
Nazrul Islam Textiles		384,736	-
Camair Travels		24,000	-
Horizon Express		668,750	191,109
Import Liability	(Note: 18.1)	1,152,572,772	-
		1,175,492,547	**- 9,502,287**

18.1 Import liability

Yarn	1,092,812,917	-
Chemical	28,174,847	-
Spare Parts & Others	31,585,008	-
	1,152,572,772	**-**

These import liability is due to the suppliers through the supplier's bank as these are 100% import LC liability. These were previously been classified as accepted bank liability now been classified as import liability seperately with other accounts payable to make the accurate disclosure.

19 Liabilities for expenses

	Amount in Taka	
	30 June 2018	30 June 2017
BEPZA-Electric Bill	6,407,179	5,219,656
BEPZA-Water Bill	2,298,630	1,595,578
BEPZA-Gas Bill Service Charge	1,656,035	1,478,936
BEPZA-Medical Bill	78,306	76,436
BEPZA-Workers Welfare Fund	25,110	24,450
BEPZA-IP/SC/L	15,350	19,005
BEPZA-WWT	2,301,745	1,753,019
BEPZA	-	6,500
Titas Gas Bill	16,560,350	14,789,357
Electric Bill	81,629	98,319
Wasa Bill	23,281	103,370
Gas Bill	-	48,110
Telephone Bill	42,525	38,095
Mobile Bill	-	39,604
Rent Gulshan Office	487,000	352,500
Rent & utility-Mascot	-	41
Remuneration	1,178,542	850,000
Salary, Wages & Overtime	22,619,929	18,038,074

	Amount in Taka	
	30 June 2018	30 June 2017
AIT-Titas, Salary & Others	243,249	348,420
Tax Liability	82,904,363	-
P.F Payable	5,118,076	4,555,639
Stamp Payable	10,260	19,480
Guest House Rent	615,105	564,000
Exchange/Discount (SB & BAL)	23,289,200	13,855,531
Garage Rent Payable	10,000	18,500
Audit Fees Payable	345,000	460,000
Advisor Fees Payable	50,000	50,000
Board Meeting Fees Payable	49,500	30,000
Consultancy Fees Payable	230,000	20,000
Afroza Enterprise	15,000	15,000
Share Biz Kortcha	74,750	153,400
DHL World Wide Express (BD)P. Ltd.	269,395	41,105
Bangladesh Trade Syndicate	5,494	5,494
Dhaka Com Ltd.	2,400	2,400
Royal Office	40,900	-
Root Marketing Services	1,640	1,640
Nirapad Aluminum	18,020	18,020
Khan Sons Automobiles	19,359	19,359
AD Creation	297,350	123,000
G4s Security Services BD. (P) Ltd.	1,005,179	535,900
Warrior Security Service	11,004	11,004
Overseas Marketing Co	7,000	7,000
Sanyo Refrigeration	38,000	-
ST Express	210,036	429,822
Aamra Network	1,000	1,000
Comculus System & Innovation	10,000	-
Sohana Machinery	23,611	23,611
Gulshan Club	5,929	3,010
Nisa Software	8,225	7,000
KIA Service Center	-	40
Others Expenses	4,409	3,970
M/S.Zahura And Sons	7,740	-
DHS Motors	1,076	1,076
Motin Courier Service	1,342	1,342
Elit Paint	9,867	9,867
CU Certification	41,411	9,532
Metro Books	56,276	43,870
Sign Palace	17,000	17,000
Unique Thread	125,665	125,665
Travel Wise Ltd	42,305	42,305
	169,011,748	**66,105,052**

AMAR STOCK

		Amount in Taka	
20 Provision for income tax		30 June 2018	30 June 2017
As per Last Year		217,284,262	178,988,724
Add: During the year		74,320,876	66,376,274
Less: Tax Paid		-	28,080,736
		291,605,138	**217,284,262**
Less:			
Tax Adjustment after assesment (01/01/16-30/06/16)		51,399,885	-
Tax Adjustment after assesment (01/01/15-31/12/15)		89,407,166	-
		150,798,087	**217,284,262**
21 IPO fund received			
Eastern Bank Ltd., Principal Br.		**3,436,928**	**3,436,928**
22 Short term loan			
Bank Asia Ltd.	Note: 22.1	1,082,141,392	1,783,725,486
The Premier Bank Ltd.	Note: 22.2	1,612,100,236	917,937,057
		2,694,241,629	**2,701,662,543**
22.1 Bank Asia Ltd.			
Bank Asia Ltd., OD-692		204,903,441	202,558,698
Bank Asia Ltd., -FBN		320,813,988	547,303,214
Bank Asia Ltd.,-EDF		141,787,792	114,672,927
Bank Asia Ltd., -PAD		147,446,981	29,441,412
Bank Asia Demand Loan-Import		215,539,642	-
Bank Asia Ltd., -STL		51,648,653	459,707,663
Bank Asia Ltd.,-Rad		894	-
Accepted Liability (Raw Materials & Others)		-	430,041,572
		1,082,141,392	**1,783,725,486**
22.2 The Primier Bank Ltd.			
The Premier Bank Ltd., OD-141		613,438,168	210,537,061
The Premier Bank Ltd.-FBN		853,086,489	288,146,250
Premier Bank-Demand Loan		118,600,060	-
Premier Bank-SOD Loan		19,391,789	-
The Premier Bank Ltd. PAD AC		7,583,730	-
Accepted Liability(Raw Materials & Others)		-	419,253,746
		1,612,100,236	**917,937,057**
23 Revenue (note-23.1)		**5,141,246,569**	**4,333,167,080**

23.1 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.

24 Cost of goods sold

	Amount in Taka	
	2017-2018	2016-2017
Materials-Yarn (Note: 24.1)	3,041,161,591	2,472,555,685
Materials-Chemical (Note:24.2)	504,855,024	354,061,591
Packing Materials	17,372,313	16,660,879
Raw Materials Consumed	**3,563,388,928**	**2,843,278,155**
Add: Factory Overheads (Note:24.3)	794,877,376	679,433,765
Cost of Goods Manufactured	**4,358,266,304**	**3,522,711,920**
Opening Work-in-Progress	19,050,628	90,791,919
Less: Closing Work-in-Progress	131,735,976	19,050,628
Cost of Production	**4,245,580,957**	**3,594,453,211**
Opening Finished Goods	288,480,141	193,565,913
Less: Closing Finished Goods	271,296,108	288,480,141
Cost of Goods Sold	**4,262,764,990**	**3,499,538,983**

24.1 Cost of materials -yarn

Opening Stock		
Yarn	655,987,381	320,620,428
Work in Process-Yarn	16,312,773	16,034,613
	672,300,155	**336,655,041**
Add: Purchases (Import)	3,344,249,431	2,732,044,283
Add: CIF Cost	137,243,322	76,156,516
	4,153,792,908	**3,144,855,840**
Less: Closing Stock		
Yarn	992,742,837	655,987,381
Work in Process-Yarn	119,888,481	16,312,773
Cost of Materials -Yarn	**3,041,161,591**	**2,472,555,685**

24.2 Cost of materials -chemical

Opening Stock		
Chemical	156,793,768	110,149,611
Add: Purchase	560,209,755	389,838,879
Add: CIF Cost	22,990,225	10,866,870
	739,993,749	**510,855,360**
Less: Closing Stock		
Chemical	235,138,725	156,793,768
Cost of Materials -Chemical	**504,855,024**	**354,061,591**

24.3 Factory overhead

Factory Wages & allowance	334,236,348	273,453,395
Security Service charges	6,439,494	6,376,402
BEPZA Rent	6,170,454	5,936,831

AMAR STOCK

	Amount in Taka	
	2017-2018	2016=2017
Electric bill for Bepza	82,992,243	51,073,432
Gas bill,S/Charge for Bepza	10,157,109	8,269,486
Water bill for Bepza	24,397,073	20,052,799
Medical bill	1,794,242	1,610,767
BEPZA-Worker Welfare Fund	298,470	288,060
BEPZA-Waste Water Bill	27,219,159	22,551,631
BEPZA-EP/IP/SC	243,916	119,680
Gas bill-Titas	101,571,066	82,694,878
Fuel, Oil and Lubricant	7,955,998	7,600,236
Spare parts	44,368,856	63,083,067
Stationery	5,609,809	3,518,040
Ink & Cartidge	663,782	-
Repair and Maintenance	5,701,173	4,612,225
Electrical expenses	478,610	1,599,620
Labour charges	2,617,708	2,391,537
Fabric Test	3,084,466	4,102,266
Entertainment	11,508,274	8,544,976
Carrying Charges	14,531,730	6,950,332
Insurance Premium	2,989,608	2,759,997
Laboratory Expenses	369,823	515,070
House Rent for workers	3,505,200	3,505,200
P.F Contribution	9,227,714	8,072,339
Group Insurance	2,358,469	2,042,264
Depreciation (note:5.1)	84,386,583	87,709,235
	794,877,376	**679,433,765**

25 Administrative expenses

Directors Remuneration	11,955,000	10,200,000
Advisor Fees	-	475,000
Salary and allowance	43,927,962	38,328,547
Office Rent	2,484,000	2,016,000
Electricity Bill	298,715	285,463
Gas Bill	55,100	-
Wasa bill	218,804	317,996
Telephone bill	166,094	175,017
Mobile bill	1,310,213	1,175,394
Store Rent	300,000	300,000
Office Expenses	439,870	322,073
Donation & Subscription	668,280	114,796
Fees & forms	4,096,365	5,378,587
Credit Rating Fees	460,000	-
Renewal & Registration Fee	1,516,406	528,877
P.F Contribution	2,033,450	1,756,510

AMARSTOCK

	Amount in Taka	
	2017-2018	2016-2017
Postage & stamps	338,747	195,384
Stationery	862,068	1,304,817
Entertainment	1,584,029	1,139,855
Travelling & Conveyance	20,823,261	16,482,100
Photocopy	28,094	11,377
Courier bill	6,610,800	6,627,234
Board Meeting Fees	264,500	264,500
Audit Fees	212,750	258,750
Paper bill	9,610	11,358
Car Fuel	6,751,967	5,318,635
Internet Bill	823,761	548,929
Computer Accessories	125,314	147,040
Books & Periodicals	3,030	5,220
AGM expenses	2,892,348	1,773,530
Uniform & Leverage	244,520	236,200
Cable Charge	7,200	7,200
Car Expenses	573,559	2,054,275
Consultancy/Professional Fees	4,071,000	3,726,000
Consultancy/Professional Fees-Vat	-	60,000
Compliance Fees	34,500	-
Softwear Maintenance Charge	426,300	420,000
Advertisement	1,379,896	2,063,742
Insurance	187,664	497,580
Audit Fees	345,000	230,000
Mortgage & Registration	-	22,000
Traning & Dev	-	65,000
Survey Charges	8,000	10,000
Misc. Exp.	3,617,331	3,570,341
Depreciation (note:5.1)	2,827,225	2,942,980
	124,982,732	**111,368,308**

26 Selling & distribution expenses

Sample Expenses & Marketing Exp.	46,334,173	41,227,882
	46,334,173	**41,227,882**

27 Financial expenses

Bank Charges & Commission

L/C advising and amend.charges	966,591	956,955
Comm.and Intt.for Export	943,210	1,183,400
Bank Charge & Others	2,879,312	2,121,921
Discount-Bill Purchase	104,928,284	102,930,953
Foreign Bank Charge	6,494,176	6,239,516

AMARSTOCK

	Amount in Taka	
	2017-2018	2016-2017
INTEREST		
Bank Asia Ltd.,Interest on OD-692	17,212,902	16,691,149
Bank Asia Ltd.,Int. on OAP A/C	5,450,642	-
Bank Asia Ltd.,Int. on Term Loan	30,093,990	26,153,247
The Premier Bank Ltd., Int. on OD	49,608,652	27,747,332
Intt.on Premier Bank Demand Loan	2,099,485	-
Intt on PBL Demand Loan	91,789	-
Interest on EDF/PAD & Others	5,528,849	4,117,193
IPDC- Interest on Loan A/C	1,650,000	2,109,146
	227,947,882	**190,250,813**
28 Non-operating income		
Gain/(Loss) on disposal of Assets (note:28.1)	(2,952,588)	-
Exchange Gain/(Loss)	(1,140)	-
Others Income	7,280,441	1,984,144
	4,326,713	**1,984,144**
28.1 Gain/(Loss) on disposal of assets		
Cost	31,484,258	-
Less: Accumulated Depreciation	24,281,669	-
Carrying Value	**7,202,588**	**-**
Less: Selling Price	4,250,000	-
Gain/(Loss)	**(2,952,588)**	**-**
29 Corporate tax : Corporate tax has been calculated on reduced tax rate basis ie 15% on operatring profit only.		
Current Tax		
Tax from Operating Income	73,151,383	57,668,858
Tax on Non-Operating Income	4,368,412	8,707,416
	77,519,795	**66,376,274**
Tax Adjustment from Tax Office		
Add: Charge after Assesment including Interest (I/Y)01.01.16-30.06.16	2,870,765	-
Less: Tax Adjustment After Adjustment I/Y-2015	(6,069,684)	-
Net Corporate Tax	**74,320,876**	**66,376,274**
30 Earning Per Share (EPS)		
Net Profit After Deferred Tax	423,003,997	459,368,043
Outstanding Weight Average Number of Share	119,554,887	112,787,630
Basic Earning Per Share (EPS)	**3.54**	**4.07**
Restated Earning Per Share (EPS)		**3.84**

AMARSTOCK

	Amount in Taka	
	30 June 2018	30 June 2017
30.1 Outstanding Weighted Average Number of Share		
Opening Number of Shares	112,787,630	
Bonus Shares Issued	6,767,257	
Outstanding Weighted Average Number of Share	**119,554,887**	
31 Net Assets Value Per Share (NAV)		
Net Assets	4327,577,628	4045,558,169
Outstanding Weight Average Number of Share (note 30.1)	119,554,887	112,787,630
Net Assets Value per Share	**36.90**	**35.87**
Net Assets Value per Share, adjusted	**-**	**33.84**
32 Net cash generated from operating activities		
Net Profit before tax	**496,690,441**	
Adjustment for non cash items:		
Depreciation & amortizations	87,213,809	
Loss on sale of assets	2,952,588	
Exchange gain or loss	2,953,728	
	93,120,125	
Cash generated from operating activities before changes in working capital	**589,810,566**	
Adjustment for		
(increase)/decrease in inventories & material in transit	(921,026,312)	
(increase)/decrease in accounts receivable	(644,009,408)	
(increase)/decrease in advance, deposits & prepayments	(85,876,569)	
(increase)/decrease interest receivable	585,714	
increase/(decrease) accounts payable	1,165,990,260	
increase/(decrease) liabilities for expenses	102,906,695	
Cash generated by operation	**(381,429,621)**	
Finance expenses	(108,551,071)	
Payment of taxes	(38,245,937)	
Net cash generated from operating activities	**61,583,937**	
33 Net Operating cash flows per shares (NOCFPS)		
Net cash generated from operating activities	61,583,937	258,564,191
Outstanding Weighted Average Number of Share (note 30.1)	119,554,887	119,554,887
	0.52	**2.16**

FINANCIAL STOCK

34 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**

34.1 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 it 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. This 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:

	2018	2017
	Taka	Taka
Accounts receivables	1,809,620,260	1,162,996,473
Cash and cash equivalents	91,999,860	599,093,296
	1,901,620,120	**1,762,089,769**

The maximum exposure to credit risk from export receivables at the reporting date by type of counterparty was:

	2018	2017
	Taka	Taka
Domestic- Deemed export	1,809,620,260	1,135,765,380
Direct Foreign Export	-	27,231,093
	1,809,620,260	**1,162,996,473**

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 make provision for any doubtful debts against any receivable.

The aging of receivables at the reporting date was:

	2018		2017	
	Gross Taka	Impairment Taka	Gross Taka	Impairment Taka
Past due 0-30 days	914,027,460	-	880,169,703	-
Past due 31-90 days	895,592,800	-	282,826,770	-
Past due 91-150 days	-	-	-	-
Over 150 days	-	-	-	-
	1,809,620,260	**-**	**1,162,996,473**	**-**

34.3 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:

	2018	2017
	Taka	Taka
Fixed rate instruments		
Fixed rate loans and receivable	-	-
Other fixed rate instruments-FDR	61,000,000	367,736,573
Financial assets	**61,000,000**	**367,736,573**
Fixed rate bank overdraft	818,341,609	413,095,759
Fixed rate loans	51,648,653	459,707,663
Other fixed rate liabilities	-	-
Financial liabilities	**869,990,262**	**872,803,422**
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	1,824,251,367	1,828,859,121
Financial liabilities	**1,824,251,367**	**1,828,859,121**

Cash flow sensitivity analysis for variable rate instruments 2018

A change of 10 basis points in interest rates for variable rate instruments which comprise the accepted liability against import, EDF etc, in 2018 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 2018	10 bp increase	10bp decrease	10 bp increase	10bp decrease
	Taka	Taka	Taka	Taka
variable rate liabilities	9,121,257	(9,121,257)	9,121,257	(9,121,257)
Cash flow sensitivity	9,121,257	(9,121,257)	9,121,257	(9,121,257)

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 bank overdrafts, 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.

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.

35 Related party transactions

35.1 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 2018 & in 2017 comprised:

	30.06.2018	30.06.2017
	Taka	Taka
Short Term Employee Benefits	21,036,600	18,232,000
	21,036,600	**18,232,000**

35.2 Other related party transactions/balances

Related Parties	Relationship	Nature of Transaction	30.06.2017	30.06.2017
Shasha Textiles Ltd.	Subsidiary Company	Investment in equity	69,700,000	69,700,000
		Deposit for shares	238,500,426	224,917,779
Shasha Apparels Ltd.	Associates	Investment in equity	600,000	600,000
		Deposit for shares	201,818	201,818
Shasha Spinnings Ltd.	Associates	Investment in equity	25,000	25,000
		Deposit for shares	471,966	471,966
Cider Education Services Ltd.	Associates	Investment in equity	9,990,000	9,990,000
		Deposit for shares	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
		Deposit for shares	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
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	66,381,622
Shasha Denims Ltd., (unit-2)	Associates	Investment in equity	15,939,189	15,939,189
Shasha Millners & Textiles	Associates	Share Money Deposit	-	300,570,220

34.2 Liquidity risk

LLiquidity 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 2018							
Non-derivative financial liabilities:							
Accounts Payable	1,175,492,547	1,175,492,547	940,394,038	235,098,509	-	-	-
Liability for Expenses	169,011,747	169,011,747	160,561,159	8,450,587	-	-	-
Short Term Loan	2,694,241,629	2,694,241,629	1,856,508,231	837,733,398			
Derivative financial liabilities	-	-	-	-	-	-	-
	4,038,745,922	**4,038,745,922**	**2,957,463,428**	**1,081,282,494**	**-**	**-**	**-**
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**	**-**	**-**	**-**

30 June 2017	Profit or loss		Equity	
	10 bp increase	10bp decrease	10 bp increase	10bp decrease
	Taka	Taka	Taka	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)

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:

	2018	2017
	US Dollars	US Dollars
Accepted Liability for import of raw materials	13,739,355	10,537,163

The following significant exchange rates are applied during the year:

Exchange rate as at	Exchange rate as at	
	30 June 2018	30 June 2017
	Taka	Taka
US Dollar	83.70	80.60

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.

30 June 2018	Profit or loss		Equity	
	10 bp increase	10bp decrease	10 bp increase	10bp decrease
	Taka	Taka	Taka	Taka
Expenditures denominated in USD	68,697	(68,697)	68,697	(68,697)
Exchange rate sensitivity	68,697	(68,697)	68,697	(68,697)

30 June 2017	Profit or loss		Equity	
	10 bp increase	10bp decrease	10 bp increase	10bp decrease
	Taka	Taka	Taka	Taka
Expenditures denominated in USD	52,686	(52,686)	52,686	(52,686)
Exchange rate sensitivity	52,686	(52,686)	52,686	(52,686)

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.

36 Payment of import bill of raw materail in foreign currency

The company disbursed the payment of imported the following items in foreign currency:

	2018	2017
	USD	USD
Raw Materials	42,330,630	38,733,042
	42,330,630	**38,733,042**

37 Events after the reporting period

For the year 2017-2018 the board has recommended a cash dividend @15% amounting to Tk 179,332,331 and stock dividend of @7% at the board meeting held on 27 October 2018.

38 General

38.1 Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.

38.2 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

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পিনাকী এণ্ড কোম্পানী
Pinaki & Company
Chartered Accountants

AUDITORS' REPORT TO THE SHAREHOLDERS OF ENERGIS POWER CORPORATION LIMITED

We have audited the accompanying financial statements of Energis Power Corporation Limited which comprises the Statement of Financial Position as at 30 June 2018 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994 and other applicable laws 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 misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing (ISA) applicable in Bangladesh ensuring the provisions of the (কোম্পানী আইন, ১৯৯৪ (১৯৯৪ সনে ১৮নং আইন) (Companies Act, 1994), the Financial Reporting Act, 2015 and other relevant laws. Those standards require that we comply with the provisions or professionalisms or practices or ethical requirements of the International Standards on Auditing (ISA), system of quality control requirement under the International Standard on Quality Control (ISQC), the code of Ethics for Professional Accountants and other relevant standards and pronouncements as applicable in Bangladesh. We also 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 the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

AHSANDELL, 2/A, Mymensingh Road (2nd Floor), Shahbag, Dhaka-1000, Bangladesh
Tel # 966-0944, 966-5095, E-mail : pinaki_co@yahoo.com Fax # 88-02-9672726, Mobile # 01711-364850, 01711-106302

পিনাকী এণ্ড কোম্পানী
Pinaki & Company
Chartered Accountants

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

In our opinion, the financial statements prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, and other applicable laws and regulations give a true and fair view of the state of the company's affairs as at 30 June 2018 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

(i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received;

(iii) The Company's Statement of Financial Position and Statement of Profit or Loss and other comprehensive Income and its statements of Cash Flows dealt with by the report are in agreement with the books of account and returns;

(iv) The expenditure incurred was for the purpose of the company's business;

Pinaki & Co

Place: Dhaka
22 October 2018

Pinaki & Company
Chartered Accountants

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Tel # 966-0944, 966-5095, E-mail : pinaki_co@yahoo.com Fax # 88-02-9672726, Mobile # 01711-364850, 01711-106302

ENERGIS POWER CORPORATION LIMITED

Statement of Financial Position

as at 30 June 2018

Particulars	Notes	Amount in Taka	
		30 June 2018	30 June 2017
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	4	**1,689,957,250**	**1,782,963,560**
Current Assets		**1,881,340,543**	**2,101,168,005**
Accounts Receivables	5	1,219,114,115	1,309,655,229
Inventories	6	350,583,285	544,695,291
Advances, Deposits & Pre-payments	7	310,036,889	240,503,538
Cash & Bank Balances	8	1,606,254	6,313,947
TOTAL ASSETS		**3,571,297,793**	**3,884,131,566**
EQUITY & LIABILITIES			
Shareholders' Equity		**1,842,304,385**	**1,745,187,858**
Share Capital	9	983,700,000	983,700,000
Share Money Deposit	10	623,395,011	623,395,011
Retained Earnings		235,209,374	138,092,847
Non-Current Liabilities		**720,977,506**	**887,999,095**
Term Loan-Long Term Portion	11	239,777,506	451,599,095
Financial Liabilities	12	481,200,000	436,400,000
Current Liabilities		**1,008,015,903**	**1,250,944,613**
Short Term Loan	13	456,415,560	563,551,061
Liability for Expenses	14	15,886,079	14,287,482
Trade Payable	15	532,600,986	662,330,710
Other Accounts Payable	16	3,113,277	10,775,360
TOTAL EQUITY & LIABILITIES		**3,571,297,793**	**3,884,131,566**

The annexed notes form an integral part of these statements.

Company Secretary | Director | Managing Director

Signed in terms of our separate report of even date annexed.

Pinaki & Co

Pinaki & Company
Chartered Accountants

Place: Dhaka
22 October 2018

ENERGIS POWER CORPORATION LIMITED

Statement of Profit or Loss and Other Comprensive Income

for the year ended 30 June 2018

Particulars	Notes	Amount in Taka	
		Jul'17 to Jun'18	Jul'16 to Jun'17
Revenue	17	1,624,099,174	1,287,178,322
Less: Operational Expenses	18	1,328,204,969	972,464,587
Gross Profit		**295,894,205**	**314,713,735**
Less: General & Administrative Expenses	19	43,851,856	34,185,264
Operating Profit		**252,042,349**	**280,528,471**
Less: Financial Expenses	20	159,291,447	187,512,267
Add: Exchange Gain/(Loss)		4,365,625	4,108,066
Net Profit/ (Loss) before Tax		**97,116,527**	**88,908,138**
less: Income Tax		-	-
Net Profit/ (Loss) After Tax		**97,116,527**	**88,908,138**
Profit/Loss for the year		**97,116,527**	**88,908,138**

The annexed notes form an integral part of these statements.

Company Secretary | Director | Managing Director

Signed in terms of our separate report of even date annexed.

Place: Dhaka
22 October 2018

Pinaki & Company
Chartered Accountants

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ENERGIS POWER CORPORATION LIMITED

Statement of Changes in Shareholders Equity

For the year ended 30 June 2018

2017-2018

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Total Taka
Balance as on July 1, 2017	983,700,000	623,395,011	138,092,847	1,745,187,858
Add : During the year	-	-	-	-
Net profit for the year	-	-	97,116,527	97,116,527
Balance as on June 30, 2018	**983,700,000**	**623,395,011**	**235,209,374**	**1,842,304,385**

2016-2017

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Total Taka
Balance as on 1 July 2016	983,700,000	623,403,461	49,184,709	1,656,288,170
Add : 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**

The annexed notes form an integral part of these statements.

Company Secretary **Director** **Managing Director**

Signed in terms of our separate report of even date annexed.

Place: Dhaka
22 October 2018

Pinaki & Company
Chartered Accountants

ENERGIS POWER CORPORATION LIMITED

Statement of Cash Flows

for the year ended 30 June 2018

Particulars	Note	Amount in Taka	
		Jul'17 to Jun'18	Jul'16 to Jun'17
Cash flow from operating activities			
Cash receive from coustomer		1,719,005,912	1,157,816,885
Payment for cost & other expenses		(1,242,120,463)	(935,320,797)
Financial Expenses		(159,291,447)	(187,512,267)
Income Tax Paid		(1,084,616)	(722,379)
Net cash provided by operating activities		**316,509,386**	**34,261,442**
Cash flow from investing activities			
Purchase of Assets		(47,059,989)	(66,256,517)
Net Cash provided by investing activities		**(47,059,989)**	**(66,256,517)**
Cash flow from financing activities			
Share Money Deposit		-	(8,450)
Financial Liability		44,800,000	44,800,000
Long Term Loan-Bank		(211,821,589)	(147,135,256)
Short-Term Loan		(107,135,501)	137,746,241
Net Cash provided by financing activities		**(274,157,090)**	**35,402,535**
Increase/ (decrease) in cash and bank balances		**(4,707,693)**	**3,407,460**
Cash and bank balances at beginning of the year		**6,313,947**	**2,906,487**
Cash and bank balances at period end		**1,606,254**	**6,313,947**

The annexed notes form an integral part of these statements.

Company Secretary **Director** **Managing Director**

Signed in terms of our separate report of even date annexed.

Place: Dhaka
22 October 2018

Pinaki & Company
Chartered Accountants

ENERGIS POWER CORPORATION LIMITED

Notes to the Financial Statements

for the year ended 30 June 2018

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), Securities and Exchange Rules 1987, 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 2017 to 30 June 2018.

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.

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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.

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

	2018	2017
Generator	8%	10%
Turbine	8%	10%
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,

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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)

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4. Property, Plant & Equipment

Particulars	Original Cost			Original Cost				
	Balance as at 30-06-2017	Addition during the period	Balance as at 30-06-18	Rate (%)	Total as at 30-06-2017	Charged during the period	Total as at 30-06-18	As at 30-06-2018
Generator	1,898,548,070	45,838,159	1,944,386,229	8%	857,267,258	83,302,465	940,569,723	1,003,816,507
Turbine	602,625,301	-	602,625,301	8%	307,296,653	23,626,292	330,922,945	271,702,356
Electrical Substation & Installation	177,050,423		177,050,423	10%	90,147,376	8,690,305	98,837,681	78,212,742
Local Machinery & Installation	246,284,056		246,284,056	8%	111,965,773	10,745,463	122,711,236	123,572,820
Building & Civil Construction	194,551,359		194,551,359	2.5%	32,187,995	4,059,084	36,247,079	158,304,281
Motor Vehicles	31,989,265	-	31,989,265	20%	18,582,896	2,681,274	21,264,169	10,725,096
Office Equipment	5,217,902	493,380	5,711,282	20%	3,123,447	418,891	3,542,338	2,168,944
Furniture & Fixtures	1,818,140	38,450	1,856,590	10%	681,541	113,660	795,201	1,061,389
HFO Reservoir	9,837,184	-	9,837,184	10%	5,201,794	463,539	5,665,333	4,171,851
Oil Tanker	22,452,405	-	22,452,405	20%	5,796,297	3,331,222	9,127,519	13,324,886
Deep Tube-Well	9,401,790	-	9,401,790	10%	4,259,634	514,216	4,773,850	4,627,940
Air Conditioner	3,421,500	-	3,421,500	20%	2,721,898	139,920	2,861,818	559,682
Fire Equipments	3,902,690	-	3,902,690	20%	3,101,715	160,195	3,261,910	640,780
Plant Office Interior	9,216,415	-	9,216,415	10%	3,693,177	552,324	4,245,501	4,970,914
CC Cemera	1,792,902	-	1,792,902	10%	948,067	84,484	1,032,550	760,352
Other Assets	17,450,373	690,000	18,140,373	10%	5,620,694	1,182,968	6,803,662	11,336,711
Total	**3,235,559,775**	**47,059,989**	**3,282,619,764**		**1,452,596,214**	**140,066,300**	**1,592,662,514**	**1,689,957,250**
Property,plant & equipment as at 30 June 2017	**3,169,303,257**	**66,256,518**	**3,235,559,775**		**1,306,156,685**	**146,439,530**	**1,452,596,214**	**1,782,963,560**

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			Amount in Taka	
			30.06.18	30.06.17
5.	**Accounts Receivables**		**1,219,114,115**	**1,309,655,229**
	Bangladesh Power Development Board (BPDB):			
	Rental Bill		271,751,192	262,850,793
	Energy Bill		28,139,222	29,513,628
	Service Charge(Transportation)		69,764,436	69,323,546
	Fuel Payment-HFO		-	98,507,997
	Disputed Deduction-Fuel		849,459,265	849,459,265
6.	**Inventories**		**350,583,285**	**544,695,291**
	Lub Oil-HFO	Note- 6.1	324,690,912	515,837,418
	Diesel oil	6.2	1,260,358	1,465,358
	Lube oils & luke oils	6.3	13,962,318	14,012,318
	Other graded Machine oil	6.4	615,880	1,170,880
	Spare parts	6.5	10,053,817	12,209,317

The HFO presented as inventory is procured by the compnay to reduce the conventional fuel support cost of BPDB. The HFO inventory which is received from BPDB is not recognised as inventory of the company nor the revenue of the company. But the inventory procured by the compnay recognised in the inventory as well as in the revenue.

6.1	**Lub Oil-HFO**		
	Opening Balance	515,837,418	124,973,292.60
	Procured during the period	635,613,414	926,122,733
	Consumed during the period	826,759,920	535,258,607
	Closing balance of HFO	**324,690,912**	**515,837,418**
7.	**Advances, Deposits & Pre-payments**	**310,036,889**	**240,503,538**
	Advance Note- 7.1	221,048,634	183,003,447
	Deposit Note- 7.2	8,793,339	7,117,509
	L/C & Bank Gurarantee Margin Note- 7.3	80,194,916	50,382,583
7.1	**Advances**	**221,048,634**	**183,003,447**
	Energis Ventures Ltd.	46,000,114	45,209,936
	New Project-HFO	133,452,070	116,392,634
	Rowshan Transport	-	678,295
	Mohespur Enterprise	29,217,000	
	SBS International	30,000	
	Cosmic Marine Service	950,510	
	Uni Marine Engineering	10,800	
	Tower Inn. International	-	2,658,888
	Energy & Power	-	30,000

			Amount in Taka	
			30.06.18	30.06.17
	Shah Amanat Machinery		-	300,000
	Khan Electronic		-	150,000
	Key on Machinery		-	150,000
	Bimurto Architects		-	153,000
	United Engineering & Power		-	180,000
	Electronet		-	10,000
	Advance against supplies		6,730	6,512,697
	Advance to employees		4,956,782	5,438,762
	Against office work		1,698,830	1,498,053
	AIT on Carrying		3,369,290	2,905,974
	AIT		1,356,508	735,208
7.2	**Deposits**		**8,793,339**	**7,117,509**
	Deposit to PDB		100,000	100,000
	Deposit to IDLC		508,050	521,870
	Deposit to IDLC		935,590	935,590
	Deposit to IDLC		2,832,770	1,142,620
	Deposit to IDLC		61,010	61,010
	Deposit to IPDC		991,419	991,419
	Store Rent-Advance		2,850,000	2,850,000
	Garage Rent-Advance		4,500	5,000
	Advance for House Rent		510,000	510,000
7.3	**L/C & Bank Gurarantee Margin**		**80,194,916**	**50,382,583**
	L/C Margin-PBL		5,257,817	3,238,518
	L/C Margin-Agrani		28,311,525	26,935,000
	IDLC		6,557,505	6,557,505
	Bank Guarantee Margin-PBL		40,068,069	13,651,560
8.	**Cash & Bank Balances**		**1,606,254**	**6,313,947**
	Cash in Hand	Note- 8.1	983,152	1,044,735
	Cash at Bank	Note- 8.2	623,102	5,269,212
8.1	**Cash in Hand**		**983,152**	**1,044,735**
	Cash in Hand-H/O		602,633	657,911
	Cash in Hand-Plant		380,519	386,824
8.2	**Cash at Bank**		**623,102**	**5,269,212**
	Agrani Bank CD-8652-2		2,790	4,234,679
	Bank Asia CD-1208		49,190	49,765

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	Amount in Taka	
	30.06.18	30.06.17
Sonali Bank CD-705	46,938	46,938
Premier Bank CD-688-6	250,617	594,843
DBBL CD-11820	22,733	68,625
Union Bank CD-1197	4,089	5,239
Pubali Bank CD-31950	75,450	12,454
City Bank CD-4001	3,390	3,390
Bank Asia CD-1892	163,026	245,756
DBBL CD-35950	2,355	5,000
Agrani Bank Escrow A/C	2,525	2,524

9. Share Capital

Authorised:

200,000,000 Ordinary Shares of Tk. 10 each	2,000,000,000	1,000,000,000
100,000,000 Preference Shares of Tk. 10 each	1,000,000,000	500,000,000
Sub Total	**3,000,000,000**	**1,500,000,000**
Issued, Subscribed and Paid-up:		
9,83,70,000 Ordinary Shares of Tk. 10 each	**983,700,000**	**983,700,000**

Shareholding Position at the reporting date:

Name of shareholders	Percentage of shareholdings		Amount in Tk.	
	30.06.18	30.06.17	30.06.18	30.06.17
Shasha Denims Ltd.	99.9695	99.9695	983,400,000	983,400,000
Javed Hosein	0.0051	0.0051	50,000	50,000
Mrs.Nishat Nahrin Hamid	0.0051	0.0051	50,000	50,000
Parveen Mahmud	0.0051	0.0051	50,000	50,000
A.R.Jafree	0.0051	0.0051	50,000	50,000
Zareen Mahmud	0.0051	0.0051	50,000	50,000
Nazneen Rahman	0.0051	0.0051	50,000	50,000
Total	**100.00**	**100.00**	**983,700,000**	**983,700,000**

10. Share Money Deposit	**623,395,011**	**623,395,011**
Shasha Denims Ltd	339,120,382	339,120,382
Tradematrix Bangladesh Ltd.	84,274,628	84,274,628
Energis Holdings Ltd.	200,000,000	200,000,000

			Amount in Taka	
			30.06.18	30.06.17
11.	**Term Loan-Long Term Portion**		**239,777,506**	**451,599,095**
	Agrani Bank Ltd.		42,092,947	103,155,919
	Janata Bank Ltd.		42,340,346	102,702,118
	Sonali Bank Ltd.		39,073,883	96,571,677
	Premier Bank Ltd.		6,816,850	18,063,528
	Bangladesh Commerce Bank Ltd.		9,217,211	22,288,172
	South East Bank Ltd.		8,966,284	21,674,214
	IPDC		14,189,644	23,443,437
	IDLC		77,080,342	63,700,029
12.	**Financial Liabilities**		**481,200,000**	**436,400,000**
	Balance As Per Last Account		436,400,000	391,600,000
	Add: Unpaid Installment		44,800,000	44,800,000
13.	**Short Term Loan**		**456,415,560**	**563,551,061**
	Agrani Bank Ltd.	Note-13.1	202,922,636	263,549,768
	Premier Bank Ltd.		157,834,224	210,029,278
	Others Loan		95,658,701	89,972,015
13.1	**Agrani Bank Ltd.**		**202,922,636**	**263,549,768**
	Overdraft Balance		202,922,636	263,549,768
14.	**Liability for Expenses**		**15,886,079**	**14,287,482**
	Salary & Wages Payable		7,131,005	6,929,337
	Audit fees Payable		172,500	172,500
	Store Rent Payable-HFO		7,562,506	6,137,144
	Tax Liability		256,498	256,498
	Utility & Other Charges		763,570	792,003
15.	**Trade Payable**		**532,600,986**	**662,330,710**
	Adani Traders		532,600,986	662,330,710
16.	**Accounts Payable**		**3,113,277**	**10,775,360**
	Sunship		-	1,464,509
	Ismail & Brothers		-	2,219,337
	Amira Travels & Tours		-	368,991
	western Marine Services		1,750	
	Falcon Security Ltd.		158,455	146,000
	DHL		13,229	15,095
	Agni Systems Ltd.		-	49,000

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	Amount in Taka	
	30.06.18	30.06.17
Gemini Freight	37,840	37,630
Aamra Networks	10,000	35,000
Chemitec	685,750	636,250
Gulshan Club Ltd.	-	6,055
A.S & Associates	70,000	70,000
Bengal Refrigeration Co.Ltd.	-	7,000
Shohel & Brothers Pte.Ltd.	456,117	456,117
SBS International	-	170,000
Camair Travels	471,824	1,095,510
Safe Tech Security Ltd.	22,000	22,000
B.S International Business	-	160
Uni Marine Engineering	-	285,000
Creation	12,500	12,500
Cargo Maritime Ltd.	-	1,660,640
Creatrix Soft Tech Ltd.	6,000	3,000
Compass	-	7,620
Chapal Trading	49,621	-
MJL Bangladesh	-	43,050
FMS Marine Service	200,250	152,250
Faruk Ahmed & Brothers	-	35,000
Masud & Brothers	-	75,575
Asia Power Solution	47,200	47,200
Mizan Hardware & Mill	-	253,000
SPS Enterprise	-	20,250
Microtec Electrical & Electronics	-	70,000
Law Reporters Forum	-	50,000
Messers A.T Associates	-	612,738
N.J Environtech	-	644,133
Kumitola Golf Club	-	3,250
Baridhara Diplomatic Club	-	1,500
Shah Amanat Machinery	87,200	-
SGS Bangladesh Ltd.	630,001	-
Energypac Power Generation Ltd.	64,240	-
K.R Scientific Traders	89,300	-

		Amount in Taka	
		July 17 - June 18	July 16 - June 17
17.	**Revenue**	**1,624,099,174**	**1,287,178,322**
	Rental Received	682,405,590	634,589,092
	Energy Sale	103,732,459	90,602,627
	Fuel Payment	826,759,920	554,109,866
	Service Charge(Transportation)	11,201,204	7,876,737

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		Amount in Taka	
		July 17 - June 18	July 16 - June 17
18.	**Operational Expenses**	**1,328,204,969**	**972,464,587**
	Fuel,Lubricants & HFO	826,759,920	554,109,866
	Fuel,Lubricants(Lub Oil & Diesel)	99,287,847	78,384,826
	Repairing Expenses	66,118,949	38,920,937
	Operational Expenses	14,750,617	7,815,427
	Water Refinery Expenses	2,907,000	1,930,500
	Wages & Allowance	68,882,965	65,831,464
	Clearing Charge	4,271,615	5,504,626
	Insurance Premium	3,122,478	6,261,211
	Fuel & Water Test	371,534	11,200
	Labour Bill	1,616,478	1,314,070
	Electric Bill	266,544	298,656
	Misc Expenses	1,072,132	550,299
	Medical Expenses	161,253	115,270
	Stationery	239,182	92,359
	Communication Expenses	1,297,541	1,495,682
	Entertainment	2,086,547	1,979,245
	Local Conveyance	424,126	633,516
	Accomodation Bill	198,769	198,710
	Plant Office Expense	983,124	418,247
	Land Rent-PDB	759,226	-
	Liquidity Damage	92,560,822	60,158,946
	Depriciation	140,066,300	146,439,530
19.	**General & Administrative Expenses**	**43,851,856**	**34,185,264**
	Salary & Allowance	22,320,703	18,208,670
	Conveyance	1,562,940	2,139,196
	Transport Expenses	4,632,830	3,653,309
	Registration & Renewal Fees	654,388	1,767,640
	Stationery	328,509	278,817
	Medical Expenses	10,000	-
	Misc.Expenses	7,486,952	926,707
	Entertainment	1,669,528	1,207,444
	Internet Bill	875,655	874,255
	Donation & Subscription	277,590	34,600
	Fees & Forms	1,660,532	567,832
	Computer Accessories	30,750	19,300
	Electric Bill	477,616	397,065
	Joint Stock Companies Expenses	12,677	2,406,200
	Professional Fees	172,500	253,000

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		Amount in Taka	
		July 17 - June 18	July 16 - June 17
	Gift & Compliments	257,000	143,620
	Office Expenses	1,249,186	878,611
	Income Tax	256,498	
	Audit Fees	172,500	172,500
20.	**Financial Expenses**	**159,291,447**	**187,512,267**
	Interest on Long Term Loan	30,800,231	61,189,761
	Interest on Short Term Loan	53,440,797	60,272,180
	Bank Guarantee Commission	5,540,288	2,672,221
	Bank Charges & Commission	13,727,358	9,407,759
	Foreign Bank Charge	344,876	224,734
	Intt.on IDLC	7,996,879	6,579,404
	Intt.on IPDC	2,641,018	2,366,208
	Interest on UCBL	44,800,000	44,800,000

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Pinaki & Company
Chartered Accountants

AUDITORS' REPORT TO THE SHAREHOLDERS OF SHASHA GARMENTS LIMITED

We have audited the accompanying financial statements of Shasha Garments Limited which comprises the Statement of Financial Position as at 30 June 2018 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994 and other applicable laws 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 misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing (ISA) applicable in Bangladesh ensuring the provisions of the (কোম্পানী আইন, ১৯৯৪ (১৯৯৪ সনে ১৮নং আইন) (Companies Act, 1994), the Financial Reporting Act, 2015 and other relevant laws. Those standards require that we comply with the provisions or professionalisms or practices or ethical requirements of the International Standards on Auditing (ISA), system of quality control requirement under the International Standard on Quality Control (ISQC), the code of Ethics for Professional Accountants and other relevant standards and pronouncements as applicable in Bangladesh. We also 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 the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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পিনাকী এণ্ড কোম্পানী
Pinaki & Company
Chartered Accountants

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

In our opinion, the financial statements prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, and other applicable laws and regulations give a true and fair view of the state of the company's affairs as at 30 June 2018 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

(i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received;

(iii) The Company's Statement of Financial Position and Statement of Profit or Loss and other comprehensive Income and its statements of Cash Flows dealt with by the report are in agreement with the books of account and returns;

(iv) The expenditure incurred was for the purpose of the company's business;

Place: Dhaka
21 October 2018

Pinaki & Co

Pinaki & Company
Chartered Accountants

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SHASHA GARMENTS LIMITED

Statement of Financial Position

as at June 30, 2018

Particulars	Note	Amount in Taka	
		30 June 2018	30 June 2017
NON-CURRENT ASSETS		**51,869,747**	**49,237,363**
Property, Plant & Equipment	4	30,559,951	27,850,479
Intangible Assets	5	693,796	770,884
Investment	6	20,616,000	20,616,000
CURRENT ASSETS		**315,513,403**	**296,357,083**
Inventories	7	46,935,909	40,209,460
Accounts Receivable		120,518,359	71,652,531
Advance, Deposit & Prepayments	8	116,636,850	37,668,961
Cash and Cash Equivalent	9	31,422,285	146,826,131
TOTAL		**367,383,150**	**345,594,447**
EQUITY AND LIABILITIES			
CAPITAL & RESERVE		**247,090,894**	**210,910,555**
Share Capital	10	15,550,000	15,550,000
Retained Earnings		231,540,894	195,360,555
NON CURRENT LIABILITIES		**405,470**	**295,772**
Deferred Tax Liability		405,470	295,772
CURRENT LIABILITIES		**119,886,786**	**134,388,120**
Accounts Payable	11	6,419,260	3,918,504
Liability for Expenses	12	14,067,190	9,323,743
Liability for Back to Back L/C		78,864,872	99,428,151
Short Term Loan-Bank	13	7,860,889	6,345,999
Provision for Tax	14	12,674,575	15,371,723
TOTAL		**367,383,150**	**345,594,447**

The annexed notes form an integral part of these statements.

Company Secretary | Director | Managing Director

Signed in terms of our separate report of even date annexed.

Pinaki & Co

Pinaki & Company
Chartered Accountants

Place: Dhaka
21 October 2018

AMARSTOCK

SHASHA GARMENTS LIMITED

Statement of Profit or Loss and Other Comprehensive Income

For the year ended on June 30, 2018

Particulars	Note	Amount in Taka	
		Jul'17 to Jun'18	Jul'16 to Jun'17
Revenue (Export)		**745,908,349**	**636,259,808**
Less: Cost of Goods Sold	15	680,797,860	576,710,177
Gross Profit		**65,110,489**	**59,549,630**
Less: Administrative Expenses	16	11,139,383	5,954,619
Operating Profit		**53,971,106**	**53,595,011**
Less: Selling Expenses	17	7,965,409	4,205,438
		46,005,697	**49,389,573**
Less: Financial Expenses	18	7,274,385	6,034,028
Net Profit before Non-Operating Income		**38,731,311**	**43,355,545**
Add: Non-Operating Income		1,426,594	743,174
Net Profit/(Loss) before dividend income		**40,157,905**	**44,098,719**
Add: Dividend income		3,042,380	6,519,810
Net Profit/(Loss) before Central Fund (RMG-WPPF)		**43,200,285**	**50,618,529**
Less: Central Fund (RMG-WPPF-.03%)		208,574	188,513
Net Profit/(Loss) before Tax		**42,991,711**	**50,430,016**
Less: Income Tax			
Current Tax	19	6,701,674	6,834,376
Deferred Tax		109,698	(46,750)
Net Profit/ (loss) for the period after Tax		**36,180,339**	**43,642,391**

The annexed notes form an integral part of these statements.

Company Secretary **Director** **Managing Director**

Signed in terms of our separate report of even date annexed.

Place: Dhaka
21 October 2018

Pinaki & Co

Pinaki & Company
Chartered Accountants

AMARSTOCK

SHASHA GARMENTS LIMITED

Statement of Changes in Equity

For the year ended on June 30, 2018

2017-2018

Amount in Taka

Particulars	Share Capital	Share Money Deposit	Retained Earning	Total
Balance as on 01.07.17	15,550,000	-	195,360,555	210,910,555
Net profit for the period	-	-	36,180,339	36,180,339
Balance as at 30 June 2018	**15,550,000**	**-**	**231,540,894**	**247,090,894**

2016-2017

Amount in Taka

Particulars	Share Capital	Share Money Deposit	Retained Earning	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 at 30 June 2017	**15,550,000**	**-**	**195,360,555**	**210,910,555**

The annexed notes form an integral part of these statements.

Company Secretary **Director** **Managing Director**

Signed in terms of our separate report of even date annexed.

Place: Dhaka
21 October 2018

Pinaki & Co

Pinaki & Company
Chartered Accountants

SHASHA GARMENTS LIMITED

Statement of Cash Flows

For the year ended on June 30, 2018

Particulars	Amount in Taka	
	Jul'17 to Jun'18	Jul'16 to Jun'17
Cash flow from operating activities		
Collection from Turnover	697,042,521	630,202,485
Non-Operating Income	1,426,594	743,174
Payment for cost & other expenses	(796,536,811)	(609,031,407)
Financial Expenses	(7,274,385)	(6,034,028)
Central Fund-RMG-WPPF-.03%)	(208,574)	(188,513)
Tax Paid	(7,040,642)	(6,316,349)
Net cash provided by operating activities	**(112,591,298)**	**9,375,361**
Cash flow from Investing activities		
Fixed Assets	(7,369,817)	(1,932,732)
Net Cash provided by investing activities	**(7,369,817)**	**(1,932,732)**
Cash flow from financing activities		
Liability for Back to Back L/C	-	55,194,062
Dividend Income	3,042,380	6,519,810
Short Term Loan-Bank	1,514,890	(3,514,593)
Net Cash provided by financing activities	**4,557,269**	**58,199,279**
Increase/ (decrease) in cash and bank balances	**(115,403,846)**	**65,641,908**
Cash and bank balances on opening	**146,826,131**	**81,184,223**
Cash and bank balances on closing	**31,422,285**	**146,826,131**

The annexed notes form an integral part of these statements.

Company Secretary **Director** **Managing Director**

Signed in terms of our separate report of even date annexed.

Place: Dhaka
21 October 2018

Pinaki & Co
Pinaki & Company
Chartered Accountants

AMAR STOCK

SHASHA GARMENTS LIMITED

Notes to the Financial Statements

as at June 30, 2018

1. Reporting Entity:

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.

1.2 Nature of Business:

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

2. 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 International Accounting Standard (IAS) and other applicable laws and regulations.

2.2 Reporting Period:

This financial statement of the company covers the period from 1 July 2017 to 30 June 2018.

2.3 Comparative Information:

Comparative information has been disclosed in respect of the year 2016-2017 for all numerical information in the financial statements and also narrative and descriptive information where it is relevant for understanding of the current year's financial statements. However, Comparative figures have been changed where necessary.

3. Significant Accounting Polices:

3.1 Principal Accounting Policies:

Specific accounting policies were selected and applied by the company's management for significant transactions and events that have a material effect within the framework of IAS-1 "Presentation of Financial Statements" in preparation and presentation financial statements. The previous period's figures were presented according to the same accounting principles.

3.2 Compliance with Local Laws:

The financial statements have been prepared in compliance with requirements of the Companies Act 1994, Securities and Exchange Rules 1987 and other relevant local laws and rules.

3.3 Recognition of Property, Plant & Equipment and Depreciation:

Property, Plant & Equipment is stated at cost less accumulated depreciation in accordance with IAS-16 "Property, Plant and Equipment". Costs represents cost of acquisition or construction and include purchase price and other directly attributable cost of bringing the assets to working conditions for its intended use. Depreciation on all fixed assets is computed using the reducing balance method in amount sufficient to write-off depreciable assets over their estimated useful life.

3.4 Statement of Cash Flows:

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

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3.5 Cash and Cash Equivalent:

Cash and Cash Equivalent comprises both cash-in-hand and at bank.

3.6 Revenue Recognition:

Revenue from the sales is measured at the fair value of the consideration received or receivable. The company recognizes revenue when risk and rewards associated with ownership has been transferred to buyer, which satisfied all the condition for the revenue recognition as provided in IAS-18 'Revenue Recognition'. Usually the time of delivery is considered for revenue recognition.

3.7 Maintenance and Repairs:

Routine maintenance and repairs are charged to expenses as incurred expenditures, which enhance the value or extend the useful life of the related assets are capitalized.

04 Property, plant & equipment

Particulars	Original Cost			Depreciation				Written down Value as at 30.06.18
	Balance as at 01.07.17	Addition during the year	Total Cost as at 30.06.18	Rate %	Balance as at 01.07.17	Charged during the year	Total as at 30.06.18	
Land & Land Development	2,301,100	-	2,301,100	-	-	-	-	2,301,100
Plant & Machinery & Others	48,794,471	3,032,333	51,826,804	15	34,790,190	2,555,492	37,345,682	14,481,122
Office equip. & Elec.	9,305,001	1,587,743	10,892,744	20	6,817,802	814,988	7,632,790	3,259,954
Boiler Machine	3,236,400	-	3,236,400	15	2,371,378	129,753	2,501,131	735,269
Furniture & Fixture	4,974,790	378,852	5,353,642	10	2,859,280	249,436	3,108,716	2,244,926
Crockaries & cutlaries	31,794	1,600	33,394	10	11,029	2,237	13,265	20,129
Floor Mat	14,680	-	14,680	10	7,895	678	8,574	6,106
Air Conditioner	128,500	191,300	319,800	10	115,238	20,456	135,694	184,106
Fire Door, Alarm & Extinguisher	5,289,397	2,177,989	7,467,386	10	1,097,722	636,966	1,734,688	5,732,698
Vehicles	1,973,077	-	1,973,077	10	1,445,184	52,789	1,497,973	475,104
Generator	3,706,590	-	3,706,590	15	2,389,604	197,548	2,587,152	1,119,438
Total	**79,755,801**	**7,369,817**	**87,125,618**		**51,905,321**	**4,660,345**	**56,565,666**	**30,559,951**

5 Intangible Assets

Particulars	Original Cost			Depreciation				Written down Value as at 30.06.18
	Balance as at 01.07.17	Addition during the year	Total Cost as at 30.06.18	Rate %	Balance as at 01.07.17	Charged during the year	Total as at 30.06.18	
Softwear Development	1,118,600	-	1,118,600	10	347,716	77,088	424,805	693,796

Allocation of depreciation

		30.06.18
Administrative	30%	1,475,192
Factory	70%	3,262,241
	Total	**4,737,433**

		Amount in Taka	
		30 June 2018	30 June 2017
6. Investment			
Shasha Denims Limited		20,616,000	20,616,000
		20,616,000	**20,616,000**
7. Inventories			
Fabric & Others Goods		**46,935,909**	**40,209,460**
8. Advance,Deposit and prepayments			
Advances	8.01	100,087,438	15,081,542
Security Deposit	8.02	438,820	438,820
Prepayments	8.03	16,110,592	22,148,599
		116,636,850	**37,668,961**
8.1 Advances			
Bank Guarantee Margin- Titas		556,000	556,000
Advance Factory Rent		4,255,055	7,356,179
Shahjalal Islami Bank Securities Ltd.		75,000,000	-
Shasha Textiles Ltd.		13,000,000	-
Hashem Plaza-Civil Work		7,276,383	7,169,363
		100,087,438	**15,081,542**
8.2 Security Deposit			
Security Deposit-Titas		331,250	331,250
Security Deposit-DPBS		105,570	105,570
Security Deposit-T & T		2,000	2,000
		438,820	**438,820**
8.3 Prepayments			
Advance against official work & Salary		1,908,531	2,146,368
Deposit and prepayments		78,200	78,200
Mobile Bill		-	710
Tax Paid on Export & Others		11,428,147	13,786,326
Adv. Against Supply		2,695,713	6,136,994
		16,110,592	**22,148,599**
9. Cash and Cash Equivalent		31,422,285	146,826,131
Cash in Hand	9.1	685,954	560,381
Cash at Bank	9.2	30,736,331	146,265,750
9.1 Cash in Hand		**685,954**	**560,381**
9.2 Cash at Bank			
UCBL CD-120/18		268,284	978,559
UCBL Sundry Margin Account		19,300,099	61,672,893
UCBL ERQ A/C -129		5,969,938	8,152,807
IFIC Bank Ltd.-041		908,282	908,282
Premier Bank Ltd. CD-869		1,373,076	1,050,201
Bank Asia Ltd. SND-101		1,012,873	73,125,275
Bank Asia ,Uttara Branch RAD A/C		1,637,744	-
UCBL CD-247, Sonargaon Janapath Branch		266,035	377,733
		30,736,331	**146,265,750**

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	Amount in Taka	
	30 June 2018	30 June 2017
10. Share Capital		
Authorized:	30.06.18	30.06.17
50,00,000 ordinary shares of Tk. 10/- each	5,00,00,000	5,00,00,000
Total	**5,00,00,000**	**5,00,00,000**
Issued, Subscribed and fully paid up:		
15,55,000 ordinary shares of Tk. 10/- each	**1,55,50,000**	**1,55,50,000**

Shareholding Position:

The Ordinary Shareholders of the Company along with their shareholding are as follows:

Name of Shareholders	Nos. of Share	% of Share Position	Face Value
Anisul Islam Mahmud	25,000	2	2,50,000
Zareen Mahmud	15,000	1	1,50,000
Shams Mahmud	15,000	1	1,50,000
Shasha Denims Ltd.	1,500,000	96	15,000,000
Total	**1,555,000**	**100**	**15,550,000**

	Amount in Taka	
	30 June 2018	30 June 2017
11. Accounts payable		
Evermarch	3,700	3,700
Comculus System & Innovation	-	16,500
M & U Packaging	13,063	-
Karnaphuli Insurance	253,689	154,544
Kavasji Nariman	272,147	66,157
RMG Transport	95,327	-
New Khan Transport	947,078	690,578
Nirapad Aluminium	31,245	31,245
DHL	664,059	642,623
G-Six Accessories	78,611	90
Sanyo Ref.	2,200	-
Royal Office	4,100	-
Union Label & Acc.	51,625	-
Tagline Access.	18,032	-
Yang Faa Int.	16,410	-
Lux Washing Plant	141,206	-
Symantec Tech.	947,967	-
Karnaphuli Graphic & Printing	71,036	-
Nilorn Bangladesh	18,958	19,291
Dhaka Logistic Ltd.	595,575	500,644
Bismillaha Electric	3,270	3,270
Montrims Ltd.	21	
ITS Labtest Bangladesh	-	10,274
Jeans Galary	1,284	
Atlantic Industries	309,168	309,168
Violet Raw	883,549	883,549

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		Amount in Taka	
		30 June 2018	30 June 2017
F.H Enterprise		261,087	198,200
Water Fall		204,262	-
AGS Int. Ltd.		162,647	
UL VS Bangladesh		-	68,068
S Alam Trade		142,660	98,400
Naam Drinking Water		28,080	25,000
Fashion Trims		197,204	197,204
		6,419,260	**3,918,504**
12. Liability for Expenses			
Salary & Wages payable		9,198,538	5,360,716
Factory rent payable-Hashem Plaza		4,408,745	3,527,172
Audit Fees Payable		92,000	92,000
Revenue stamp payable		27,990	7,640
Electric bill payable		202,927	216,079
Gas Bill Payable		133,110	118,140
Mobile Bill Payable		1,399	-
Telephone bill payable		2,481	1,996
		14,067,190	**9,323,743**
13. Short Term Loan-Bank			
Packing Credit		1,297,169	-
FBN		6,563,720	6,345,999
		7,860,889	**6,345,999**
14 Provision for Tax			
As per last year		15,371,723	9,073,280
Less: Tax Paid F/Y (2014,2015 & June,16)		9,398,821	535,933
Add: During the year		6,701,674	6,834,376
		12,674,575	**15,371,723**

		Amount in Taka	
		July 17 - June 18	July 16 - June 17
15. Cost of Goods Sold:			
Opening Stock		40,209,460	8,446,060
Add: Materials Purchases		544,114,307	482,168,493
		584,323,768	**490,614,553**
Less: Closing Stock		46,362,718	40,209,460
Cost of Materials Consumed		**537,961,050**	**450,405,093**
Add: Factory Overhead	**15.1**	142,836,810	126,305,084
Cost of Goods Sold		**680,797,860**	**576,710,177**
15.1 Factory overhead			
Factory Wages & Allowance		101,005,215	89,708,650
Electric bill		3,044,239	2,529,852
Gas Bill		1,627,508	1,409,630
Electric goods		307,595	343,323
Spare parts	15.2	2,262,748	1,920,343
Factory rent-Hashem Plaza		14,400,000	14,400,000
Repair		1,442,181	1,558,372
Stationery	15.3	366,852	292,912

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	Amount in Taka	
	July 17 - June 18	July 16 - June 17
Diesel for Generator	461,500	605,085
CNG for Boiler	2,394,991	2,031,157
Night bill	673,400	507,340
Tiffin bill	1,009,634	1,236,186
Medical expenses	76,486	150,582
Entertainment	1,128,867	992,078
Carrying charges	91,030	26,610
Clearing charges	2,142,925	1,230,466
Carriage Inward	593,200	475,950
Labour charges	27,300	83,700
Courier Bill	5,995,332	3,427,464
Fabric Test	173,966	90,863
Insurance Premium	349,600	314,987
Depreciation	3,262,241	2,969,534
	142,836,810	**126,305,084**

15.2 Spare Parts

Opening Stock	-	-
Add: Purchase	2,682,876	1,920,343
Less: Closing Stock	420,128	-
Spare Parts Consumption	**2,262,748**	**1,920,343**

15.3 Stationery

Opening Stock	-	-
Add: Purchase	519,915	292,912
Less: Closing Stock	153,063	-
Stationery Consumption	**366,852**	**292,912**

16. Administrative Expenses

Salary & Allowance	4,447,300	1,805,880
Telephone bill	23,826	27,710
Mobile card	74,418	62,815
Internet Bill	205,149	187,503
Computer Accessories	22,650	21,240
Non-judicial stamps	189,415	103,970
Forms & Others	691,371	463,664
Postage & stamps	65,540	66,910
Uniform & Liveries	5,050	27,500
Office Expenses	287,862	257,654
Renewal & Registration	129,155	177,787
Local Conveyance	298,635	220,726
paper Bill	2,970	-
Credit Rating Fees-(including Vat)	115,000	92,000
Rent,Rates & Taxes	5,100	-
Audit Fees	92,000	92,000
Car Fuel	79,077	-

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	Amount in Taka	
	July 17 - June 18	July 16 -June 17
Car Expenses	18,020	-
Fine for Tax Office	27,250	-
Photocopy	7,430	91,317
Buying House Commission	2,666,801	737,215
Misc.expenses	210,172	160,417
Depreciation	1,475,192	1,358,311
	11,139,383	**5,954,619**

17. Selling Expenses

Carriage outward	2,423,050	1,793,970
Forwarding charges	2,716,510	1,203,199
Trade promotion	232,500	144,850
Freight charges	2,593,349	1,063,419
	7,965,409	**4,205,438**

18. Financial Expenses

Bank Charges & Commission	5,142,848	4,405,567
Foreign Bank Charge	1,983,658	1,627,940
Interest on PC	147,879	521
	7,274,385	**6,034,028**

19. Income Tax

Income Tax for Core business	4,732,427	5,270,303
Income Tax for Other Income	499,308	260,111
Tax Charge after assesmengt	861,475	
Income Tax for Dividend Income	608,464	1,303,962
	6,701,674	**6,834,376**

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পিনাকী এণ্ড কোম্পানী
Pinaki & Company
Chartered Accountants

AUDITORS' REPORT TO THE SHAREHOLDERS OF SHASHA TEXTILES LIMITED

We have audited the accompanying financial statements of Shasha Textiles Limited which comprises the Statement of Financial Position as at 30 June 2018 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994 and other applicable laws 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 misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing (ISA) applicable in Bangladesh ensuring the provisions of the (কোম্পানী আইন, ১৯৯৪ (১৯৯৪ সনে ১৮নং আইন) (Companies Act, 1994), the Financial Reporting Act, 2015 and other relevant laws. Those standards require that we comply with the provisions or professionalisms or practices or ethical requirements of the International Standards on Auditing (ISA), system of quality control requirement under the International Standard on Quality Control (ISQC), the code of Ethics for Professional Accountants and other relevant standards and pronouncements as applicable in Bangladesh. We also 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 the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

AHSANDELL, 2/A, Mymensingh Road (2nd Floor), Shahbag, Dhaka-1000, Bangladesh
Tel # 966-0944, 966-5095, E-mail : pinaki_co@yahoo.com Fax # 88-02-9672726, Mobile # 01711-364850, 01711-106302

পিনাকী এণ্ড কোম্পানী
Pinaki & Company
Chartered Accountants

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

In our opinion, the financial statements prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, and other applicable laws and regulations give a true and fair view of the state of the company's affairs as at 30 June 2018 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

(i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received;

(iii) The Company's Statement of Financial Position and Statement of Profit or Loss and other comprehensive Income and its statements of Cash Flows dealt with by the report are in agreement with the books of account and returns;

(iv) The expenditure incurred was for the purpose of the company's business;

Pinaki & Co

Place: Dhaka
21 October 2018

Pinaki & Company
Chartered Accountants

AHSANDELL, 2/A, Mymensingh Road (2nd Floor), Shahbag, Dhaka-1000, Bangladesh
Tel # 966-0944, 966-5095, E-mail : pinaki_co@yahoo.com Fax # 88-02-9672726, Mobile # 01711-364850, 01711-106302

SHASHA TEXTILES LIMITED

Statement of Financial Position

as at June 30, 2018

Particulars	Note	Amount in Taka	
		30 June 2018	30 June 2017
NON-CURRENT ASSETS		**1,107,963,208**	**1,079,879,653**
Property, plant & equipment	4	1,107,963,208	1,079,879,653
Current Assets		**87,559,449**	**89,605,304**
Advance for Land & Land Development	5	86,143,863	88,182,418
Cash and Cash Equivalent	6	1,415,586	1,422,886
Total		**1,195,522,657**	**1,169,484,957**
EQUITY AND LIABILITIES			
CAPITAL & RESERVE		**1,182,462,727**	**1,169,425,027**
Share Capital	7	70,000,000	70,000,000
Retained Earning		(3,705,794)	(3,160,847)
Share Money Deposit	8	238,500,426	224,917,779
Revaluation reserve		877,668,095	877,668,095
NON CURRENT LIABILITIES		-	-
Current Liabilities		**13,059,930**	**59,930**
Liability for Expenses	9	57,500	57,500
Other Payable	10	13,000,000	-
Provision for Tax		2,430	2,430
Total		**1,195,522,657**	**1,169,484,957**

The annexed notes form an integral part of these statements.

Company Secretary **Director** **Managing Director**

Signed in terms of our separate report of even date annexed.

Place: Dhaka
21 October 2018

Pinaki & Co

Pinaki & Company
Chartered Accountants

SHASHA TEXTILES LIMITED

Statement of Profit or Loss and Other Comprehensive Income

For the year ended on June 03, 2018

Particulars	Note	Amount in Taka	
		Jul'17 to Jun'18	Jul'16 to Jun'17
Revenue		-	-
Less: Operating Expenses	11	48,314	60,051
Gross Profit		**(48,314)**	**(60,051)**
Less: Administrative Expenses	12	489,333	493,942
Operating Profit		**(537,647)**	**(553,993)**
Less: Financial Expenses	13	7,300	4,355
Profit/(Loss) before Non-Operating Income		**(544,947)**	**(558,348)**
Add: Non-Operating Income		-	405,000
Profit/(Loss) before Income Tax		**(544,947)**	**(153,348)**
Less: Income Tax		-	2,430
Net Profit/ (loss) for the period after Tax		**(544,947)**	**(155,778)**

The annexed notes form an integral part of these statements.

Company Secretary **Director** **Managing Director**

Signed in terms of our separate report of even date annexed.

Place: Dhaka
21 October 2018

Pinaki & Company
Chartered Accountants

AMARSTOCK

SHASHA TEXTILES LIMITED

Statement of Changes in Equity

For the year ended on June 03, 2018

2017 - 2018

Amount in Taka

Particulars	Share Capital	Share Money Deposit	Retained Earning	Revaluation Reserve	Total
Balance as on 01.07.17	70,000,000	224,917,779	(3,160,847)	877,668,095	1,169,425,027
Add/Less: during the year	13,582,647				13,582,647
Profit during the year			(544,947)		(544,947)
Balance as on 30.06.18	**70,000,000**	**238,500,426**	**(3,705,794)**	**877,668,095**	**1,182,462,727**

2016 - 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**

The annexed notes form an integral part of these statements.

Company Secretary **Director** **Managing Director**

Signed in terms of our separate report of even date annexed.

Place: Dhaka
21 October 2018

Pinaki & Company
Chartered Accountants

SHASHA TEXTILES LIMITED

Statement of Cash Flows

For the year ended on June 03, 2018

Particulars	Amount in Taka	
	Jul'17 to Jun'18	Jul'16 to Jun'17
Cash flow from operating activities		
Collection from Turnover	-	405,000
Payment for cost & other expenses	(537,647)	(542,493)
Financial expense	(7,300)	(4,355)
Net cash provided by operating activities	**(544,947)**	**(141,848)**
Cash flow from investing activities		
Acquisition of Fixed Assets	(28,083,555)	(72,377,335)
Advance for Land & Land development	2,038,555	(64,336,665)
Net Cash provided by investing activities	**(26,045,000)**	**(136,714,000)**
Cash flow from financing activities		
Share Money Deposit	13,582,647	140,266,493
Other Payable	13,000,000	-
Loan from Director	-	(3,000,000)
Net Cash provided by financing activities	**26,582,647**	**137,266,493**
Increase/ (decrease) in cash and bank balances	**(7,300)**	**410,645**
Cash and bank balances on opening	**1,422,886**	**1,012,241**
Cash and bank balances on closing	**1,415,586**	**1,422,886**

The annexed notes form an integral part of these statements.

Company Secretary **Director** **Managing Director**

Signed in terms of our separate report of even date annexed.

Place: Dhaka
21 October 2018

Pinaki & Co

Pinaki & Company
Chartered Accountants

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SHASHA TEXTILES LIMITED

Notes to the Financial Statements

as at June 30, 2018

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 are 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 01-07-2017 to 30-06-2018

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 Cash and Cash Equivalent

Cash in hand and Bank Balances have been considered as cash and cash equivalents.

3.6 Comparative information's

Comparative figures have been changed where necessary.

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04 Property, plant & equipment

Particulars	Original Cost			Depreciation				Written down Value as at 30.06.18
	Balance as at 01.07.17	Addition during the year	Total Cost as at 30.06.18	Rate %	Balance as at 01.07.17	Charged during the year	Total as at 30.06.18	
Land & Land Development	1,079,710,290	28,038,555	1,107,748,845		-	-	-	1,107,748,845
Other Assets	169,363	45,000	214,363		-	-	-	214,363
Total	**1,079,879,653**	**28,083,555**	**1,107,963,208**		**-**	**-**	**-**	**1,107,963,208**

Particulars	Amount in Taka	
	30 June 2018	30 June 2017
05 Advance for Land & Land Development		
Mr. Saiful Islam	86,059,023	88,097,578
Adv. For Office Employee	84,840	84,840
	86,143,863	**88,182,418**
06 Cash and Cash Equivalent	**1,415,586**	**1,422,886**
Cash In Hand	405,034	405,034
Cash at Bank	1,010,552	1,017,852
The Premier Bank Ltd.CD-010211100007609	1,005,907	1,009,557
United Commercial Bank Ltd. CD-105-440	4,645	8,295
07 Share Capital		
Authorized Capital		
50,000,000 Ordinary Shares of Tk. 10/= each	**500,000,000**	**500,000,000**
Issued, Subcribed and fully Paid up:		
7,000,000 ordinary shares of Tk. 10/= each	**70,000,000**	**70,000,000**

Shareholding Position:

The Ordinary Shareholders of the Company along with their shareholding are as follows:

Name of Shareholders	Nos. of Share	% of Share Position	Face Value
Mr. Anisul Islam Mahmud	5,000	0.07%	50,000
Mrs. Parveen Mahmud	5,000	0.07%	50,000
Mrs. Zareen Mahmud	5,000	0.07%	50,000
Mr. Shams Mahmud	5,000	0.07%	50,000
Mr. Mahmud Issa	5,000	0.07%	50,000
Dr. Moinul Islam Mahmud	5,000	0.07%	50,000
Shasha Denims Limited	6,970,000	99.57%	69,700,000
Total	**7,000,000**	**100**	**70,000,000**

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Particulars	Amount in Taka	
	30 June 2018	30 June 2017
08 Share Money Deposit		
Shasha Denims Limited	238,500,426	224,917,779
09 Liability for Expenses		
Audit Fees Payable	57,500	57,500
10 Other Payable		
Shasha Garments Ltd.	13,000,000	-

	Amount in Taka	
	July 17 - June 18	July 16 - June 17
11 Operation Expenses		
Land Tax, Rates & Others	41,820	56,451
Electric Bill	6,494	3,600
	48,314	**60,051**
12 Administrative Expenses		
Fees & Form	5,026	27,302
Office Expenses	520	9,950
Entertainment	11,718	9,400
Survey Bill	85,500	300,350
Salary	200,000	68,000
Conveyance	4,800	5,400
Audit Fees	57,500	57,500
Carrying Charge	2,700	-
Misc. Expenses	121,569	16,040
	489,333	**493,942**
13 Financial Expenses		
Bank Charge	7,300	4,355

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SHASHA DENIMS LIMITED

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 21st Annual General Meeting of the Company to be held on19th December, 2018 at 10.30 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 _____, 2018

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 LIMITED

Head Office, House # 23, Road # 129, Gulshan-1, Dhaka.

ATTENDANCE SLIP

I hereby record my attendance at 21st Annual General Meeting of the Company being held on 19th December, 2018 at 10.30 a.m. at the Auditorium of Trust Milonayatan, Dhaka Cantonment, Dhaka.

Name of the Member/Proxy _____

BO ID:																

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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