

SHEPHERD INDUSTRIES LIMITED

Statement of Financial Position

(Un-Audited)

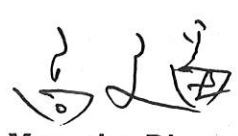
As on 31 December 2020

Particulars	Notes	Amount in Taka 31.12.2020	Amount in Taka 30.06.2020
ASSETS:			
Non-Current Assets		1,656,142,654	1,693,228,137
Property, Plant & Equipment	4.00	1,654,122,154	1,690,573,060
Capital Work-in-Progress	5.00	1,908,000	2,497,577
Intangible Asset	6.00	112,500	157,500
Current Assets		2,862,616,635	3,118,653,444
Inventories	7.00	1,868,634,222	1,755,307,408
Trade & other Receivables	8.00	875,580,832	1,245,861,582
Investment	9.00	-	9,720,250
Advance, Deposit & Prepayments	10.00	62,558,395	52,047,818
Cash and Cash Equivalents	11.00	55,843,186	55,716,386
		4,518,759,289	4,811,881,581
EQUITY AND LIABILITIES			
Shareholders' Equity		2,272,373,288	2,373,556,970
Share Capital	12.00	1,502,892,420	1,502,892,420
Revaluation Reserve	13.00	524,383,963	526,945,698
Retained Earnings	14.00	245,096,905	343,718,852
Non-Current Liabilities		132,028,856	132,336,031
Deferred Tax liabilities	16.00	132,028,856	132,336,031
Current Liabilities		2,114,357,145	2,305,988,580
Loan from Shareholders'	17.00	33,728,933	33,728,933
Current a/c with Related Entity	18.00	95,957,965	115,272,395
Trade & other Payables	19.00	186,916,889	233,328,888
Obligation under Finance Lease-Current Portion	15.00	-	291,979
Short Term Bank Loan	20.00	1,620,591,159	1,764,237,748
Outstanding IPO Subscription	21.00	49,750	64,750
Liabilities for Expenses & Provisions	22.00	177,112,449	159,063,887
		4,518,759,289	4,811,881,581
Net Asset Value (NAV) Per Share	32.00	15.12	15.79

 Chief Financial Officer

 Company Secretary

Director

 Managing Director

Chairman

SHEPHERD INDUSTRIES LIMITED
Statement of Profit or Loss and Other Comprehensive Income
(Un-Audited)

For the six months period ended December 31, 2020

Particulars	Notes	Amount in Taka	Amount in Taka	Amount in Taka	Amount in Taka
		01.07.2020	01.07.2019	01.10.2020	01.10.2019
		To	To	To	To
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
Revenue	23.00	1,035,304,205	1,452,682,412	530,778,760	699,350
Less: Cost of Sales	24.00	(1,011,122,794)	(1,253,978,120)	(519,917,557)	(611,386)
Gross Profit		24,181,411	198,704,292	10,861,203	87,963
Less: Operating Expenses		(34,946,563)	(34,597,245)	(18,194,195)	(16,162)
Selling & Distribution Expenses	27.00	(5,124,971)	(5,339,772)	(2,574,038)	(2,641)
Administrative Expenses	28.00	(29,821,592)	(29,257,473)	(15,620,157)	(13,520)
Profit from Operation		(10,765,152)	164,107,047	(7,332,992)	71,800
Foreign Currency Gain/(Loss)	25.00	(176,832)	(3,058,349)	1,599,395	(758)
Add: Other income	26.00	9,305,885	9,491,770	5,069,636	2,955
Less: Financial Expenses	29.00	(78,558,173)	(110,991,102)	(41,052,216)	(55,089)
Net Profit/ (Loss) before tax		(80,194,272)	59,549,366	(41,716,177)	18,908
Income Tax Expense:		(6,412,558)	(9,894,234)	(3,305,103)	(2,645)
Current Tax	30.00	(6,267,661)	(9,828,782)	(3,215,090)	(2,949)
Deferred Tax Income/(Expenses)	Annex-B	(144,897)	(65,452)	(90,013)	304
Net Profit/ (Loss) after Tax for the period		(86,606,830)	49,655,132	(45,021,280)	16,262
Basic & Diluted Earning Per share	31.00	(0.58)	0.33	(0.30)	(0.30)


Chief Financial Officer


Company Secretary

Director


Managing Director

Chairman

SHEPHERD INDUSTRIES LIMITED

Statement of Changes in Equity

(Un-Audited)

For the six months period ended December 31, 2020

Particulars	Paid up Capital	Revaluation Reserve	Retained Earnings	Total Equity
Opening balance as on 01-07-2020	1,502,892,420	526,945,698	343,718,852	2,373,556,970
Less: Stock Dividend	-	-	(15,028,924)	(15,028,924)
Less: Depreciation on revaluation transfer to retained earnings	-	(3,013,807)	3,013,807	-
Add/(Less): Deferred Tax Income/(Expenses) during the period	-	452,072	-	452,072
Add: Net profit/(loss) for the period	-	-	(86,606,830)	(86,606,830)
Closing balance on 31 December 2020	1,502,892,420	524,383,963	245,096,905	2,272,373,288

SHEPHERD INDUSTRIES LIMITED

Statement of Changes in Equity

(Un-Audited)

For the six months period ended December 31, 2019

Particulars	Paid up Capital	Revaluation Reserve	Retained Earnings	Total Equity
Opening balance as on 01-07-2019	1,366,265,840	532,638,444	496,674,284	2,395,578,568
Less: Cash Dividend	136,626,580	-	(136,626,580)	-
Less: Depreciation on revaluation transfer to retained earnings	-	(3,279,680)	3,279,680	-
Add/(Less): Deferred Tax Income/(Expenses) during the period	-	491,952	-	491,952
Add: Net profit/(loss) for the period	-	-	49,655,132	49,655,132
Closing balance on 31 December 2020	1,502,892,420	529,850,716	412,982,516	2,445,725,652

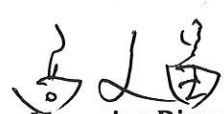


Chief Financial Officer



Company Secretary

Director



Managing Director

Chairman

SHEPHERD INDUSTRIES LIMITED

Statement of Cash Flows

(Un-Audited)


For the six months period ended December 31, 2020

Particulars	Notes	Amount in Taka	Amount in Taka
		01.07.2020	01.07.2019
		To	To
		31.12.2020	31.12.2019
A. Cash Flows from Operating Activities			
Received from customers and others	33.00	1,411,100,875	1,488,642,901
Payment to Creditors, Suppliers, Employees and Others	34.00	(1,165,743,085)	(1,669,431,062)
Cash inflow/(outflow) from operation		245,357,790	(180,788,161)
Income Tax Paid	35.00	(9,664,715)	(22,460,345)
Financial Expenses		(78,558,173)	(110,991,102)
Net cash used in Operating Activities	37.00	157,134,902	(314,239,608)
B. Cash Flows from Investing Activities			
Acquisition of Property, Plant & Equipments		(2,490,528)	(5,526,420)
Advance against building and civil construction		-	(31,500,000)
Payment for Capital Work-in-Progress		(1,908,000)	(19,897,227)
Investment on FDR		9,720,250	(3,500,000)
Net cash used in Investing Activities		5,321,722	(60,423,647)
C. Cash Flow from Financing Activities			
Current a/c with Related Entity		(19,314,430)	67,948,490
Outstanding IPO Subscription		(15,000)	-
Obligation under Finance Lease Received/(Paid)-Net		(291,979)	(1,465,184)
Short Term Loan Received/(Paid)-Net		(143,646,589)	310,331,883
Dividend Paid		-	(113,454)
Net cash used in by Financing Activities		(163,267,998)	376,701,735
D. Net Increase/(Decrease) in cash and Cash Equivalent		(811,374)	2,038,480
E. Cash & Cash Equivalent at beginning at the period		55,716,386	28,794,484
F. Unrealized Foreign Exchange Gain/(Loss)		938,174	97,581
G. Cash & Cash Equivalent at the end of the period		55,843,186	30,930,545
Net Operating Cash Flows Per Share (NOCFPS)	36.00	1.05	(2.09)

 Chief Financial Officer

 Company Secretary

Director

 Managing Director

Chairman

SHEPHERD INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE PERIOD ENDED 31 DECEMBER 2020

1 About the Company

1.01

SHEPHERD INDUSTRIES LIMITED, a private limited company limited by shares incorporated with the Registrar of Joint Stock Companies & Firms under the Companies Act 1994 on 21 August 2000 vide registration No. C-41066(425)/2000. The registered office of the company is located at House # 24, Road # 04, Sector # 04, Uttara Model Town, Dhaka-1230, Bangladesh. The Industrial unit is located at Kathalia, Bhaluka, Mymensingh. The company converted into public limited company with effect from June 08, 2015. The company is a publicly traded company and listed with Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd from 23 February 2017 and 25 February 2017 respectively.

The commercial production of the company was commenced on 18 October 2001.

1.02 Nature of Business Activities

Shepherd Industries limited is a 100% export oriented company engaged in dyeing of different counts of cotton, acrylic, viscose and nylon yarn and washing of different type of garments & fabrics which are marketed to the direct exporters.

2 Significant Accounting Policy for the presentation of the financial Statements

The specific accounting policies selected and applied by the company's management for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

2.01 Corporate Financial Statements

The financial statements have been prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1994 and the International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) as applicable to this Company. The Board of Directors is responsible for preparing and presenting the financial statements including adequate disclosures, which approved and authorized for issue of these financial statements.

2.02 The financial statements are presented in accordance with guidelines provided by IAS 1 : Presentation of Financial Statements

The financial statements comprises the following;

- Statement of Financial Position as on December 31, 2020;
- Statement of Profit or Loss and other Comprehensive Income for the Period December 31, 2020;
- Statement of Change in Equity for the year period December 31, 2020;
- Statement of Cash Flows for the year period December 31, 2020;
- Accounting Policies and explanatory notes to the Financial Statements for the period ended December 31, 2020.



2.03 Functional and presentation currency

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

2.04 Comparative Information

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

2.05 Going Concern

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

2.06 Foreign Currency Transaction:

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

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

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

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

2.07 Reporting Period

The financial statements covers six months from July 01, 2020 to December 31, 2020.

2.08 Fundamental Accounting Concepts/ Assumption

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

2.09 Use of estimates and judgments

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

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



2.10 Regulatory Compliance

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

The Companies Act, 1994

The Bangladesh Securities and Exchange Rule 1987

The Bangladesh Securities and Exchange Commission Act 1993.

The Income Tax Ordinance, 1984

The Income Tax Rules, 1984

The Value Added Tax (VAT) Act, 1991

The Custom Act 1969

Dhaka Stock Exchange Listing Regulation 2015

2.11 Compliance with IAS & IFRS

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

Name of the accounting Standerds	Ref. No	Status of Application
Presentation of Financial Statements	IAS 1	Applied
Inventories	IAS 2	Applied
Statement of Cash Flows	IAS 7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors.	IAS 8	Applied
Events after the Reporting Period	IAS 10	Applied
Income Taxes	IAS 12	Applied
Property, Plant and Equipment	IAS 16	Applied
Employee Benefits	IAS 19	Applied
The Effects of Changes in Foreign Exchange Rates	IAS 21	Applied
Borrowing Cost	IAS 23	Applied
Related Party Disclosures	IAS 24	Applied
Financial Instruments : Presentation	IAS 32	Applied
Earnings Per Share	IAS 33	Applied
Impairment of Assets	IAS 36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS 37	Applied
Intangible Assets	IAS 38	Applied
Investment Property	IAS 40	Applied
Financial Instruments : Disclosures	IFRS 7	Applied
Financial Instruments	IFRS 9	Applied
Revenue from contracts with customers	IFRS 15	Applied
Leases	IFRS 16	Not Applied

2.12 Events after the Reporting Period

In compliance with the requirements of IAS 10: Events after the reporting period, "Post Balance Events" that provide additional information about the company's position at the balance sheet date are reflected in the financial statements and events after the balance sheet date that are not adjusting events are disclosed in the notes when material.



2.13 Recognition and Measurement of Tangible Fixed Assets

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

2.14 Revaluation of Property, Plant & Equipment (PPE)

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

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

2.15 Depreciation of Tangible Fixed Assets

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

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

	Rate (%)
Building - Factory	10%
Land & Land Development	0%
Plant & Machinery	10%
ETP	15%
Electric Equipment & Line Installation	10%
Fire Fighting Equipment	10%
Tools & Equipments	20%
Gas Line Installation	10%
Building - Head Office	5%
Office Equipment	10%
Air Conditioner & Electric Appliance	10%
Lift - Head Office, Uttara	10%
Furniture & Fixture	10%
Office Decoration	10%
Car & Vehicles	15%
Telephone Equipments	10%



2.16 Impairment of assets

I) Financial Assets

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

II) Non-Financial assets

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

2.17 Inventories

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

2.18 Trade and Other Receivables

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

2.19 Cash & Cash Equivalents

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

2.20 Income Tax

- a) **Current Tax:** Provision for income tax has been made @ 15% on net profit before tax of the company except other income as per Income Tax Ordinance 1984. However provision @ 25% has been made on other income of the company.



- b) **Deferred tax:** Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the financial statement date.

2.21 Leased Assets

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

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

2.22 Revenue Recognition

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

2.23 Employee Benefits

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

The company got recognition from Commissioner of Taxes its provident fund scheme (Defined Contribution Plan) vide order no: bw_ bs - 4G-28/KA-2/Avmv/cÖwf±W>U dvÛ/2014-2015/1308(3) Zvwil t 27/05/2015 wL^{at} for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. All permanent employees contribute to the provident fund and the company also makes equal contribution.

The company got recognition from National Board of Revenue its gratuity fund vide order no: bw_ bs - 08.01.0000.035.02.0016.2015/178 Zvwil t 01/07/2015 wL^{at} for employees of the company eligible to be members of the fund in accordance with the rules of the gratuity fund constituted under an irrevocable trust.



2.24 Borrowing Cost

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

2.25 Financial expenses

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

2.26 Statement of Cash Flows

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

2.27 Earnings Per Share (EPS)

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

Basic Earnings per share (Numerator /Denominator)

Earnings (Numerator)

*This represents earning for the period attributable to ordinary shareholders

No. of ordinary shares (Denominator)

This represents weighted average number of ordinary share outstanding during the year.

Diluted Earnings per share

As per the existing conditions of the loans taken by the company from various financial institutions or other contracts with various parties including employees, there is no condition related to conversion or stipulation related to share based payments for material and services supplied by them to the company. Hence , Diluted EPS of the company is same as basic EPS.

2.28 Operating Segments

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

2.29 Provisions

In accordance with the guidelines as prescribed by IAS-37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations;

- a. when the company has an obligation (legal or constructive) as a result of past events;
- b. when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c. Reliable estimates can be made of the amount of the obligation.



2.30 Contingent Liabilities and Contingents Assets

Contingent Liabilities and Contingents Assets are present or possible obligations on liabilities or assets, arising from past events and existence of which depends upon the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company or which amount of the obligations cannot be measured with sufficient reliability in accordance with IAS-37.

The company has a contingent liability of Tk. 74,165,730 with the bank for issuing bank guarantee against Security Deposit required by Titas Gas Transmission and Distribution company for Gas connection. The company deposited Taka 2,913,843 as bank guarantee margin.

2.31 Intangible Assets

In Compliance with the requirements of IAS, 38 Intangible Assets'

The following terms are used in this Standard with the meanings specified:

Amortization is the systematic allocation of the depreciable amount of an intangible asset over its useful life.

An asset is a resource:

(a) controlled by an entity as a result as past events; and

(b) From which future economic benefits are expected to flow to the entity.

Intangible assets are being written off @20% on straight line method.

2.32 Financial Instrument

A financial instrument in any contract that gives rise to financial assets and a financial liability or equity instrument of another entity.

Financial assets:

Financial assets of the company include cash and cash equivalents, Trade and other receivables and equity instrument of another entity. The company initially recognized receivable on the date they are originated. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provision of the transaction. The company derecognizes a financial asset when, and only when the contractual rights or probabilities of receiving the cash flows on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial assets are transferred.

Financial liability:

Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes the financial liabilities when its contractual obligations are discharged or cancelled or expired or no more exist. Financial liabilities includes payable for expense, liability for capital expenditure and other current liabilities.

2.33 Related Party Disclosures

The Company in normal course of business carried out a number of transactions with directors/entities that fall within the definition of related party contained in International Accounting Standard (IAS) 24: Related Party Disclosures. The disclosure relating to related parties have been shown in note # 39.2.



2.34 Investment Property

For Investment Property, the company follows fair value model as subsequent measurement. A gain or loss arising from a change in the fair value of investment property is recognized in Statement of Profit or loss for the year in which it arises.

3 Risk exposure

3.01 Interest rate risk

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

Management perception

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

3.02 Exchange rate risk

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

Management perception

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

3.03 Industry risks

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

Management perception

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

3.04 Market risks

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



Management perception

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

3.05 Operational risks

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

Management perception

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

3.06 Liquidity risk

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

Management perception

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



	Amount in Taka 31.12.2020	Amount in Taka 30.06.2020
4.00 Property, Plant & Equipment		
A. Cost		
Opening balance	2,471,747,830	2,243,833,405
Add: Addition during the Period	4,988,105	227,914,425
	<u>2,476,735,935</u>	<u>2,471,747,830</u>
B. Accumulated Depreciation		
Opening balance	781,174,770	710,951,464
Add: Addition during the Period	41,439,011	70,223,306
Accumulated Depreciation	<u>822,613,781</u>	<u>781,174,770</u>
Written Down Value (A - B)	<u>1,654,122,154</u>	<u>1,690,573,060</u>

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

5.00 Capital Work-in-Progress

Building-Factory	-	776,000
Plant & Machineries	4,405,577	80,806,383
	<u>4,405,577</u>	<u>81,582,383</u>
Less: Transfer to Property, Plant & Equipments	2,497,577	79,084,806
	<u>1,908,000</u>	<u>2,497,577</u>

The above represents the expenses against civil construction and imported machineries which are not available for use as on the reporting date. Such assets shall be transferred to Property, Plant & Equipments when they will be available for use as per management's intention.

6.00 Intangible Asset

Opening Balance	157,500	247,500
Less: Write off during the Period @ 20%	(45,000)	(90,000)
Written Down Value	<u>112,500</u>	<u>157,500</u>

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

7.00 Inventories

Raw Materials	1,371,066,354	1,265,830,207
Dyes & Chemical	275,568,979	267,685,540
Work-in-Process	65,223,597	68,597,406
Finished Goods	143,325,615	139,897,846
Packing Materials	6,875,257	5,463,361
Stores & Spares	6,574,420	7,833,048
	<u>1,868,634,222</u>	<u>1,755,307,408</u>

8.00 Trade & other Receivables

This has been arrived as under;
Accounts receivable
Other Receivable

873,399,943	1,245,459,773
2,180,889	401,809
<u>875,580,832</u>	<u>1,245,861,582</u>

Classification schedule as required by Schedule XI of Companies Act 1994 is as follows:

i) Accounts Receivable considered good in respect of which the company is fully secured	873,399,943	1,245,459,773
ii) Accounts Receivable considered good in respect of which the company holds no security other than the debtor's personal security	2,180,889	401,809
iii) Accounts Receivable considered doubtful or bad	-	-
iv) Accounts Receivable due by any director or other officer of the company	-	-



v) Accounts Receivable due by Common management
vi) The maximum amount of receivable due by any director or other officer of the company

The aging of trade and other receivables is as follows:

Ageing Schedule:	Accounts Receivable	Other Receivable	Total	Total
Within Three Months	525,465,120	1,076,762	526,541,882	382,252,953
Three to Six Months	292,156,875	1,104,127	293,261,002	642,624,257
More than Six Months	55,777,948	-	55,777,948	220,984,372
	873,399,943	2,180,889	875,580,832	1,245,861,582

9.00 Investment

This has been arrived as under;
Investment in FDR

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

10.00 Advance, Deposits & Prepayments

The Break-up of the Amount is given below:

Advances
Deposits

42,652,508	38,271,500
19,905,887	13,776,318
62,558,395	52,047,818

11.00 Cash and Cash Equivalents

The Break-up of the Amount is given below:

Cash in Hand
Cash at Banks (Note -11.01)

414,077	751,861
55,429,109	54,964,525
55,843,186	55,716,386

11.01 Cash at Bank

Bank Name & Account Number

Bank Alfalah CD-070201701321
Eastern Bank CD # 1131060206101
Eastern Bank Margin
IFIC Bank CD # 1002-535257001
IFIC Bank CD # 1002-535257071
Southeast Bank DAD (\$) # 15400000019
Southeast Bank FC (\$) # 15500000371
National Bank A/C # 0043-33017514
DBBL-CD A/C # 117-110-037216
IFIC A/C # 0170231013001
IFIC A/C # 0170330270001
IFIC A/C # 1002-535257-836 (USD A/c)
IFIC A/C # 1002-063136-041 (Taka A/c)
IFIC A/C # 1002-063136-051 (USD A/c)
IFIC A/C # 1002-063136-052 (GBP A/c)
NBL FC A/C-0043-84004808 (USD A/c)
Trust Bank A/C # 5025000416 (USD A/c)
Pubali Bank CD # 4465901009224
Southeast Bank CD # 111-17190
Southeast Bank # 0094
Shahjalal Islami Bank CD A/C # 400811100010420
Trust Bank CD # 9820

-	22,975
9,822,325	2,060,256
5,864,796	424,251
89,002	427,622
282,206	21,540
15,727,598	31,688,708
1,246,207	-
3,233	3,728
11,919	17,801
297,966	301,311
5,224	5,712
1,863,651	8,887,816
64,189	63,994
49,231	65,496
5,012	4,512
168,108	168,207
5,204	5,207
420,914	303,777
9,475,907	1,969,590
10,020,619	8,514,429
3,505	3,850
2,293	3,743
55,429,109	54,964,525



Amount in Taka	Amount in Taka
31.12.2020	30.06.2020

12.00 Share Capital

Authorized Capital:

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

1,900,000,000	1,900,000,000
---------------	---------------

Paid up Capital:

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

1,502,892,420	1,502,892,420
---------------	---------------

Particulars	Amount in Taka	Amount in Taka
150,289,242 Ordinary Shares @ Tk. 10 each fully paid up in cash	1,502,892,420	1,502,892,420
150,289,242 Ordinary Shares	1,502,892,420	1,502,892,420

History of Share Capital

Allotment	Date of Allotment	Consideration in Cash	Bonus	Total	Cumulative Paid-up Capital
Subscription	01-08-00	60,600		60,600	60,600
Fresh Issue	01-07-02	7,939,400		7,939,400	7,939,400
Fresh Issue	12-11-11	857,400		857,400	857,400
Fresh Issue	01-04-15	10,262,000		10,262,000	10,262,000
Fresh Issue	14-02-16	85,086,586		85,086,586	85,086,586
IPO Issued	21-11-17	-	20,000,000	20,000,000	20,000,000
Bonus Issue	21-11-17	-	12,420,598	12,420,598	12,420,598
Bonus Issue	26-12-19	-	13,662,658	13,662,658	13,662,658
Total		104,205,986	46,083,256	150,289,242	150,289,242

13.00 Revaluation Reserve

This has been arrived as under;

Opening Balance

Less: Depreciation on revaluation transferred to retained earnings

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

526,945,698	532,638,444
(3,013,807)	(6,697,348)
452,072	1,004,602
524,383,963	526,945,698

14.00 Retained Earnings

This has been arrived as under;

Opening balance

Less: Stock Dividend

Less: Cash Dividend

Add: Net profit (Loss) for the year

Add: Depreciation transferred from revaluation reserve

343,718,852	496,674,284
-	(136,626,580)
(15,028,924)	-
(86,606,830)	(23,026,200)
3,013,807	6,697,348
245,096,905	343,718,852

15.00 Obligation under finance lease

This consist of the following;

Lease Liability-IDLC

Lease Liability-MFIL

-	-
-	291,979
-	291,979
-	291,979
-	-

Less: Current portion

Non-Current portion

15.01 Aging Schedule for lease finance

Within One year

Witing two to four years

-	-
-	-

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



16.00 Deferred Tax liabilities

This has been arrived as under;

	Amount in Taka 31.12.2020	Amount in Taka 30.06.2020
Opening Balance	132,336,031	127,619,916
Add/(Less): Deferred Tax Expenses/(Income) recognized in Statement of Profit or Loss and other comprehensive income	144,897	5,720,717
Add/(Less): Deferred Tax Expenses/(Income) recognized directly in Statement of Changes in Equity	(452,072)	(1,004,602)
	<u>132,028,856</u>	<u>132,336,031</u>

The details have been shown in **Annexure-B**

17.00 Loan from Shareholders'

<u>33,728,933</u>	<u>33,728,933</u>
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The above represents share money deposit received from shareholders against which no allotment has been made as per instruction BSEC Letter ref. no. BSEC/CI/CPLC-519/2015/582 dated November 24, 2015 and transferred to loan account as per decision of the Board.

18.00 Current Accounts with Related Entity

This has been arrived as under;

Party Wise break down given below:

Shepherd Textile (BD) Ltd

Shepherd Jeans Ltd.

32,937,965	45,425,645
63,020,000	69,846,750
<u>95,957,965</u>	<u>115,272,395</u>

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

19.00 Trade & Other Payables

This has been arrived as under;

Trade Payable

Other Payable

154,193,558	196,710,065
32,723,331	36,618,823
<u>186,916,889</u>	<u>233,328,888</u>

All the trade payables disclosed here are arisen from purchasing yarn, dyes & chemical, packing materials, providing of services etc. from both foreign & local suppliers and service providers.

Ageing Schedule:	Trade Payable	Other Payable	Total	Total
Within Three Months	142,202,258	7,030,648	149,232,906	153,672,983
Three months to six months	11,991,300	24,810,355	36,801,655	77,732,269
More than six months	-	882,328	882,328	1,923,636
	<u>154,193,558</u>	<u>32,723,331</u>	<u>186,916,889</u>	<u>233,328,888</u>

20.00 Short Term Bank Loan

This consist of the following;

Demand Loan	IFIC Bank Limited	255,235,335	259,651,736
LDBP Loan	Eastern Bank Ltd	12,348,322	5,160,713
LDBP Loan	IFIC Bank Limited	38,990,000	32,717,000
LDBP Loan	Southeast Bank Limited	266,937,171	278,437,415
Time Loan	Southeast Bank Limited	70,845,000	-
Force Loan	Southeast Bank Limited	-	327,720,922
EDF Loan	Southeast Bank Limited	454,226,011	285,765,129
SOD - IFIC Bank	IFIC Bank Limited	50,782,983	50,897,087
SOD-Southeast Bank	Southeast Bank Limited	81,863,182	83,037,147
Loan Against Trust Receipt	Southeast Bank Limited	389,363,155	440,850,599
		<u>1,620,591,159</u>	<u>1,764,237,748</u>



			Amount in Taka	Amount in Taka
			31.12.2020	30.06.2020
Particulars	IFIC	EBL	SBL	
Nature:	Short term loan	Short term loan	Short term loan	
Purpose:	Working capital	Working capital	Working capital	
Tenure:	One year	One year	One year	
Repayment:	From Export Proceed	From Export Proceed	From Export	
Rate of Interest	6.00%~11.00%	6.00%~9.00%	6.00%~11.00%	
Security:	Mortgage of 432 Decimals of land with factory premises, 673 decimals land with two pre-fabricated and three semi pacca building, measuring 103164 sft at valuka. Post dated cheque, Hypothecation of machineries, raw materials, work in process & finished goods duly insured covering the risk of fire and personal guarantee of all directors	Hypothecation of machineries, raw materials, work in process & finished goods duly insured covering the risk of fire.	Mortgage of 655.75 decimals at Bhaluka and Hypothecation of machineries, raw materials, work in process & finished goods duly insured covering the risk of fire and personal guarantee of all directors.	

21.00 Outstanding IPO Subscription

The break-up of the amount is given below:

Bank Name & Account Number

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

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

45,500	60,500
4,250	4,250
49,750	64,750

22.00 Liabilities for Expenses & provisions

This consist of the following;

Salary & Allowance-Payable

Dividend Payable

Tax Deduction at Source

Gas, Electric Bill & Internet Bill Payable

Audit & Professional Fees Payable

Employees CPF Payable

Provision for Employees' Gratuity Fund

Provision for Income Tax

(Note-22.01)

9,343,429	12,182,712
15,395,468	366,544
14,435,746	11,723,170
33,594,195	33,760,623
603,750	402,500
994,386	2,960,200
46,470,370	44,660,694
56,275,105	53,007,444
177,112,449	159,063,887

22.01 Provision for Income Tax

Opening Balance

Add: Provided during the year/period

Less: Paid during the year/Period

Less: Adjusted during the year/period

53,007,444	44,124,532
6,267,661	15,437,436
59,275,105	59,561,968
(3,000,000)	(6,554,524)
-	-
56,275,105	53,007,444



Amount in Taka	Amount in Taka	Amount in Taka	Amount in Taka
01.07.2020	01.07.2019	01.10.2020	01.10.2019
To	To	To	To
31.12.2020	31.12.2019	31.12.2020	30.12.2019

23 Revenue

Export Sales

1,035,304,205	1,452,682,412	530,778,760	699,350,669
<u>1,035,304,205</u>	<u>1,452,682,412</u>	<u>530,778,760</u>	<u>699,350,669</u>

24 Cost of Sales

This has been arrived as under;

Work in process (Opening)
Add: Raw Material Consumed
Add: Factory Overhead
Less: Work in Process (Closing)
Cost of Production
Add: Finished Goods (Opening)
Finished Goods Available for sale
Less: Finished Goods (Closing)
Cost of Sales

Note-24.01
Note-24.02

68,597,406	58,703,132	64,955,376	57,425,450
806,290,492	1,057,951,570	433,774,908	526,846,574
204,886,262	204,531,346	93,510,901	96,633,714
(65,223,597)	(62,515,450)	(65,223,597)	(62,515,450)
1,014,550,563	1,258,670,598	527,017,588	618,390,288
139,897,846	127,856,088	136,225,584	125,545,256
1,154,448,409	1,386,526,686	663,243,172	743,935,544
(143,325,615)	(132,548,566)	(143,325,615)	(132,548,566)
1,011,122,794	1,253,978,120	519,917,557	611,386,978

24.01 Raw Material Consumed

Opening Stock
Raw Materials
Dyes & Chemicals
Packing Materials
Add: Cost of Materials Purchased
Raw materials
Dyes & chemicals
Packing materials
Carrying inward
Insurance
Clearing & forwarding expenses
Raw Materials available for Consumption
Less : Closing Stock
Raw Materials
Dyes & Chemicals
Packing Materials
Raw Materials Consumed

1,538,979,108	1,409,669,635	1,537,987,971	1,417,035,705
1,265,830,207	1,208,079,320	1,260,055,840	1,199,448,152
267,685,540	195,163,403	272,866,587	210,732,995
5,463,361	6,426,912	5,065,544	6,854,558
920,821,974	1,181,833,016	549,297,527	643,361,950
786,200,202	972,841,654	479,629,578	528,211,756
108,101,896	179,743,287	53,778,619	99,243,043
11,431,467	12,684,828	6,377,151	5,418,873
5,364,300	7,793,668	3,378,700	4,025,208
2,110,621	2,189,587	1,291,785	1,212,640
7,613,488	6,579,992	4,841,694	5,250,430
2,459,801,082	2,591,502,651	2,087,285,498	2,060,397,655
1,653,510,590	1,533,551,081	1,653,510,590	1,533,551,081
1,371,066,354	1,289,933,739	1,371,066,354	1,289,933,739
275,568,979	239,112,450	275,568,979	239,112,450
6,875,257	4,504,892	6,875,257	4,504,892
806,290,492	1,057,951,570	433,774,908	526,846,574

24.02 Factory Overheads

This has been arrived as under;

Ansar Guard Expenses
Conveyance
Contribution to Gratuity Fund
Contribution to Provident Fund
Crockeries & Cutleries
Depreciation
Electricity Bill
ETP Expenses
Fire Fighting Expenses
Forms, Stamps, Documents etc.
Fuel, Oil & Lubricants
Gas Bill
Gas Bill-Factory Residence
Hangs, Twisting & Winding Expenses
Insurance-Fire
Loading & Unloading Charge
Medical Expenses
Printing- Factory
Rates & Taxes
Repair & Maintenance of Building, Machineries etc.
Stationeries
Sundry Expenses
Testing Charge
Tiffin, Refreshment & Entertainment
Uniform & Liveries
Wages, Salaries & Allowances
Washing & Cleaning Expenses

32,400	32,400	16,200	16,200
415,495	392,210	239,135	196,105
2,217,702	2,331,910	1,108,851	1,165,955
1,446,309	1,471,524	720,352	729,316
4,116	1,650	1,976	-
37,629,916	29,115,734	18,836,461	14,417,107
5,880,207	3,328,244	609,102	1,450,679
15,440	251,600	4,590	208,600
47,706	100,613	47,706	80,791
129,450	121,605	84,460	76,135
1,389,276	1,839,432	565,343	520,698
70,433,999	70,381,550	34,292,958	35,946,713
100,442	118,496	50,221	53,584
809,826	925,864	182,849	580,373
1,678,604	1,049,326	839,302	524,663
185,307	832,707	97,530	168,427
113,252	73,040	80,663	22,875
354,813	309,876	13,625	307,785
533,520	80,812	-	13,332
10,699,817	9,194,971	3,071,260	2,792,067
514,277	583,295	251,274	305,012
1,134,175	1,362,068	161,045	470,188
1,066,604	1,585,490	1,046,072	1,562,248
261,588	554,198	146,897	194,782
14,220	67,126	10,200	47,666
67,731,997	78,384,829	31,010,825	34,751,727
45,804	40,776	22,004	30,686
204,886,262	204,531,346	93,510,901	96,633,714

25 Foreign Currency Gain/(Loss)

Realized Foreign Exchange Gain/(Loss)
Unrealized Foreign Exchange Gain/(Loss)

(510,333)	(6,152,371)	593,856	(3,577,921)
333,501	3,094,022	1,005,539	2,819,313
(176,832)	(3,058,349)	1,599,395	(758,608)



26 Other Income:

This consist of the followings;
Land and House Rent
Interest Received from IPO Bank A/C
Provision for Doubtful Debts written back
FDR Interest
Sundry Income

Amount in Taka	Amount in Taka	Amount in Taka	Amount in Taka
01.07.2020	01.07.2019	01.10.2020	01.10.2019
To	To	To	To
31.12.2020	31.12.2019	31.12.2020	30.12.2019
7,631,618	4,081,950	3,845,948	2,000,712
855	-	855	-
-	3,802,500	-	-
112,490	-	-	-
1,560,922	1,607,320	1,222,833	954,770
9,305,885	9,491,770	5,069,636	2,955,482

27 Selling & Distribution Expenses

This consist of the followings;
Salary and Allowances
Travelling & Conveyance
Mobile Bill
Contribution to Gratuity Fund
Contribution to Provident Fund

4,493,040	4,615,169	2,246,520	2,241,940
22,000	143,855	22,000	98,060
48,195	52,090	24,650	25,640
261,508	221,456	130,754	110,728
300,228	290,402	150,114	148,754
5,124,971	5,339,772	2,574,038	2,641,922

28 Administrative Expenses

This has been arrived as under;
Advertising Expenses
Amortization of Intangible Assets
Audit Fees
AGM Expenses
Professional Fees
Automobile Expenses
Contribution to Gratuity Fund
Contribution to Provident Fund
Depreciation-Administrative
Electricity Bill
Employees' Group Insurance
Forms, Stamps, Documents etc.
Gas Bill
Insurance-Motor
Internet Expenses
Licence & Renewal Fees
Director,s Remuneration
Office Maintenance Expenses
Papers & Periodicals
Postage & Courier
Printing & Photocopy
Salary & Allowances
Satellite Cable Rent
Stationeries
Sundry Expenses
Telephone & Mobile Expenses
Tiffin, Refreshment & Entertainment
Travelling & Conveyance
Water Bill

76,279	154,525	76,279	119,125
45,000	45,000	22,500	22,500
201,250	201,250	100,625	100,625
18,110	-	18,110	-
478,975	822,352	432,975	252,902
2,869,419	2,719,326	1,424,497	1,425,209
530,466	517,996	265,233	258,998
487,200	492,294	243,600	239,982
3,809,095	4,111,299	1,905,277	2,032,965
776,820	711,227	344,524	257,143
517,031	-	517,031	-
256,078	1,227,015	118,792	150,558
55,384	38,990	33,096	18,438
104,568	79,575	34,652	36,674
193,765	212,600	90,460	109,020
2,285,821	93,625	2,053,533	14,950
713,160	758,250	331,110	379,125
201,395	152,063	129,780	116,343
16,145	8,460	7,080	3,890
32,290	53,384	29,630	19,684
2,582	9,822	2,180	810
14,131,194	14,365,444	6,283,441	6,700,024
1,800	1,800	1,800	900
190,023	207,464	128,909	108,163
981,909	1,257,340	467,738	623,278
147,419	195,761	70,382	44,009
245,578	502,655	213,469	236,380
291,330	275,094	168,160	220,640
161,506	42,862	105,294	28,540
29,821,592	29,257,473	15,620,157	13,520,875

29 Financial Expenses

This consist of the followings;
Bank Charges & Commission
Bank Charges on Proceeds Realization
Interest on Short Term Loan
Interest on Obligation under Finance Lease

7,279,890	3,150,076	5,638,172	1,863,625
3,810,066	3,897,900	2,257,666	2,123,335
67,458,189	103,809,962	33,154,709	51,049,119
10,028	133,164	1,669	53,567
78,558,173	110,991,102	41,052,216	55,089,646

30 Current tax:

Minimum Tax
Regular Tax
Higher One

6,267,661	9,828,782	3,215,090	2,949,679
2,326,471	9,828,782	1,267,409	2,949,679
6,267,661	9,828,782	3,215,090	2,949,679

A) Minimum Tax

Turnover
Other income

1,035,304,205	1,452,682,412	530,778,760	699,350,669
9,305,885	9,491,770	5,069,636	2,955,482
1,044,610,090	1,462,174,182	535,848,396	702,306,151
6,267,661	9,828,782	3,215,090	2,949,679
6,245,881	-	3,678,956	-
6,267,661	9,828,782	3,215,090	2,949,679

Minimum Tax on turnover & other income
Deducted Tax at source
Higher One



Amount in Taka	Amount in Taka	Amount in Taka	Amount in Taka
01.07.2020	01.07.2019	01.10.2020	01.10.2019
To	To	To	To
31.12.2020	31.12.2019	31.12.2020	30.12.2019

B) Regular Tax

The above balance is made up as follows:

Income tax on business income (Note-30.01)
Income tax on other income (Note-30.02)

-	8,406,464	-	2,210,808
2,326,471	1,422,318	1,267,409	738,871
2,326,471	9,828,782	1,267,409	2,949,679

30.01 Income tax on business income:

Profit before tax	(80,194,272)	59,549,366	(41,716,177)	18,908,122
Add: Accounting depreciation	41,439,011	33,227,033	20,741,737	16,450,072
Add: Contribution to Employees' Gratuity Fund	3,009,676	3,071,362	1,504,838	1,535,681
Less: Tax depreciation	(41,245,856)	(29,312,898)	(20,662,258)	(14,897,173)
Less: Payment to Employees' Gratuity Fund	(1,200,000)	(1,000,000)	(700,000)	(500,000)
Less: Other income	(9,305,885)	(9,491,770)	(5,069,636)	(6,757,982)
Taxable business income	(87,497,326)	56,043,093	(45,901,496)	14,738,720
Tax rate	15%	15%	15%	15%
Income tax on business income	-	8,406,464	-	2,210,808

30.02 Income tax on other income:

Other Income	9,305,885	5,689,270	5,069,636	2,955,482
Tax rate	25%	25%	25%	25%
Income tax on other income	2,326,471	1,422,318	1,267,409	738,871

31 Basic & Diluted Earning Per share

Net profit after tax attributable to ordinary shareholders of the company	(86,606,830)	49,655,132	(45,021,280)	16,262,568
Weighted average number of share	150,289,242	150,289,242	150,289,242	150,289,242
	(0.58)	0.33	(0.30)	0.11

Adjustment Earnings per share

Net profit after tax attributable to ordinary shareholders of the company	(86,606,830)	49,655,132	(45,021,280)	16,262,568
Weighted average number of share (Note-31.01)	150,289,242	150,289,242	150,289,242	150,289,242
Basic EPS for the year	(0.58)	0.33	(0.30)	0.11

Earnings Per Share (Diluted)

(0.58)	0.33	(0.30)	0.11
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As there are no shares under option, Basic & Diluted earning per share are same for the Period.

Disclosure

(b) During the corresponding the period ended on December 31, 2020, revenue has been decreased Tk. 168,571,909 (24.10%) compare to the same period in 2019. This parameter are impacted on Earning Per Share (EPS) drastically. COVID-19's impact on the RMG industry in Bangladesh as well as all over the world, many international buyers cancelled or postponed confirmed procurement orders. As result revenue for the period reduced drastically.

31.01 Weighted average number of share

Particulars	Number of share	Number of share	Number of	Number of share
150,289,242 No. of Ordinary Shares for 184 days	150,289,242	150,289,242	150,289,242	150,289,242
	150,289,242	150,289,242	150,289,242	150,289,242

32 Net Assets Value per Share

Net asset value per share has been calculated as under;

Total Assets	4,518,759,289	4,811,881,581		
Less: Outside liability	(2,246,386,001)	(2,438,324,611)		
Non-Current Liability	(132,028,856)	(132,336,031)		
Current Liability	(2,114,357,145)	(2,305,988,580)		

Net Asset Value	2,272,373,288	2,373,556,970		
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Shares outstanding at the end on the year

150,289,242	150,289,242
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Net Asset Value per share

15.12	15.79
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Disclosure

(a) The major reason for decreased in Net Asset Value per share by Tk. 0.67 per share was due to 1% Cash Dividend by Tk. 1.52 crore and net loss made during the period amounting Tk. -8.66 crore.

33 Received from Customers & Others

Revenue during the year
Adjustment for Foreign Exchange Gain/(Loss) for Trade Receivable
Other Income
Opening Accounts & Other Receivable
Closing Accounts & Other Receivable

1,035,304,205	1,452,682,412		
(3,789,965)	6,729,314		
9,305,885	9,491,770		
1,245,861,582	1,503,641,370		
(875,580,832)	(1,483,901,965)		
1,411,100,875	1,488,642,901	-	-



Amount in Taka	Amount in Taka	Amount in Taka	Amount in Taka
01.07.2020	01.07.2019	01.10.2020	01.10.2019
To	To	To	To
31.12.2020	31.12.2019	31.12.2020	30.12.2019

34 Payment to Creditors, Suppliers, Employees and Others

Cost of goods Sold
Selling & Distribution Expenses
Administrative Expenses
Adjustment for Depreciation
Adjustment for Write off of Intangible Assets
(Increase)/Decrease in Inventory
(Increase)/Decrease Advance Deposits & Prepayments excluding Advance Income Tax
Increase/(Decrease) in Trade and Other Payables
Increase/(Decrease) in Liabilities for Expenses
Adjustment for Foreign Exchange Gain / (Loss) for Trade Payable

(1,011,122,794)	(1,253,978,120)		
(5,124,971)	(5,339,772)		
(29,821,592)	(29,257,473)		
41,439,011	33,227,033		
45,000	45,000		
(113,326,814)	(133,015,958)		
(3,845,862)	(14,944,656)		
(46,411,999)	(269,921,000)		
(248,023)	10,813,354		
2,674,959	(7,059,470)		
<u>(1,165,743,085)</u>	<u>(1,669,431,062)</u>	-	-

35 Income Tax Paid

Opening Advance Income Tax
Closing Advance Income Tax
Closing Income Tax Provision
Opening Income Tax Provision
Current Tax during the period

33,084,715	19,498,531		
(39,749,430)	(29,525,249)		
56,275,105	41,519,687		
(53,007,444)	(44,124,532)		
(6,267,661)	(9,828,782)		
<u>(9,664,715)</u>	<u>(22,460,345)</u>	-	-

36 Net operating cash flow per share (NOCFPS)

Net cash from operating activities
Number of shares outstanding

157,134,902	(314,239,608)
150,289,242	150,289,242
1.05	(2.09)

NOCFPS

Disclosure

(c) During the period ended December 31, 2020, Net Operating Cash Flow per share of the company improved due to less payment made to Creditors, Suppliers, Employees and Others with compared to corresponding previous period.

37 Reconciliation of net Profit/Loss before tax with cash flows from operating activities

Net Profit/(Loss) before tax
Opening Accounts & Other Receivable
Closing Accounts & Other Receivable
Adjustment for Depreciation
Adjustment for Write off of Intangible Assets
(Increase)/Decrease in Inventory
(Increase)/Decrease Advance Deposits & Prepayments excluding Advance Income Tax
Increase/(Decrease) in Trade and Other Payables
Increase/(Decrease) in Liabilities for Expenses
Income Tax Paid
Foreign Currency gain loss arising for cash and cash equivalents

(80,194,272)	62,375,140		
1,245,861,582	1,503,641,370		
(875,580,832)	(1,483,901,965)		
41,439,011	33,227,033		
45,000	45,000		
(113,326,814)	(133,015,958)		
(3,845,862)	(14,944,656)		
(46,411,999)	(269,921,000)		
(248,023)	10,813,354		
(9,664,715)	(22,460,345)		
(938,174)	(97,581)		
<u>157,134,902</u>	<u>(314,239,608)</u>	-	-

38 Additional disclosure

(a) The major reason for decreased in Net Asset Value per share by Tk. 0.67 per share was due to 1% Cash Dividend by Tk. 1.52 crore and net loss made during the period amounting Tk. -8.66 crore.

(b) During the corresponding period ended on December 31, 2020, revenue has been decreased Tk. 168,571,909 (24.10%) compare to the same period in 2019. This parameter are impacted on Earning Per Share (EPS) drastically. COVID-19's impact on the RMG industry in Bangladesh as well as all over the world, many international buyers cancelled or postponed confirmed procurement orders. As result revenue for the period reduced drastically.

(c) During the period ended December 31, 2020, Net Operating Cash Flow per share of the company improved due to less payment made to Creditors, Suppliers, Employees and Others with compared to corresponding previous period.

39 Disclosure as per requirement of schedule XI, Part-II of companies Act 1994

39.1 Commission, Brokerage or Discount against sales:

- There was no brokerage or discount against sales during the period.
- No commission was paid to sales against during the period.

39.2 Related party disclosures

The Company has entered into transactions with other entities that fall within the definition of related party as contained in IAS-24 "Related Party Disclosures" The Company opines that terms of related transaction do not significantly differ from those that could have been obtained from third parties. Total transactions of the significant related parties as at 31.12.2020 are as follows:

Name of Related Party	Common Management	Nature of Transaction	Opening Balance as on July 01, 2020	Transaction during the year Dr./ (Cr.)	Closing Balance as on December 31, 2020
Shepherd Textile (BD.) Limited	"	Office & Land Rent	18,786	48,474	67,260
Taiwan Food & Processing Industries Ltd.	"	Office & Land Rent	74,870	420,792	495,662
Shepherd Fancy Yarn Ltd	"	Office & Land Rent	-	500,526	500,526

		Amount in Taka	Amount in Taka	Amount in Taka	Amount in Taka
		01.07.2020 To 31.12.2020	01.07.2019 To 31.12.2019	01.10.2020 To 31.12.2020	01.10.2019 To 30.12.2019
Shepherd Jeans Ltd.	"	Office & Land Rent	-	120,789	120,789
Shepherd Textile (BD.) Limited	"	Received as Loan	(45,425,645)	12,487,680	(32,937,965)
Shepherd Jeans Ltd.	"	Received as Loan	(69,846,750)	6,826,750	(63,020,000)
Kao Wen Fu	Managing Director	Loan from Shareholder's	(10,554,794)	-	(10,554,794)
Ever Priority Ltd.	Director	"	(18,786,859)	-	(18,786,859)
Chen Che Seng	Shareholder	"	(6,597)	-	(6,597)
Eternal Flame Int'l Co. Inc.	Director	"	(4,351,405)	-	(4,351,405)
Chung Wen Kuei	Chairman	"	(29,278)	-	(29,278)

a) **Key Management Personnel:**

As per Company Act, 1994 part-II, Schedule-XI [4] The profit and loss account will give by way of a note detailed information, showing separately the following payments provided or made during the financial year to the directors, including managing director, the managing agents or manager, if any, by the company, subsidiaries of the company and any other person:-

No.	Particulars	01.07.2019 to 30.06.2020	01.07.2019 to 30.06.2020	01.07.2019 to 30.06.2020	01.07.2018 to 30.06.2019
(a)	Managerial Remuneration paid or payable during the period to the directors, including managing directors, a managing agent or manager	713,160	758,250	331,110	379,125
(b)	Expenses reimbursed to Managing Agent	-	-	-	-
(c)	Commission or Remuneration payable separately to a managing agent or his associate	-	-	-	-
(d)	Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company.	-	-	-	-
(e)	The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial period.	-	-	-	-
(f)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	-	-	-	-
(g)	Other allowances and commission including guarantee commission.	-	-	-	-
(h)	Pensions etc.	-	-	-	-
(i)	Pensions	-	-	-	-
(ii)	Gratuities	373,104	373,104	186,552	186,552
(iii)	Payments from a provident funds, in excess of own subscription and interest thereon	447,732	447,732	223,866	223,866
(i)	Share Based payments	-	-	-	-

As per IAS- 24:

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

(a) Short-term employee benefits	8,334,534	8,271,491	3,807,873	3,776,352
(b) Post-employee benefits	820,836	820,836	410,418	410,418
(c) Other long term benefits	-	-	-	-
(d) termination benefits and	-	-	-	-
(e) share- based payment	-	-	-	-
Total:	9,155,369	9,092,327	4,218,291	4,186,770

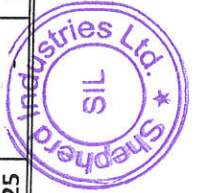


SHEPHERD INDUSTRIES LIMITED

Annexure-A

Schedule of Property, Plant & Equipment
as on 31 December 2020

Particulars	Cost					Depreciation				Amount in Taka	
	Opening Balance as on 01-07-20	Addition	Disposal/A adjustment	Closing Balance as on 31-12-20	Rate (%)	Opening Balance as on 01-07-20	Charged during the year	Disposal/ Adjustm ent	Closing Balance as on 31-12-20	Written Down Value as on 31- 12-20	
	1	2	3	4=(1+2-3)	5	6	7=(4-6)×5	8	9=(6+7-8)	10=4-9	
Building - Factory	315,794,292	511,496	-	316,305,788	10%	99,387,148	10,832,397	-	110,219,545	206,086,243	
Land & Land Development	320,411,322	-	-	320,411,322	0%	-	-	-	-	320,411,322	
Plant & Machinery	812,859,433	2,818,164	-	815,677,597	10%	424,743,172	19,525,909	-	444,269,081	371,408,517	
ETP	73,844,334	-	-	73,844,334	15%	49,113,026	1,854,848	-	50,967,874	22,876,460	
Electric Equipment & Line Installation	46,294,042	1,064,542	-	47,358,584	10%	26,034,531	1,062,218	-	27,096,749	20,261,835	
Fire Fighting Equipment	1,883,794	-	-	1,883,794	10%	970,704	45,655	-	1,016,359	867,436	
Tools & Equipments	24,574,960	358,534	-	24,933,494	20%	12,576,465	1,215,456	-	13,791,921	11,141,574	
Gas Line Installation	6,755,553	-	-	6,755,553	10%	5,163,002	79,628	-	5,242,630	1,512,924	
Building - Head Office	88,993,500	-	-	88,993,500	5%	25,502,964	1,587,264	-	27,090,228	61,903,273	
Office Equipment	16,032,822	93,959	-	16,126,781	10%	9,631,110	323,211	-	9,954,321	6,172,460	
Air Conditioner & Electric Appliance	3,812,351	133,460	-	3,945,811	10%	1,388,753	127,853	-	1,516,606	2,429,205	
Lift - Head Office, Uttara	2,085,948	-	-	2,085,948	10%	1,120,000	48,298	-	1,168,298	917,651	
Furniture & Fixture	6,352,912	7,950	-	6,360,862	10%	3,105,015	162,635	-	3,267,650	3,093,212	
Office Decoration	2,879,388	-	-	2,879,388	10%	1,557,710	66,084	-	1,623,794	1,255,594	
Car & Vehicles	38,790,723	-	-	38,790,723	15%	19,860,604	1,419,759	-	21,280,363	17,510,360	
Telephone Equipments	3,951,712	-	-	3,951,712	10%	2,471,872	73,992	-	2,545,864	1,405,848	
Sub Total	1,765,317,086	4,988,105	-	1,770,305,191		682,626,076	38,425,204	-	721,051,280	1,049,253,911	
REVALUATION PART											
Land & land Development	547,605,914	-	-	547,605,914	-	-	-	-	-	547,605,914	
Building	158,824,830	-	-	158,824,830	10%	98,548,694	3,013,807	-	101,562,501	57,262,329	
Sub Total	706,430,744	-	-	706,430,744		98,548,694	3,013,807	-	101,562,501	604,868,243	
Total as on 30.09.2020	2,471,747,830	4,988,105	-	2,476,735,935		781,174,770	41,439,011	-	822,613,782	1,654,122,153	
Total as on 30.06.2020	2,243,833,405	227,914,425	-	2,471,747,830		710,951,464	70,223,306	-	781,174,770	1,690,573,060	



Shepherd Industries Ltd

Calculation of Deferred Tax

For the six months period ended December 31, 2020

Particulars	01.07.2020	01.07.2019
	To	To
	31.12.2020	30.12.2019
A. D.Tax (income) / expenses recognized in profit and loss and other comprehensive income:		
Cost:		
Carrying amount:		
Property , Plant and Equipment	728,842,589	580,763,773
Intangible Assets	112,500	202,500
Provision for Doubtful Debt	-	-
Provision for gratuity	(46,470,370)	(44,248,386)
	<u>682,484,719</u>	<u>536,717,887</u>
Tax base:		
Property , Plant and Equipment	407,158,388	300,057,104
Intangible Assets	2,199	4,398
Provision for Doubtful Debt	-	-
Provision for gratuity	-	-
	<u>407,160,587</u>	<u>300,061,502</u>
Taxable /(Deductible) temporary difference	275,324,132	236,656,385
Income Tax rate	15.00%	15.00%
Deferred Tax Liabilities/(Assets) at the end of the year/period	41,298,620	35,498,458
Closing Deferred Tax Liabilities/(Assets)	41,298,620	35,498,458
Opening Deferred Tax Liabilities/(Assets)	(41,153,723)	(35,433,006)
D.Tax (income) / expenses recognized in profit and loss and other comprehensive income	144,897	65,452
B. D.Tax (income) / expenses recognized in Revaluation Reserve:		
Revaluation:		
Carrying Amount:		
Land and Land Development	547,605,914	547,605,914
Building	57,262,329	63,693,804
	<u>604,868,243</u>	<u>611,299,718</u>
Tax base:		
Land and Land Development	-	-
Building	-	-
	<u>-</u>	<u>-</u>
Taxable /(Deductible) temporary difference	604,868,243	611,299,718
Tax rate	15.00%	15.00%
Deferred tax liability end of the year/period	90,730,236	91,694,958
Closing Deferred Tax Liabilities/(Assets)	90,730,236	91,694,958
Opening Deferred Tax Liabilities/(Assets)	91,182,308	92,186,910
D.Tax (income) / expenses recognized in Revaluation Reserve:	(452,072)	(491,952)
C. Total Deferred tax liability at end of the year/period as shown in the Statement of Financial Position (A+B)	132,028,856	127,193,416