

ABRIDGED VERSION OF PROSPECTUS OF

SHASHA DENIMS LIMITED

Mascot Plaza (10th Floor), Plot - 107/A, Sonargaon Janapath, Sector-7, Uttara C/A, Dhaka-1230
Tel: +88-02-8952801-3, +88-02-8952720-1, Fax: +88-02-8952748; E-mail: info@shashabd.com; Website: www.shashadenim.com

PUBLIC ISSUE OF 50,000,000 ORDINARY SHARES OF BDT 10.00 EACH AT AN ISSUE PRICE OF BDT 35.00 EACH INCLUDING A PREMIUM OF BDT 25.00 PER SHARE AMOUNTING TO BDT 1,750,000,000.00

For Resident Bangladeshi

For Non-Resident Bangladeshi (NRB)

Opening Date: 14/12/2014

Closing Date: 21/12/2014

Opening Date: 14/12/2014

Closing Date: 30/12/2014

Manager to the Issue



AFC CAPITAL LIMITED
Tanaka Tower (2nd Floor), 42/1/Gha, Segun Bagicha, Dhaka-1000.
Tel: +88-02-7120795; +88-02-7121348, Fax: +88-02-7121348; 9550040
Website: www.afccapital.org



IMPERIAL CAPITAL LIMITED
Saiham Sky View Tower, 45 Bijoy Nagar (3rd Floor), Dhaka-1000.
Tel: +88-02-9361870, Fax: +88-02-9361870
Website: www.imperialcapital.org

Underwriters

BMSL INVESTMENT LIMITED
Sadhara Bina Tower (7th Floor),
37/A Dilkusha C/A, Dhaka-1000.

EBL INVESTMENTS LIMITED
59 Motiheel C/A, 1st Floor
Dhaka-1000.

MTB CAPITAL LIMITED
WW Tower (5th Floor), 68 Dilkusha C/A
Dhaka-1000.

PROGRESSIVE LIFE INSURANCE COMPANY LTD.
National Scout Bhaban (4th,5th,6th,7th&11thFloor)
70/1 Inner Circular Road, Kakrai, Dhaka-1000.

PLFS INVESTMENT LIMITED
Paramont Heights (13thFloor), 65/2/1,
Box Culvert Road Purna Palta, Dhaka-1000.

CITIZEN SECURITIES & INVESTMENT LTD.
Al-Razzy Complex (Suite # G-802) 8th Floor, 166-167,
Shaheed Syed Nazrul Islam Sarani, Purna Palta, Dhaka-1000.

UNICAP INVESTMENTS LTD.
Noor Tower (5th Floor),
73, Sonargaon Road Dhaka-1205.

IL CAPITAL LIMITED
Printers Building, 14th Floor,
5 Rajuk Avenue, Dhaka-1000.

SWADHINVESTMENT MANAGEMENT LTD.
Suite 01, Level 11, Unique Trade Center,
6 Panthapath, Karwan Bazar, Dhaka-1215.

SBL CAPITAL MANAGEMENT LTD.
D, D.I.T Avenue (Extension), 3rd Floor,
Motiheel, C/A, Dhaka-1000.

AIBL CAPITAL MANAGEMENT LTD.
Peoples Insurance Bhaban (7th Floor),
36 Dilkusha C/A, Dhaka

The Issue shall be placed in 'N' Category

"CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND/OR AUDITOR"

Please read the Prospectus carefully which includes 'Risk Factors' before taking your investment decision.
An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (Fifteen Percent) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.

The application shall provide with the same account number in the application form as it is in the BO account of the applicant.
"সম্মার বাজারে বিক্রয়যোগ্য বিনিয়োগ, কোনে ও বুঝে বিনিয়োগ করুন।"

SHASHA DENIMS LIMITED: COMPANY PROFILE

Shasha Denims Ltd., one of the leading denim fabric manufacturers in Bangladesh, was incorporated as a private limited company on 28th October, 1996 and subsequently converted into a public limited company on 3rd August, 1997 with Register of Joint Stock Companies and Firms (RJSC) in Bangladesh under the Companies Act, 1994.

The Company started its commercial operation in July 2000.
SHASHA DENIMS LIMITED: NATURE OF BUSINESS
Shasha Denims Limited (SDL) is engaged in manufacturing different types of classic Indigo Denim (denim fabrics) through the integrated manufacturing process of weaving, dyeing and finishing. SDL uses the most modern computerized Sashay Dyeing technology in its production process. The main raw materials used for the production is yarn, which the Company imports from the overseas markets mainly from China, India and Pakistan.

USE OF IPO PROCEEDS

Table with 4 columns: Particulars, No of Shares, Face Value (Tk.), Amount in Taka. Rows include Authorized Capital, Paid up capital before IPO, Total paid up capital before IPO, After IPO, To be issued as IPO, Paid up capital (Post IPO).

The Company has raised its paid-up capital in following phases:

Table with 5 columns: Date of Allotment, In cash, Basis (No. of Shares) Other than in cash, Bonus Share, Total Amount (BDT). Rows include 28.10.1996, 25.06.1997, 20.02.2001, 29.04.2004, 30.08.2012, 23.02.2014.

b. NET PROCEEDS FROM THE IPO:

Table with 2 columns: Sources of Funds, Total Amount (BDT). Rows include Total IPO Proceeds, Less: IPO Expenses, Net IPO Proceeds.

c. USE OF THE NET PROCEEDS FROM THE IPO:

Net Proceeds from initial public offering (IPO) will be used for expansion of business activities, repayment of high interest-bearing loan to boost up the profitability.
The details of which is stated as under:

Table with 4 columns: Particulars, Type of Construction, Area, Total Tk. Rows include Main Factory Building, AC Plant, Boundary Wall, Surface Drain, Water Reservoirs.

ii) Machinery & Equipments:

Table with 5 columns: Sl. No, Particulars, Company Name & Country of Origin, Qty, Total Tk. Rows include Dyeing Machine, Weaving Machine, Finishing Machine, etc.

iii) Utility:

Table with 5 columns: Sl. No, Particulars, Country of Origin, Qty, Total Tk. Rows include Air Compressor, Loom, Warp Laying Machine, etc.

iv) Erection and Commissioning:

Table with 4 columns: Sl. No, Particulars, Country of Origin, Qty, Total Tk. Rows include Erection & Commissioning (iv).

d. IMPLEMENTATION SCHEDULE

Table with 2 columns: Particulars, Time schedule for completion of proposed work. Rows include Loan Pay off, Business Expansion.

e. TERMS OF CONTRACT:

As per rule 89(4) of Securities and Exchange Commission (Public Issue) Rules, 2006 there is no contract covering any of the activities of the issuer Company for which the proceeds of sale of securities from IPO is to be used.

AUDITOR'S REPORT UNDER SECTION-133 OF COMPANIES ACT 1994

Auditor's Report for SHASHA DENIMS LIMITED. Includes Statement of Consolidated Financial Position and Statement of Consolidated Profit and Loss for the year ended December 31, 2013, 2012, 2011, 2010 and 2009.

SHASHA DENIMS LIMITED: FINANCIAL STATEMENTS

Financial Statements for SHASHA DENIMS LIMITED. Includes Statement of Consolidated Cash Flows for the year ended December 31, 2013, 2012, 2011, 2010 and 2009.

SHASHA DENIMS LIMITED: STATEMENT OF CONSOLIDATED FINANCIAL POSITION

Statement of Consolidated Financial Position for SHASHA DENIMS LIMITED. Rows include Non-current Assets, Current Assets, Equity and Liabilities.

SHASHA DENIMS LIMITED: STATEMENT OF CONSOLIDATED PROFIT AND LOSS

Statement of Consolidated Profit and Loss for SHASHA DENIMS LIMITED. Rows include Revenue, Cost of Sales, Gross Profit, Operating Profit, etc.

SHASHA DENIMS LIMITED: STATEMENT OF CONSOLIDATED CASH FLOWS

Statement of Consolidated Cash Flows for SHASHA DENIMS LIMITED. Rows include Cash flow from operating activities, Investing activities, Financing activities.

SHASHA DENIMS LIMITED: STATEMENT OF CONSOLIDATED FINANCIAL POSITION

Statement of Consolidated Financial Position for SHASHA DENIMS LIMITED. Rows include Non-current Assets, Current Assets, Equity and Liabilities.

SHASHA DENIMS LIMITED: STATEMENT OF CONSOLIDATED PROFIT AND LOSS

Statement of Consolidated Profit and Loss for SHASHA DENIMS LIMITED. Rows include Revenue, Cost of Sales, Gross Profit, Operating Profit, etc.

Prospectus would also be available on the web sites of BSEC, DSE, CSE, Imperial Capital Limited, AFC Capital Limited and the Public Reference Room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

Table with 3 columns: Name, Address, Contact No. Rows include PINAKI & COMPANY, PARVEEN MAHMUD, FCA.

SHORT BIO-DATA OF EACH DIRECTOR

Ms. Parveen Mahmud, FCA was the first female to serve as the President of the Institute of the Chartered Accountants (ICA) in 2011. She is a fellow member of ICA. Currently, she is an Independent Director of Bangladesh Oxygen Limited. She is a Board Member of BRAC Institution. She also serves on governing bodies of various other foundations and NGOs.

Ms. Mahmud serves as the Managing Director of Green Team Trust. She held the position of the Deputy Managing Director of Palli Karma-Sayahak Foundation (PKSF), an apex financing organization for microfinance in Bangladesh from 2000 until 2011. As a chartered accountant, she has been actively associated with financial management and operations issues, policy formulation related to sustainable poverty alleviation through microcredit. Her special area of interest is formulating uniform standard of financial reporting and governance for microfinance and gender issues. In her varied professional career, Ms. Mahmud had also worked with international development agencies and was a practicing accountant.

She was educated in the U.K. and in Bangladesh. She obtained her articlership from S F Ahmed & Company.

Ms. Mahmud is the Chairman of Shasha Denims Limited, Shasha Textiles Limited, Shasha Spinnings Limited and Shasha Apparels Limited.

SHAMS MAHMUD

Mr. Shams Mahmud is the Managing Director of Shasha Denims Limited. He has introduced innovative product management, incentive system and marketing approach to the Company under his leadership. Mr. Mahmud has received an LLB and an LLM from the University of Hertfordshire in the U.K.

Mr. Mahmud also serves as the Managing Director of Shasha Garments Limited and is a Director of Form Icon Limited.

ZAREEN MAHMUD, CPA, ACA

Ms. Zareen Mahmud oversees the Finance and Administration Department of the Shasha Denims Limited. Prior to joining Shasha, she served as the Vice President of Newton International Ltd, 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 had started her career in New York where she worked as a Senior Associate at KPMG in the Corporate Tax Division. She was a Supervising Analyst at the New York City Mayor's Office of Management and Budget. She had also served as a consultant for the United Nations Capital Development Fund (UNCDF) in New York.

Ms. Mahmud has a BA in Economics from Smith College and an MPA in Public Finance from New York University in USA. She is qualified as a Certified Public Accountant from the Delaware Board of Accountancy in the USA. She had also qualified as a Chartered Accountant from the Institute of Chartered Accountants of Bangladesh.

Ms. Mahmud is a Director of Shasha Denims Limited, Shasha Garments Limited and Energis Power Corporation Limited. She serves as the Managing Director of Form Icon Limited.

DIRECTORS INVOLVEMENT WITH OTHER LISTED COMPANIES AS DIRECTORS

None of the Directors are involved as Director in any listed company.

BANKERS TO THE ISSUE

Table with 4 columns: National Bank Limited, PINAKI & COMPANY Chartered Accountants, National Bank Limited, PINAKI & COMPANY Chartered Accountants.

New IPO Application Process

1. In addition to the existing IPO application process, applicants can also apply through their Stockbroker/Merchant Bankers in the following process:

Step-1 (Applicant) a. Applicant other than Non-Resident Bangladeshi (NRB) and Foreign applicants for public issue of securities shall submit application/instruction, within the subscription period, to the Stockbroker/Merchant Banker who the applicant maintains BO account.

b. The application/instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time the applicant shall make the application money available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. Application/instructions shall provide the issuer with an updated database of Stockbroker/Merchant Banker up to 6 months from listing of the securities with exchange.

Step-2 (Intermediary) a. The Stockbroker/Merchant Banker shall maintain separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall verify the availability of fund and if find in order, block the customer account for an amount equivalent to the application money, accumulate all the application/instructions received up to the subscription closing date, deposit the amount in the "Public Issue Application Account" maintained with its bank, instruct the bank to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard. In case of application submitted by the Stock-dealer or the Merchant Banker's own portfolio, the application amount should also be transferred to the "Public Issue Application Account".

b. The Stockbroker/Merchant Banker shall block the account(s) as requested for, issue a certificate confirming the same and provide to it the respective Stockbroker/Merchant Banker. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and within 3 (three) working days from the subscription closing date, send it to the issuer both in electronic (text format with title "" separator) and printed form along with the certificate issued by its banker.

Step-3 (Issuer) a. The issuer shall prepare consolidated list of the applicants and send the applicant's BOIDs in electronic (text format with title "" separator) form in a CDROM to CDBL for verification. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not. Along with the verification report, CDBL shall provide the issuer with an updated database of the applicants containing BO Account Number, Name, Address, Parents' Name, Joint Account Information and Bank Account Information. After receiving verification report and information from CDBL, the issuer shall scrutinize the applications, prepare category wise consolidated lists of the valid and invalid applicant lists, submit status reports of subscription to the Commission and the stock exchanges and conduct lottery in line with the conditions of the consent letter.

b. Within 02 (two) working days of conducting lottery, the issuer shall: i. send the lists of the successful and unsuccessful applicants (other than NRB and foreign) in electronic (text format with title "" separator) and printed form, and ii. inform the Stockbroker/Merchant Banker, request them to unblock the amount blocked earlier and remit the amount of successful applicants to the issuers respective Escrow Account opened for subscription purpose.

i. issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Stockbroker/Merchant Bankers. To credit the allotted shares to the respective BO accounts, the issuer shall send consolidated allotment data (BOID and number of securities) in text format in a CDROM to CDBL.

Step-4 (Intermediary) a. On the next working day of receiving the documents from the issuer and issuer manager, the stockbroker/merchant banker shall request its banker to release the amount blocked earlier and remit the aggregate amount of successful applicants deducting service charge to the "Escrow" account of the issuer opened for the subscription purpose.

b. On the next working day of receiving request from the Stockbroker/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the issuer's "Escrow" account. Simultaneously, the stockbrokers/merchant bankers shall unblock the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts. The unblocked amounts of unsuccessful applicants should be sent to their instructions.

Miscellaneous: a. The issuer and Issue Manager(s) shall jointly ensure compliance of the above. b. The Stockbroker/Merchant Banker shall be entitled to service charge at a rate of 0.05% on the total amount of application money received by them. The service charge shall be paid by the issuer and deducted by the Stockbroker/Merchant Banker from the amount of successful applicants while remitting to the issuer. In case of shortage of the service charge, the Stockbroker/Merchant Banker shall send a bill to the issuer and the issuer shall pay it within 02 (two) working days. The Stockbroker/Merchant Banker shall provide the issuer with a statement of the remittance amount and the processing fee.

The above application process is a pilot project and optional for investors. I.e. investors can apply either following new process through stockbroker/merchant banker or in existing process through banker to the issuer.

List of the Stockbroker/Merchant Bankers participating in the pilot project is given below. Only the applicants maintaining accounts with the Stockbroker/Merchant Bankers name contained in the list can apply through the new process.

List of the Stockbroker/Merchant Bankers to receive IPO applications

DSE Stockbrokers

Table with 5 columns: Sl. No., Name of the TREC Holder, TREC No., Sl. No., Name of the TREC Holder, TREC No. Rows include A.K. Khan Securities Limited, International Leasing Securities Limited, etc.

CSE Stockbrokers

Table with 5 columns: Sl. No., Name of the TREC Holder, TREC Holders No., Sl. No., Name of the TREC Holder, TREC Holders No. Rows include Alpha Securities Ltd., ISI Securities Limited, etc.

Merchant Bankers

Table with 5 columns: Sl. No., Name of the Merchant Bankers, Sl. No., Name of the Merchant Bankers. Rows include ICB Capital Management Ltd., IDLC Investments Ltd., etc.

REFUND OF SUBSCRIPTION MONEY

As per BSEC Notification Dated February 9, 2010, the issuer shall refund application money to the applicant covering any of the activities of the public offer by any of the following manner based on the option given by the applicant in the application form:

(a) Through banking channel for onward deposit of the refund money into the applicant's bank account as provided in the respective application form for subscription; or

(b) Through issuance of refund warrant in the name and address of the applicant as provided in the respective application form for subscription;

Provided that, in case of deposit into the applicant's bank account, the applicant will bear the applicable service charge, if any, of the applicant's banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.