

# Annual Report 2021-2022



**Zaheen Spinning Limited**

# Zaheen Spinning Limited

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## **Mission:**

The mission of the Company is to provide highest quality yarn to our valued customers maintaining high ethical standards while we conduct business..



## **Vision:**

The company thinks business not only for profit but also to provide satisfaction, quality, production and fulfill the market demands and major contribution in national economy as well as maintain positive investment of the share holders.



## **Objective:**

Our primary business objective is to conduct transparent operations within legal and social framework, aiming to attain the mission with qualitative/ quantitative targets while we operate.



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# Letter of Transmittal

To

All Shareholders

Bangladesh Securities and Exchange Commission

Registrar of Joint Stock Companies & Firms

Dhaka Stock Exchange Limited

Chittagong Stock Exchange Limited

Subject: **Annual Report for the Year Ended on 30 June, 2022.**

Dear Sir/Madam (s),

We are pleased to enclose a copy of the **Annual Report** together with the Audited Accounts including Statement of Financial Position as of 30th June 2022, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statements of Cash Flow for the Year Ended on **30 June, 2022**, along with notes thereon of Zaheen Spinning Limited for your reference and record.

Yours sincerely,

**(Md. Mohin Uddin)**  
Company Secretary

## NOTICE OF 15<sup>TH</sup> ANNUAL GENERAL MEETING (VIRTUAL)

Notice is hereby given that the 15<sup>th</sup> Annual General Meeting of **Zaheen Spinning Limited** will be held virtually by using **Digital Platform** through the link: <https://zaheenspinning.bdvirtualagm.com> on Monday, **26<sup>th</sup> day of December, 2022, 9.00 a.m.** to transact the following businesses:

### AGENDA

1. To receive, consider and adopt the Director's Report, Audited Financial Statements along with Auditors Report thereon for the year ended on 30<sup>th</sup> June 2022.
2. To approve the dividend for the year ended on 30<sup>th</sup> June, 2022.
3. To elect/ reelect Directors.
4. To approve the appointment and reappointment of Independent Directors.
5. To appoint Statutory Auditors of the Company for the year 2022-2023 and fix their remuneration.
6. To appoint Corporate Governance Code Auditors of the Company for the year 2022-2023 and fix their remuneration.
7. To transact any other business with the permission of the chair.

By Order of the Board of Directors



Md. Mohin Uddin  
Company Secretary

Date: November 01, 2022

### Notes:

1. The Board of Directors did not recommend any dividend for the year ended on 30<sup>th</sup> June 2022.
2. Record Date: Thursday, November 24, 2022.
3. The Shareholders whose name will appear in the Share Register/ Depository Registrar on the Record Date will be eligible to attend the meeting.
4. Pursuant to the Bangladesh Securities and Exchange Commission's Order No. SEC/SRMRC/94-231/91 dated 31 March 2021, the AGM will be held virtually by using the digital Platform. The detailed procedures to attend the meeting will be communicated along with the Annual Report 2021- 2022, to all concerned, in due course by email. Soft copy of the Annual Report will also be available in the company's website at: [www.zaheenspinningltd.com](http://www.zaheenspinningltd.com)
5. Any member eligible to attend and vote at the Annual General Meeting of the Company may appoint a proxy to attend and vote on his/her behalf. The proxy form duly stamped with a revenue stamps of Tk. 20/- and signed by the member must be submitted at the Share Department at House # 59/A, Road # 12/A, (6<sup>th</sup>& 7<sup>th</sup> Floor), Dhanmondi, Dhaka-1209, not less than 72 hours before the time fixed for the meeting.
6. Shareholders will be able to join the Virtual AGM through the link : <https://zaheenspinning.bdvirtualagm.com>
7. The shareholders will be able to submit their questions, comments through e-mail: [info@zaheenspinningltd.com](mailto:info@zaheenspinningltd.com) 24 hours before commencement of the AGM and during the AGM.
8. For logging into the system, the shareholders need to put their 16 digit Beneficiary Owner (BO) ID number and other credentials as proof of their identity by using the link : <https://zaheenspinning.bdvirtualagm.com>

# CORPORATE DIRECTORY

## BOARD OF DIRECTORS

Mrs. Farida Khanam	Chairman
Mr. Mahmudur Rahman	Managing Director & CEO
Mrs. Nusrat Jahan	Director
Mr. Mahbubur Rahman Khan	Director
Mrs. Masuma Khan	Director
Dr. M. Farid Ahmed	Independent Director
Dr. Saud Ahmed	Independent Director

## AUDIT COMMITTEE

Dr. M. Farid Ahmed	Chairperson
Mrs. Nusrat Jahan	Member
Dr. Md. Shahidul Islam	Member

## NOMINATION AND REMUNERATION COMMITTEE (NRC)

Dr. M. Farid Ahmed	Chairperson
Mrs. Nusrat Jahan	Member
Dr. Md. Shahidul Islam	Member
Dr. Saud Ahmed	Member

Md. Mohin Uddin	Company Secretary
Monotosh Datta	Chief Financial Officer (CC)
Md. Tanjim Hossain	Head of Internal Audit & Compliance

## MANAGEMENT COMMITTEE

Mr. Mahmudur Rahman	Managing Director & Chief Executive Officer
Mr. Monotosh Datta	Chief Financial officer (CC)
Mr. Md. Shahidullah	Sr. DGM- Production
Mr. Md. Tanjim Hossain	Head of Internal Audit & Compliance

## Statutory Auditor

M/s. ARTISAN  
Chartered Accountants

## Corporate Governance Auditor

M/S Islam Quazi Shafique & Co.  
Chartered Accountants

## Legal Advisor

The Legal Edge

## Bankers

Mutual Trust Bank Ltd.  
Southeast Bank Ltd  
BRAC Bank Ltd.

## Registered Office

House # 09, Flat # A/1, Road # 10  
Dhanmondi, Dhaka-1205, Bangladesh

## Corporate Office

House # 59/A, Road # 12/A, (6<sup>th</sup> & 7<sup>th</sup> Flr),  
Dhanmondi, Dhaka-1209.

## Factory

Jhawgara, Araihasar, Narayangonj

## Phone

+880-2-8191588, 8191522

## Fax

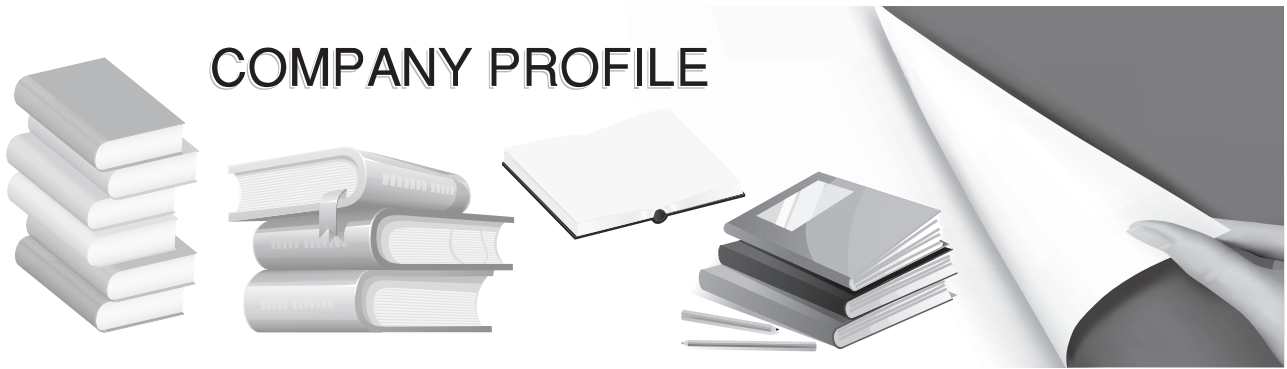
+880-2-8191522

## E-mail

info@zaheenspinningltd.com

## Website

www.zaheenspinningltd.com



Zaheen Spinning Limited was incorporated on July 22, 2007 as private limited company under the Companies Act 1994 vides registration no. C-67789(340)/07. On August 14, 2012 it was converted into a public limited company. The registered office of the company is located at House-9, Road-10, Flat-A/1, Dhanmondi, Dhaka-1205 and Corporate Office is located at House # 59/A, (6th & 7th Floor), Road # 12/A, Dhanmondi-1209, Bangladesh.

Bangladesh Securities and Exchange Commission (BSEC) has accorded consent for IPO on November 11, 2014 and on March 25, 2015 trading of shares of Zaheen Spinning Limited started on both the bourses namely Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE).

The Company was established with an Authorized Capital of Tk. 100,000,000.00 and Paid-up Capital of Tk. 10,000,000.00. The Authorized Capital and Paid-up Capital of the Company was subsequently raised to Tk. 4,000,000,000/- and Tk. 1,138,283,680/- respectively. The shares of the company has been denominated from Tk. 1000/- to Tk. 10/- per share as at July 29, 2012

The company started its commercial operation on February 15, 2010. The Factory is situated at Jhaw-gara, Araihasar, and Narayanganj, Bangladesh. The main activity of the Company is concentrated in manufacturing 100% quality cotton yarn of different counts.

# THE BOARD OF DIRECTORS



**Mrs. Farida Khanam**  
**Sponsor Director & Chairman**

Mrs. Farida Khanam, Chairman of Zaheen Spinning Limited is a business graduate with more than 15 years of experience. She has wide experience in management, procurement, HR and Textile sector. She is presently looking after HR and Administration.



**Mr. Mahmudur Rahman**  
**Sponsor Director, Managing Director & CEO**

Mr. Mahmudur Rahman is an MBA graduate and Sponsor Director of the company having more than 10 years of experience in textile sectors. He is the General Secretary of Bangladesh-Greece Chamber of Commerce & Industry. He is currently engaged in different sectors, in his attempt to both contribute to the growth and development of the company as well as increase his knowledge of understanding about other industries.



**Mrs. Nusrat Jahan**  
**Director**

Mrs. Nusrat Jahan is graduated in Computer Science and Engineering. She joined the company in 2012. In order to gain more practical experience in the field of textile sector, she has worked in various capacities in the company. Her constant research and development of modern means of taking the company forward, acts as a driving force for the company.



**Mr. Mahbubur Rahman Khan**  
**Director**

Mr. Mahbubur Rahman Khan has been appointed as director of Zaheen Spinning Limited on April 29, 2019. He is the eldest son of Late A.M. Badruzzaman Khash-roo and Mrs. Farida Khanam. He graduated in Electrical & Computer Engineering from Texas A & M University, USA and post graduated from Arizona State University, USA in the same subject. He is a dynamic business personality. His acumen in business and flexible manner in terms of public relations made him a role model in developing the culture of the organization.





**Mrs. Masuma Khan**  
**Director**

Mrs. Masuma Khan has been appointed as director of Zaheen Spinning Limited on April 29, 2019. She is the only daughter of former Sponsor Director and former Managing Director Late A.M. Badruzzaman Khashroo and Sponsor Director Mrs. Farida Khanam, chairman of the Company. She obtained Bar-at-Law degree from City, University of London, UK.



**Professor M Farid Ahmed**  
**Independent Director**

Mr. M. Farid Ahmed is the independent director of Zaheen Spinning Ltd. He is the Honorary Professor, Department of Finance, Faculty of Business Studies, University of Dhaka and former Vice Chancellor, Bangladesh Open University, Gazipur. He obtained Ph.D. from Nagoya University, Japan. He started his career as a Lecturer of Finance and Banking in 1977 in the University of Dhaka. He held many important positions and membership in Government and Non-Government, social, professional, research and policy making organizations and bodies.



**Dr. Saud Ahmed**  
**Independent Director**

Mr. Saud Ahmed is one of the Independent Director of Zaheen Spinning Limited. He was born in 1983. He is the son of Mr. Mohammad Shah Alam and Mrs. Meherunnessa. He is the Associate Professor of the Department of Tourism and Hospitality Management, University of Dhaka. He obtained PhD from Glasgow Caledonian University, United Kingdom. Mr. Ahmed has 14 years of Teaching experience in business administration in Daffodil International University, Jagannath University and University of Dhaka. He has vast knowledge in Teaching and research in the diversified field of accounts, finance, banking, insurance etc. Lots of articles of Mr. Ahmed have been published and to be published in different renowned journals.

# DIRECTORS' REPORT

Dear Shareholders,  
Assalamu Alaikum Warah'matullahe,

In terms of provisions of section 184 of the Companies Act 1994, Rule 12 of the Bangladesh Securities and Exchange Rules 1987, BSEC Notification on CGC dated 03 June, 2018 and IAS (International Accounting Standards) codes as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), it is the pleasure of the Board of Directors to submit its Report to the Shareholders of the Company for the year ended 30 June, 2022 in the following paragraphs:

## Background

Zaheen Spinning Limited (here in after referred to as "ZSL" or "the Company" was incorporated with the Registrar of Joint Stock Companies and Firms (RJSC) vide registration no. C-67789(340)/07 dated 22 July, 2007 as a Private Limited Company. The status of the Company was converted into Public Limited Company in the year 2012. The company was listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited in the year 2015.

### 1.(5) (i) Industry outlook and possible future developments in the industry:

Our Company producing world class yarn of various counts. Bangladesh does not produce raw cotton, the basic raw materials of our company. So, we have to import 100% raw materials from outside. The success of the industry also depends on availability of raw materials, power & gas, world economy, international price trend, market situation of end product. Spinning mill is also a labour oriented industry.

The growth & challenges of the company depends on:

- |                           |                        |                     |
|---------------------------|------------------------|---------------------|
| (a) Labor relations       | (b) Labor productivity | (c) Energy          |
| (d) Other infrastructures | (e) Law and order      | (f) Financial costs |

If these issues are appropriately addressed in time, the growth is expected to improve substantially as Bangladesh has already attained the name for being a quality manufacturer with a very reasonably priced supplier.

Despite the irreplaceable loss in the recent past years due to Covid-19 and two massive fire incidents in succession, the company had resumed its production partially on July 17, 2021 and continued throughout the year. After completion of repairing, renovation, replacement and installation of new machineries in place burned machineries, the company has resumed its production from the mid of July 2022.

### 1.(5) (ii) Segment-wise or product wise performance:

Our company produces 100% Cotton Yarn. The existing installed production capacity of the company is 1,900,000 kg. yarn per annum with 29,040 Spindles. Comparative position of its operating/financial performance for the year 2021-2022 and 2020-2021 are given below:

Particulars	Unit	2021-2022	2020-2021
Spindle	Number	29040	29040
Production Capacity	MT	1900	1900
Actual Production	MT	719.48	963.80
Capacity Utilization	%	37.87%	50.73%

### 1.(5)(iii) Risk and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any:

All sectors of the textile industry face many of the similar challenges. These are lack of power, uncertain fiscal & monetary policies, labor unrest causing disruption of production, Buyers; dominance, international trade barriers and increased cost of fund. Since a Spinning Mill has to depend on imported raw materials and local supply of labour. Price variation of raw material and increased cost of labour are the main risk for this type of industry. Uninterrupted power supply due to irregular gas supply and price variation also affects this type of industry. The Company is also aware of Financial Risk including Credit Risk, Liquidity Risk, Market Risk, Price Risk, Interest Risk and Currency Risk and is prepared to meet those by systematic control which are elaborately described in the notes of financial statement.

### 1.(5) (iv) Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin:

**(a) Cost of Goods Sold:** The cost of goods sold was 108.46% on sales during the year 2021-2022 compared to 111.07% during the previous year, a decrease of 2.35% was due to increase of sales volume compared to the last year.

**(b) Gross Profit/(Loss):** Gross Loss during the year (8.46)% on sales as compared to (11.06)% during the previous year. Gross Loss had decreased by 23.51% on sales due to decrease in cost of goods sold and increase in sales volume.

**(c) Net Profit/(Loss):** The Net Loss of the company during the year Tk. 146.12 million compared to last year's Net Loss of Tk. 286.95 million. The Net Loss decreased during this year due to decrease in operating expenses and increase in sales volume and price as compared to previous year.

Particulars	July 21 to June 22	July 20 to June 21	Variance Increase(+)/ Decrease(-)
Turnover	337,577,733	285,391,902	52,185,831
Cost of Goods Sold	363,619,795	316,975,187	48,473,501
Gross Profit Margin	(8.46)	(11.06)	23.51%
Net Profit Margin	(43.29)	(100.54)	56.94%

**1.(5) (v) Discussion on continuity of any extraordinary activities and their implications (gain or loss):**

There was no such extraordinary activity during the year.

**1.(5) (vi) Detailed discussion on related party transactions:**

A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions has been shown in note 44 of these financial statements.

**1.(5) (vii) Statement of utilization of proceeds raised through public issues, right issues and/or any other instruments:**

There were no public issues and/or right issues during the year

**1.(5) (viii) Explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.:**

During the year 2019-2020 and 2020-2021, the company was affected by 2(two) fire incidents in succession, which caused a huge damage in the financial results of the company. Besides, adverse effect of COVID-19 made a irreplaceable loss to the company, country and the world as a whole.

**1.(5)(ix) Explanation on any significant variance occurs between Quarterly Financial performance and Annual Financial Statements:**

The company's earnings per share (EPS) in 1st quarter was Tk. (0.24) per share, in 2nd quarter stood at Tk. (0.44) per share, in 3rd quarter stood at Tk. (0.55) per share and in annual financial statements it stood at Tk. (1.28) per share. Though sales volume and sales price had increased, profitability decreased in the 4<sup>th</sup> quarter due to provision made for bad and doubtful debts Tk. 8,34,40,705/- .

**1.(5) (x) Statement of remuneration paid to the directors including independent directors is stated below:**

Name of Directors	Designation	Remuneration paid from July 21 to June 22
Mrs. Farida Khanam	Chairperson	-
Mr. Mahmuddur Rahman	Managing Director	1,400,000
Mrs. Nusrat Jahan	Director	-
Mr. Mahbubur Rahman Khan	Director	700,000
Mrs. Masuma Khan	Director	700,000
Prof. M. Farid Ahmed	Independent Director	-
Prof. Abu Taleb	Independent Director	-
Dr. Saud Ahmed	Independent Director	-
<b>Total</b>		<b>2,800,000</b>

**1.(5) (xi) Statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the results of its operations, cash flows and changes in equity:**

The Financial Statements prepared by the management of the company fairly its state of affairs, the result of its operations, cash flows and changes in equity.

**1.(5) (xii) Statement that proper books of account of the issuer company have been maintained:**

Proper books of account as required by the prevailing law have been maintained.

**1.(5) (xiii) Statement that 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:**

Appropriate accounting policies have been followed in formulating the financial statements and accounting estimates were reasonable and prudent.

**1.(5) (xiv) Statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed:**

The financial statement was prepared in accordance with IAS/IFRS as applicable in Bangladesh and any departure there from has been adequately disclosed.

**1.(5) (xv) Statement that the system of internal control is sound in design and has been effectively implemented and monitored:**

The internal control system is sound in design and is effectively implemented and monitored

**1.(5) (xvi) Statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress:**

Not applicable for Zaheen Spinning Ltd.

**1.(5) (xvii) Statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, highlighted and the reasons there of shall be disclosed:**

Though the company is temporarily suffering from working capital crisis, nevertheless the management would like to ensure that there is no significant doubt about the company's ability to continue as a going concern.

**1.(5) (xviii) Explanation that significant deviations from the last year's operating results of the company:**

During the year 2021-2022 the company's operating loss is Tk. 13,41,58,003 as against last year operating loss of Tk. 14,73,53,505. The significant increase in operating results is due to decrease in operating expenses and cost of goods sold compared to previous year.

**1.(5) (xix) Key operating and financial data of last preceding 5 (five) years have been presented in summarized form as follows:**

**FIVE YEARS OPERATIONAL RESULTS**

**Figure in thousand Taka**

Particulars	30.06.2022	30.06.2021	30.06.2020	30.06.2019	30.06.2018
Paid-up Capital	1,138,284	1,138,284	1,138,284	1,084,080	985,527
Reserve, Surplus & Others	(572,502)	(426,379)	(139,433)	300,610	335,207
<b>Shareholders Equity</b>	<b>565,782</b>	<b>711,905</b>	<b>998,851</b>	<b>1,384,690</b>	<b>1,320,734</b>
Net Assets	565,782	711,905	998,851	1,388,798	1,320,734
Turnover	337,578	285,392	608,584	800,440	857,617
Gross Profit	(28,568)	(31,583)	34,029	115,620	176,377
Profit before Tax	(139,306)	(287,634)	(379,179)	80,216	135,390

Profit after Tax	(146,123)	(286,946)	(385,839)	68,064	114,953
Number of Shares	113,828	113,828	113,828	108,408	98,553
Number of Shareholders	5074	6507	6877	6263	5380
Earning per Share-EPS	(1.28)	(2.52)	(3.39)	0.60	1.01
Net Asset Value	4.97	6.25	8.78	12.16	11.60

**1.(5) (xx) Dividend:**

Dividend is declared from the current year profit or undistributed profit, if any, based on audited financial statements. Since there is a Net Loss for the year ended on June 30, 2022 is Tk. 14,61,22,841 instead of profit and accordingly the Accumulated net loss of the Company have become Tk. 73,68,58,873 as on June 30, 2022, Thus, the Board of Directors recommended no dividend for the year ended on June 30, 2022 for its shareholders.

**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:**

No bonus share or stock dividend has been declared during the year 2021-2022 as interim dividend.

**1.(5) (xxii) The total number of Board Meetings held during the year 2021-2022 and attendance by each director was as follows:**

SI #	Name	Position	Meeting Held	Attendance
1.	Mrs. Farida Khanom	Chairperson	8	8
2.	Mr. Mahmudur Rahman	Managing Director	8	8
3.	Mrs. Nusrat Jahan	Director	8	8
4.	Mr. Mahbubur Rahman Khan	Director	8	6
5.	Ms. Masuma Khan	Director	8	6
6.	Professor M. Farid Ahmed	Independent Director	8	7
7.	Professor Abu Taleb	Independent Director	8	7
8	Dr. Saud Ahmed	Independent Director	2	2

**1.(5) (xxiii) Report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by is given below:-**

SI #	Name	Description	Number of share as on 30.06.2022	(%)
(a)	Parent or Subsidiary or Associated Companies and other related parties (name wise details)	Nil	Nil	Nil
(b)	Directors, Chief Executive Officer, Company secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name wise details)			
1.	Mrs. Farida Khanam	Chairperson	8,474,235	7.44%
2.	Mahmudur Rahman	Managing Director and CEO	14,993,286	13.17%
3.	Mrs. Nusrat Jahan	Director	3,791,986	3.33%
4.	Mahbubur Rahman Khan	Director	5,429,886	4.77%
5.	Masuma Khan	Director	2,714,943	2.39%
6.	Professor M. Farid Ahmed	Independent Director	Nil	Nil
7.	Professor Abu Taleb	Independent Director	Nil	Nil
8.	Dr. Saud Ahmed	Independent Director	Nil	Nil
9.	Md. Mohin Uddin	Company Secretary	Nil	Nil
10.	Mr. Monotosh Datta	Chief Financial Officer (CC)	Nil	Nil

11.	Md. Tanjim Hossain	HIAC	Nil	Nil
	<b>Sub-Total</b>		<b>35,404,336</b>	<b>31.10%</b>
	<b>Institution &amp; General Public</b>		<b>78,424,032</b>	<b>68.90%</b>
	<b>Total</b>		<b>113,828,368</b>	<b>100%</b>
(a) Executives (Top 5 salaried employees):				
12.	Md. Shahidul Islam	DGM	Nil	Nil
13.	Md. Shazedul Islam	Manager	Nil	Nil
14.	Md. Razib Mahmud	Electrical Engineer	Nil	Nil
15.	Md. Bayazid Hossain	Maintenance Engineer	Nil	Nil
(b) Shareholders holding ten percent(10%) or more voting interest in the company				
	Mahmudur Rahman	Director	14,993,286	13.17%

Distribution schedule of each class of equity security setting out the number of holders and percentage as on June 30, 2022:

Range of Holdings	Number of Holders	Number of Shares	In %
Less than 500 shares	1337	209,333	0.18
501 to 5000 shares	2434	4,586,228	4.03
5001 to 10000 shares	497	3,847,097	3.38
10001 to 20000 shares	339	4,940,611	4.34
20001 to 30000 shares	156	3,937,437	3.46
30001 to 40000 shares	71	2,509,147	2.20
40001 to 50000 shares	54	2,493,733	2.19
50001 to 100000 shares	99	7,153,407	6.28
100001 to 1000000 shares	75	19,992,470	17.57
Over 1,000,000 shares	12	64,158,905	56.37
<b>Total</b>	<b>5,074</b>	<b>113,828,368</b>	<b>100%</b>

#### 1.(5) (xxiv) Appointment/re-appointment of the directors:

##### Appointment or reappointment of Directors:

With regard to the appointment, retirement and reappointment of directors, the company is governed by its Articles of Association, the Companies Act, 1994 and other related legislations. Accordingly, the following Directors would retire by rotation and being eligible, they offered themselves for re-election. Brief resume and other information of the retired directors are as follows:

##### Mrs. Nusrat Jahan, Director

Mrs. Nusrat Jahan is graduated in Computer Science and Engineering. She joined the company in 2012. In order to gain more practical experience in the field of textile sector she has worked in various capacities in the company. Her constant research and development of modern means of taking the company forward acts as a driving force for the company.

##### Mrs. Masuma Khan, Director

Mrs. Masuma Khan had been appointed as director of Zaheen Spinning Limited on April 29, 2019. She is the only daughter of former Sponsor Director and former Managing Director Late A.M. Badruzzaman Khashroo and Sponsor Director Mrs. Farida Khanam, chairman of the Company. She obtained Bar-at-Law degree from City, University of London, UK.

##### Appointment and Re-appointment of Independent Directors:

##### Appointment of Independent Directors:

As per suggestion of BSEC, 2 (two) directors were included in the board of directors. Brief resume and other information of the newly appointed independent directors are as follows:

##### Dr. Saud Ahmed

Mr. Saud Ahmed is one of the Independent Director of Zaheen Spinning Limited. He was born in 1983. He is the son of Mr. Mohammad Shah Alam and Mrs. Meherunnessa. He is the Associate Professor of the Department of Tourism and Hospitality Management, University of Dhaka. He obtained PhD from Glasgow Caledonian University, United Kingdom. Mr. Ahmed has 14 years of Teaching experience in

business administration in Daffodil International University, Jagannath University and University of Dhaka. He has vast knowledge in Teaching and research in the diversified field of accounts, finance, banking, insurance etc. Lots of articles of Mr. Ahmed have been pulshed and to be published in different renowned journals.

Dr. Ahmed was appointed as Independent Director of the Company with effect from 1 February 2022 for the next 3 (three) consecutive years.

**Professor Dr. Md. Shahidul Islam**

Dr. Md. Shahidul Islam is Professor of Banking and Economics in the Department of Banking and Insurance, University of Dhaka. Dr. Islam received his PhD in Economics from the Graduate School of Economics and Management, Tohoku University, Sendai, Japan in September 2016, specializing in Microeconomics and Microeconometrics of Banking. He has contributed to over 18 peer-reviewed publications, including in many as first author, in the Elsevier, Scienpress, Sciedu press and other renowned publishing houses journals. Dr. Islam has extensively attended and presented his scholarly research works at many international meetings and academic conferences in abroad including Japan, China and Malaysia.

Dr. Islam was appointed as Independent Director of the Company with effect from 1 July 2022 for the next 3 (three) consecutive years.

**Re-appointment of Independent Director:**

**Professor M. Farid Ahmed**

As per condition 1(2)(e) of Corporate Governance Code, the first tenure of Independent Director Professor M. Farid Ahmed was expired on November 1, 2022 and being eligible for reappointment, the board re-appointed Professor Ahmed for 1 (one) extended tenure with effect from November 2, 2022. Brief resume and other information of Professor Ahmed is as follows:

Professor M. Farid Ahmed is the Honorary Professor, Department of Finance, Faculty of Business Studies, University of Dhaka and former Vice Chancellor, Bangladesh Open University, Gazipur. He obtained Ph.D. from Nagoya University, Japan. He started his career as a Lecturer of Finance and Banking in 1977 in the University of Dhaka. He held many important positions and membership in Government and Non-Government, social, professional, research and policy making organizations and bodies.

**1.(5) (xxv) Management’s Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company’s position and operations along with a brief discussion of changes in the financial statements:**

Management’s Discussion and analysis signed by CEO or MD are stated in Annexure-I

**1.(5) (xxvi) Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) has been disclosed in Annexure-A**

**1.(5) (xxvii) Report as well as certificate regarding compliance of conditions of this Code as required under condition No.9 has been disclosed in Annexure-B and Annexure-C.**

**APPOINTMENT OF STATUTORY AUDITORS:**

M/s. ARTISAN, Chartered Accountants, existing statutory auditors of the company retires at this 15th Annual General Meeting. M/s. ARTISAN, Chartered Accountants (a panel auditor of BSEC), being eligible have offered themselves for re-appointment as statutory auditor of the company for the year 2022-2023. In recommendation of the Audit Committee, the Board recommended M/s. ARTISAN, Chartered Accountants, Block-E, Level-2, House-52 Road No 13C, Dhaka 1213 for appointment as statutory auditors of the Company of the year 2022-2023 at a remuneration Tk. 300,000/- (three lacs) only excluding VAT.

#### **APPOINTMENT OF CORPORATE GOVERNANCE COMPLIANCE AUDITORS:**

M/s. **Islam Quazi Shafique & Co.**, Chartered Accountants, existing compliance auditors of the company being eligible offered themselves for re-appointment as corporate governance compliance auditors of the company for the year 2022-2023. As recommended, by the Audit Committee, the Board proposed the name of M/s. **Islam Quazi Shafique & Co.**, Chartered Accountants, AI-HAJ SHAMSUDDIN MANSION, 4th-Floor, Room # C, 17, New Eskaton Road, Moghbazar, Dhaka-1000 for re-appointment as corporate governance compliance auditors of the Company of the year 2021-2022 at a remuneration Tk. 30,000/- (thirty thousand) only excluding VAT.

#### **Acknowledgement**

The Board of Directors are pleased to record with appreciation and gratitude the co-operation and support provided by Shareholders, Customers, Bankers, Insurance Companies, Suppliers, BSEC, DSE, CSE, CDBL, RJSC and dedication by Workers and Employees of the company without whose active support the result achieved would not have been possible.

Looking forward for a bright future for all of us.  
On behalf of the Board of Directors,



Farida Khanam  
Chairperson

November 1, 2022  
Dhaka



## Management Discussion and Analysis

Management's Discussion and Analysis of the company's position and operations along with a brief discussion of changes in the financial statements as per condition no 5(xxv) of Corporate Governance Code dated June 3, 2018.

(a) The company has prepared and presented its financial statements as per BAS adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). The following BASs are applicable for the financial statements for the period under review:

IAS-01 Presentation of Financial Statements  
 IAS-02 Inventories  
 IAS-07 Statement of Cash Flows  
 IAS-08 Accounting Policies, Changes in Accounting Estimates and Errors  
 IAS-10 Events after the Reporting Period  
 IAS-12 Income Taxes  
 IAS-16 Property, Plant and Equipment  
 IAS-19 Employee Benefits  
 IAS-21 The Effects of Changes in Foreign Exchange Rates  
 IAS-23 Borrowing Costs  
 IAS-24 Related Party Disclosures  
 IAS-32 Financial Instruments: Presentation  
 IAS-33 Earning Per Share  
 IAS-36 Impairment of Assets  
 IAS-37 Provision, Contingent Liabilities and Contingent Assets  
 IAS-39 Financial Instruments: Recognition and Measurement

IFRS-16 Leases

(b) There were no changes in accounting policies and estimation during the reporting period of the company.

(c) Comparative Analysis of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof are as follows:

Comparative analysis of financial performance or results and financial position (including effects of inflation) as well as cash flows for current financial year with immediate preceding five years explaining reasons are as follows:

(In thousand taka)

Particulars	30.06.2022	30.06.2021	30.06.2020	30.06.2019	30.06.2018
Turnover	337,578	285,392	608,584	800,440	857,617
Gross Profit	(28,568)	(31,583)	34,029	115,620	176,377
Profit before Tax	(139,306)	(287,634)	(379,179)	80,216	135,390
Profit after Tax	(146,123)	(286,946)	(385,839)	68,064	114,953
Shareholders' Equity	565,782	711,905	998,851	1,384,690	1,320,734
Total Assets	1,028,911	1,081,661	1,262,702	1,530,557	1,471,163
Current Assets	400,571	425,896	555,203	774,227	693,684
Current Liabilities	408,413	342,587	228,028	115,777	123,037
Current Ratio	0.98	1.24	2.43	6.69	5.64
Net Assets Value	4.97	6.25	8.78	12.16	11.60
Earning per Share-EPS	(1.28)	(2.52)	(3.39)	0.60	1.01
NOCFPS	0.06	0.43	0.07	0.34	0.56

The rated capacity of Zaheen Spinning Ltd. was unchanged and Turnover was more or less same, except the period of 2019-2021. ZSL sales/turnover had decreased in the year 2019-2021 due to adverse effect of COVID-19 and two consecutive and massive fire incidents in the year 2019 and 2021 respectively. Production was suspended for a period around 6<sup>th</sup> months of second half in the year 2020-2021. Partial production was run throughout the year 2021-2022. During the year the Net Loss of the is Tk. 146.12 million because of low production, percentage of Cost of Goods sold increased including, factory overhead, operating expenses and financial expenses. As a result Gross Profit and Net Profit have been decreased. Due to decrease of collection against sales and increase of financial and other expenses NOCFPS has decreased.

**(d) Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario:**

(in thousand)

Particulars	Zaheen Spinning Ltd. June 30, 2022	Dulamia Cotton Spinning Mills Ltd. June 30, 2021	Malek Spinning Mills Ltd. June 30, 2021	Matin Spinning Mills Ltd. June 30, 2021	Mozaffar Hossain Spinning Mills Limited June 30, 2021
Revenue	337,578	-	2,976,287	5,021,072	1,562,896
Gross Profit	(28,568)	-	450,858	1,097,111	300,229
Operating Expenses	107,005	5,030	(89,650)	269,232	60,385
Financial Expenses	5,169	4,593	(49,617)	41,261	153,704
Net Profit before tax	(139,306)	(10,353)	294,271	842,770,	80,654
Net Profit After Tax	(146,123)	(10,353)	250,230	615,479	52,427
Net Profit in%	(0.43)	-	8.41	12.26	3.35
Earning Per Share (EPS)	(1.28)	(1.37)	(1.29)	6.31	0.52
NOCFPS	0.06	(1.42)	(1.75)	0.40	(10.39)
NAV	4.97	(37.42)	26.42	53.84	18.16

**(e) Briefly explain the financial and economic scenario of the country and the globe:**

Global financial and multilateral institutions are forecasting an impending recession owing to the aftermath of the covid-19 pandemic and recurrent waves which is now exacerbated by the Russia-Ukraine war. Commodities prices and financial markets all over the world have witnessed significant volatility since the war erupted. The war has magnified the slowdown in the global economy, which is entering what could become a protracted period of feeble growth and elevated inflation, according to the World Bank's latest Global Economic Prospects report. Global growth is expected to slump from 5.7 percent in 2021 to 2.9 percent in 2022— significantly lower than 4.1 percent that was anticipated in January. The war in Ukraine, lockdowns in China, supply-chain disruptions, and the risk of stagflation are hammering growth. World Bank and global financial institutions predict that for many countries, recession will be hard to avoid.

Amidst this rather grim global economic outlook, the prospects for Bangladesh are more positive. Bangladesh's export receipts registered a 31% year-on-year (YoY) growth to \$33.84 billion in the first eight months (July-February) of the current 2021-22 fiscal year. Despite repeated waves of Covid-19, Bangladesh economy has managed to return to the recovery phase aided by appropriate policies and 28 stimulus packages. We have seen FDI pouring into the automobile and electronics and various manufacturing sectors. Reforms are also being made to the capital markets. Bangladesh has had one of the best vaccine rollouts in South and the most vulnerable group of citizens have already received two doses of vaccination. According to the Nikkei index Bangladesh has demonstrated the best covid management and response strategies in South Asia. The recent sectoral trends suggest that the government's real GDP target for FY22 can be achieved subject to improving the Covid-19 situation with no major external or internal shocks. The Russia-Ukraine war had led to a fall in the supply of dollars, while demand remained high leading to falling currency value of Bangladeshi Taka. Bangladesh has made a strong economic recovery from the COVID-19 pandemic; however growth faces new headwinds as global commodity prices increase amid the uncertainty created by the war in Ukraine. Bangladesh is pushing for preferential facilities from OECD countries and with mega infrastructure projects like the Padma Bridge and Metrorail coming to fruition, the economic mobility is expected to get a boost and cushion against recession or similar shocks emerging in the global outlook.

**(f) Risk and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan:**

We are always concerned about any credit risk, liquidity risk, market risk, currency risk, and interest rate risk which can affect our business and shareholders' value. All of these can impact our business and management is constantly seeking best possible ways to mitigate such risks.

**(g) Future plan or projection or forecast for company's operation, performance and financial position:**

The management has a plan to overcome this disaster by increasing production capacity through installation a new set of machineries. Though there is a temporary liquidity crisis, the management is exploring alternative sources of fund to meet this requirement and all obligations in time.



Mahmudur Rahman  
Managing Director & CEO

November 1, 2022

**Annexure-II****Shareholding information in compliance to the condition No. 4 of the Commission's Notification No. BSEC/CMRRCD/2009-193/10/Admin/118 dated 22 March 2021.**

1. Shareholding information of directors or shareholders who have availed any loan or credit facility by lien or pledge of their shares to the lender(s) at the time of borrowing.

Sl. No.	Name	Status	No. of shares held	% of total no. of paid-up shares	Amount of Loan or Credit Facility as on 30.06.2022
1	Farida Khanam	Sponsor Director	8,474,235	7.44%	-
2	Mahmudur Rahman	Sponsor Director	14,993,286	13.17%	-
3	Nusrat Jahan	Director	3,791,986	3.33%	-
4	Mahbubur Rahman Khan	Director	5,429,886	4.77%	-
5	Masuma Khan	Director	2,714,943	2.39%	-
<b>Total</b>			<b>35,404,336</b>	<b>31.10%</b>	<b>-</b>

2. Shareholding information of directors or shareholders who have availed margin loan from the stockbroker or portfolio manager.

Sl. No.	Name	Status	No. of shares held	% of total no. of paid-up shares	Margin Loan Amount as on 30.06.2022
1	Farida Khanam	Sponsor Director	8,474,235	7.44%	35,462,852
2	Mahmudur Rahman	Sponsor Director	14,993,286	13.17%	88,714,665
3	Nusrat Jahan	Director	3,791,986	3.33%	23,445,984
4	Mahbubur Rahman Khan	Director	5,429,886	4.77%	26,688,169
5	Masuma Khan	Director	2,714,943	2.39%	9,031,490
<b>Total</b>			<b>35,404,336</b>	<b>31.10%</b>	<b>183,343,160</b>

**Zaheen Spinning Limited**  
**Declaration by CEO and CFO**

November 1, 2022

**The Board of Directors**

Zaheen Spinning Limited,  
House # 59/A, Road # 12/A,  
5<sup>th</sup> & 6<sup>th</sup> Floor, Dhanmondi,  
Dhaka-1209.

**Subject: Declaration on Financial Statements for the year ended on June 30, 2022.**

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Zaheen Spinning Limited for the year ended on June 30, 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

- (i) We have reviewed the financial statements for the year ended June 30, 2022 and that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
  - b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct for the company's Board of Directors or its members.



**Managing Director & CEO**



**Chief Financial Officer (CC)**



## ISLAM QUAZI SHAFIQUE & CO

Chartered Accountants  
Al-Haj Shamsuddin Mansion  
4th Floor, Room # C  
17, New Eskaton Road  
Moghbazar, Dhaka-1000.  
Phone: 02-48312349  
E-mail: arahmanfca@gmail.com  
Website: www.qsibd.com

### PARTNERS:

Quazi Shafiqul Islam FCA, FCS  
Biplab Hossain FCA  
Abu Nasser FCA  
Md. Abdur Rahman FCA, ACS, LLB

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**Report to the Shareholders  
Of  
Zaheen Spinning Limited  
On Compliance on the Corporate Governance Code**

Annexure-B

We have examined the compliance status to the **Corporate Governance Code** by **Zaheen Spinning Limited** for the year ended on 30<sup>th</sup> June 2022. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under Section 2CC of the Bangladesh Securities and Exchange Commission.


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

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

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

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the abovementioned Corporate Governance Code issued by the Commission.
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act 1994, the Securities Laws and other relevant Laws; and
- (d) The Governance of the company is satisfactory.

Dated, Dhaka  
28 November 2022

  
MD. Abdur Rahman FCA  
Partner  
Islam Quazi Shafique & Co.  
Chartered Accountants



**Status of compliance with the conditions imposed  
By Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated 3  
June 2018 issued under section 2CC of the Securities and Exchange  
Ordinance, 1969  
(Report under Condition No. 9.00)**

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
<b>1.0</b>	<b>Board of Directors</b>			
1(1)	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		The Board of Directors of Zaheen Spinning Limited is comprised of 7 Directors including 2 Independent Directors.
<b>1.2</b>	<b>Independent Directors</b>			
1(2)(a)	All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following-At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		There are two Independent Directors in the board of the company namely: Mr. M. Farid Ahmed and Dr. Saud Ahmed.
1(2)(b)	For the purpose of this clause "independent director" means a director-			
1(2)(b)(i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company	✓		The Independent Directors have declared their compliances.
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company; Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members	✓		Do
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years	✓		Do
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies	✓		Do
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	✓		Do
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	✓		Do
(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code	✓		Do
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies	✓		Do
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	✓		Do
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	✓		Do
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM)	✓		Do
1(2)(d)	The post of independent director(s) cannot remain vacant	✓		

	for more than 90 (ninety) days; and			
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only; Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]; Provided further that the independent director shall not be subject to retirement by rotation as per the Companies Act, 1994). Explanation: For the purpose of counting tenure or term of independent director, any partial term of tenure shall be deemed to be a full tenure.	✓		The independent directors Dr. Saud Ahmed is appointed as Independent Directors for the first term of three years with effect from 1 February 2022 subject to approval of shareholders in the ensuing AGM, whereas Mr. Abu Taleb resigned on 20 June 2022, as he was no longer eligible to act as independent director as per the condition 1(2)(v).
<b>1.3</b>	<b>Qualification of Independent Directors(ID)</b>			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓		Independent Director has all the qualifications to become the directors.
1(3)(b)	Independent director shall have following qualifications:			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or			N/A
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or			N/A
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or			N/A
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	✓		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			N/A
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	✓		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			N/A
<b>1.4</b>	<b>Chairman of the Board and Chief Executive Officer</b>			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (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 in another listed company;	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		No meeting was held in absence of Chairperson of the Board.
<b>1.5</b>	<b>The Directors' Report to Shareholders</b>			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		
1(5)(ii)	The segment-wise or product-wise performance;	✓		Operational performance described in the Annual Report.
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		Description is given in the Annual Report.

1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		Description is given in the Annual Report.
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);			N/A
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			N/A
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	✓		
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		Shown in the Notes of Accounts Section of the Audited Accounts.
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;			N/A
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	✓		Explanation is given in the Annual Report.
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;			No such matter to explain
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details)	✓		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		
1(5)(xxiii)(c)	Executives; and	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	✓		
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:			
1(5)(xxiv)(a)	(a) a brief resume of the director;	✓		
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas; and	✓		
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;			N/A



1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;			No such change has been occurred in the accounting policies.
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		
<b>1.6</b>	<b>Meetings of the Board of Directors</b>			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
<b>1.7</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
1.(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
1.(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company.</b>			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			N/A
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			N/A
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A
<b>3</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).</b>			
3(1)(a)	<b>Appointment-</b> The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief	✓		

	Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;			
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
<b>3.2</b>	<b>Requirement to attend Board of Directors' Meetings</b>			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
<b>3.3</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓		
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
<b>4</b>	<b>Board of Directors' Committee</b>			
4(i)	For ensuring good governance in the company, the Board shall have at least following sub-committees: Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee.	✓		
<b>5</b>	<b>Audit Committee</b>			
<b>5(1)</b>	<b>Responsibility to the Board of Directors.</b>			
5(1)(a)	The company shall have an Audit Committee as a subcommittee of the Board;	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
<b>5(2)</b>	<b>Constitution of the Audit Committee</b>			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		The Audit Committee comprised of 3 (Three) members including M. Farid Ahmed Independent Director as Chairperson of Audit Committee.
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		

5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
<b>5(3)</b>	<b>Chairperson of the Audit Committee</b>			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		Mr. M. Farid Ahmed Independent Director is the Chairperson of the Audit Committee.
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes	✓		All the meetings of Audit Committee were held with the Chairperson of the Audit committee.
5(3)(C)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	✓		
<b>5(4)</b>	<b>Meeting of the Audit Committee</b>			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		The Committee conducted four meetings in the 2021-22.
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
<b>5(5)</b>	<b>Role of Audit Committee</b>			
5(5)(a)	The Audit Committee shall: Oversee the financial reporting process;	✓		
5(5)(b)	monitor choice of accounting policies and principles;	✓		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	oversee hiring and performance of external auditors;	✓		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5(5)(h)	review the adequacy of internal audit function;	✓		
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
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; and	✓		
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or			N/A

	prospectus for publication in the Annual Report along with the comments of the Audit Committee.			
<b>5(6)</b>	<b>Reporting of the Audit Committee</b>			
<b>5(6)(a)</b>	<b>Reporting to the Board of Directors</b>			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:			
5(6)(a)(ii)(a)	report on conflicts of interests;			Not such incident arose
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			Not such incident arose
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			Do
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			Do
5(6)(b)	<b>Reporting to the Authorities:</b> If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			No such reportable incident arose
<b>5(7)</b>	<b>Reporting to the Shareholders and General Investors</b>			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
<b>6</b>	<b>Nomination and Remuneration Committee (NRC)</b>			
<b>6(1)</b>	<b>Responsibility to the Board of Directors</b>			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓		
<b>6(2)</b>	<b>Constitution of the NRC</b>			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All members of the Committee shall be non-executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	✓		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			No such issue arose.
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.	✓		
<b>6(3)</b>	<b>Chairperson of the NRC</b>			

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;			All the meetings of NRC were held with the chairman of NRC
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	✓		
<b>6(4)</b>	<b>Meeting of the NRC</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		The Committee conducted 2 (Two) meetings in the year 2021-2022.
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			No such incident arose
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);	✓		
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.	✓		
<b>6(5)</b>	<b>Role of the NRC</b>			
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.	✓		
<b>7</b>	<b>External or Statutory Auditors.</b>			
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;	✓		
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 of corporate governance as required under condition No. 9(1); and	✓		
7(1)(ix)	Any other service that creates conflict of interest.	✓		
7(2) 7(3)	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: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
<b>8</b>	<b>Maintaining a website by the Company</b>			
(1)	The company shall have an official website linked with the website of the stock exchange	✓		
8(2)	The company shall keep the website functional from the date of listing.	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
<b>9</b>	<b>Reporting and Compliance of Corporate Governance</b>			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
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.	✓		

## AUDIT COMMITTEE REPORT

For the year ended June 30, 2022

Zaheen Spinning Limited having an Audit Committee as a sub-committee of the Board of Directors in order to assist the Board of Directors in ensuring and fulfilling its oversight responsibilities.

### The Audit Committee comprised by following Members of the Board of Directors:

Professor M. Farid Ahmed, Independent Director	-Chairman
Professor Md. Shahidul Islam, Independent Director	-Member
Mrs. Nusrat Jahan, Director	-Member

Mr. Md. Mohin Uddin Company Secretary acts as the Secretary to the Committee.

### Meetings of the Audit Committee:

- The Committee held four (04) meetings during the year.
- The Committee submits its report directly to the Board of Directors.
- Minutes of the Committee meeting are properly recorded.

### The scope of Audit Committee was defined as under:

- a. Review with the management and recommend to the Board to approve the quarterly, half yearly and annual financial statements prepared for statutory purpose;
- b. Monitor and oversee choice of accounting policies and principles, internal control, risk management process, auditing matter, hiring and performance of external auditors;
- c. Meeting with the auditors for review of the annual financial statements before submission to the Board for approval;
- d. Review the adequacy of internal audit function, Management's Discussion and Analysis before disclosing in the Annual Report;
- e. Review statement of significant related party transactions submitted by the management;
- f. Carry on a supervision role to safeguard the system of governance and independence of statutory auditors; and
- g. Review and consider the report of internal auditors and statutory auditors' observations on internal control.

### Activities carried out during the year 2021-22:

- The Committee examined and reviewed the fairness of the quarterly and annual financial statements and recommended to the Board for consideration.
- Overseen, reviewed and approved the procedure and task of the internal audit, financial report preparation and the external audit reports.
- Reviewed the Related Party Transactions, Loans, Guarantees and Investments.
- Considered and made recommendation to the Board on the appointment of Statutory Auditors and Corporate Governance Compliance Auditors.

The Committee found adequate arrangement to present a true and fair view of the activities on the financial statements of the company and an appropriate monitoring system within the business and didn't find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.

On behalf of the Audit Committee



**Professor M. Farid Ahmed**  
Chairperson-Audit Committee  
Date: November 1, 2022

# Nomination and Remuneration Committee (NRC) Policy

## 1. OVERVIEW:

### Preface

This Nomination and Remuneration Policy is being formulated in compliance with Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 3, 2018 on Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC), This policy on nomination and remuneration of Directors and top level executives of the company formulated by the Nomination and Remuneration Committee (NRC) and has been approved by the Board of Directors.

### Applicability

This Policy shall be applicable on the Directors and top level executives of the Company.

## 2. TERMS OF REFERENCE (TOR):

The Terms Reference (TOR) of the Nomination and Remuneration Committee (NRC) has been determined by the Board as per the BSEC Notification. The NRC assists the Board in formulation of the Nomination criteria or policy for determining qualifications, positive attributes, experiences and independence and top level executives as well as a policy for formal processes of considering remuneration of Directors and top level executives.

## 3. CONSTITUTION OF NRC:

As per BSEC's Corporate Governance Code, the NRC shall comprise of at least three members including an Independent Director. All members of the committee shall be non-executive directors. The members of the Committee shall be nominated and appointed by the Board of Directors. The NRC is a sub-committee of the Board.

## 4. CHAIRPERSON OF THE NRC:

The Board shall select one member of the NRC to be the Chairperson of the Committee, who shall an Independent Director. In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting.

## 5. MEETING AND QUORUM OF THE NRC:

The NRC shall conduct at least one meeting in a financial year. The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the Committee, whichever is higher, where presence of an independent director is must.

## 6. ROLE OF THE NRC:

- NRC is independent and responsible or accountable to the Board of Directors and to the Shareholders;
- To oversee, among others, the following matters and make report with recommendation to the Board;



(i) formulating the criteria for determining qualifications, positive attributes and of a Director and recommend a policy to the Board, relating to the remuneration of the Directors, top level executives, 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 of 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;

(vi) developing recommending and reviewing annually the Company's human resources and training policies;

## **7. APPOINTMENT, EVALUATION AND REMOVAL/RETIREMENT OF DIRECTOR, TOP LEVEL EXECUTIVES AND SENIOR MANAGEMENT:**

### **(i) Appointment Criteria**

(a) The Committee shall identify and ascertain the integrity, qualification experience of the person for appointment as Director, top level executive or at senior Management level and recommend his/her appointment, as per Company's Policy.

(b) A person should possess adequate qualification, expertise and experience for the position he/she considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the position.

### **(ii) Evaluation**

The Committee shall carry out the evaluation of performance of Directors and top level executive yearly or at such intervals as may be considered necessary.

### **(iii) Removal**

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 Exchanges.

### **(iv) Retirement**

The Director or top level executives shall retire as per policy of the Company. The Board will have the discretion to retain the Director or any top level executive even after attaining the retirement age, considering the benefit of the Company.

**8. REMUNERATION TO DIRECTORS AND TOP LEVEL EXECUTIVES:**

- a) The remuneration to be paid to Managing Director / Other Directors as recommended by the NRC and approved by the Board.
- b) The Nomination and Remuneration Committee (NRC) shall make such recommendations to the Board, as it may consider appropriate with regard to remuneration to Managing Director and other Directors.
- c) The Non-Executive/Independent Directors shall receive meeting fees as recommended by the Nomination and Remuneration Committee (NRC) shall be approved by the Board of Directors.
- d) The remuneration to top level executive shall be fixed considering their performances and in accordance with the Company's Policy.

**9. IMPLEMENTATION:**

The Committee may issue guidelines, formats, reporting mechanisms and manuals in supplement and for better implementation of this policy as considered appropriate.

**10. COMPOSITION OF NRC OF ZAHEEN SPINNING AND ITS ACTIVITIES DURING THE YEAR:**

The Nomination and Remuneration Committee (NRC) of Zaheen Spinning Limited comprises of the following members;

- |                             |              |
|-----------------------------|--------------|
| 1. Professor M. Farid Ahmed | -Chairperson |
| 2. Mrs. Nusrat Jahan        | -Member      |
| 3. Dr. Md. Shahidul Islam   | -Member      |
| 4. Dr. Saud Ahmed           | -Member      |

## **DIVIDEND DISTRIBUTION POLICY**

### **1. PURPOSE**

In compliance with the provisions of the Companies Act, 1994 and rules made there under (the 'Act') and Listing Regulations of the Bangladesh Securities and Exchange Commission, as amended from time to time, this Policy provides guidance for declaration of dividend and its pay-out by the Company. The Board of Directors (the 'Board') will consider the Policy while declaring / recommending dividend on behalf of the Company. The Policy is not an alternative to the decision of the Board for recommending / declaring dividend, which takes into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided by the Board.

### **2. REGULATORY FRAMEWORK**

The Bangladesh Securities and Exchange Commission (BSEC) on January 14, 2021 vide its directive No. BSEC/CMRRCD/2021-386/03 directs that every listed companies to formulate and disclose a Dividend Distribution Policy.

Zaheen Spinning Limited being one of the listed companies frames this policy to comply with the requirements of the BSEC.

### **3. CONCEPT OF DIVIDEND**

Dividend is the share of the profit that a company decides to distribute among its shareholders. The profits earned by the company can either be retained in the business or can be distributed among the shareholders as dividend.

### **4. TYPES OF DIVIDEND**

The Act deals with two types of dividend - Interim and Final.

Interim dividend is the dividend declared by the Board between two Annual General Meetings as and when considered appropriate. The Board shall have the absolute power to declare interim dividend during the financial year, as and when deemed fit. The Act authorises the Board to declare interim dividend during any financial year out of the profits for the financial year in which the dividend is sought to be declared and/or out of the surplus in the profit and loss account.

Normally, the Board could consider declaring an interim dividend after finalization of quarterly (or half yearly) financial statements.

Final dividend is recommended for the financial year at the time of approval of the annual financial statements. The Board shall have the power to recommend final dividend to the shareholders for their approval at the Annual General Meeting of the Company.

- Interim Dividend
- Final Dividend

### **5. DECLARATION OF DIVIDEND**

Subject to the provisions of the Act, dividend shall be declared and paid out of:

- **A.** Profits of the Company for the year for which the dividend is to be paid after setting off carried over previous losses and depreciation not provided in the previous year(s);
- **B.** Undistributed profits of the previous financial years after providing for depreciation in accordance with law and remaining undistributed.
- **C.** Out of A and B both.

Before declaration of dividend, the Company may transfer a portion of its profits to reserves of the Company as may be considered appropriate by the Board at its discretion.

In the event of inadequacy or absence of profits in any financial year, a company may declare dividend out of free reserves subject to the compliance with the Act.

## **6. FACTORS GOVERNING DECLARATION OF DIVIDEND**

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained circumstances for dividend pay-out decision depends on various internal and external factors:

### **Internal Factors:**

The Board of Directors of the Company would consider the following financial parameters before declaring or recommending dividend to shareholders:

- Consolidated net operating profit after tax;
- Working capital requirements;
- Capital expenditure requirements;
- Resources required to fund acquisitions and / or new businesses
- Cash flow required to meet contingencies;
- Outstanding borrowings;
- Past Dividend Trends

### **External Factors:**

The Board shall consider various external factors while declaring dividend including the following:

- Economic Scenario - The Board shall endeavour to retain a larger portion of profits to build up reserves, in case of adverse economic scenario.
- Competitive / Market Scenario - The Board shall evaluate the market trends in terms of technological changes mandating investments, competition impacting profits, etc., which may require the Company to conserve resources.
- Regulatory Restrictions / Obligations - In order to ensure compliance with the applicable laws, the Board shall consider the restrictions, if any, imposed by the Act and other applicable laws with regard to declaration of dividend.
  - Statutory obligations under the Companies Act, 1994 to transfer a certain portion of profits to any specific reserve such as Debenture Redemption Reserve, Capital Redemption Reserve, etc. may impact the decision with regard to dividend declaration.
  - Dividend distribution tax or any tax deduction at source as required by tax authorities in Bangladesh, applicable at the time of declaration of dividend may impact the decision with regard to dividend declaration.

Other Factors - Other factors beyond control of the Management like natural calamities, fire, etc. effecting operations of the Company may impact the decision with regard to dividend declaration.

## **7. FINANCIAL PARAMETERS FOR DECLARING DIVIDEND**

The Company is committed to deliver sustainable value to its stakeholders. The Company shall strive to distribute an optimal and appropriate level of the profits among the shareholders in the form of dividend.

To keep investment attractive and to ensure capital appreciation for the shareholders, the Company shall also endeavour to provide consistent return over a period of time. While deciding on the dividend, micro and macroeconomic parameters for the country in general and the Company in particular shall also be considered.

Taking into consideration the aforementioned factors, the Board shall endeavour to maintain a dividend pay-out.

## **8. UTILISATION OF RETAINED EARNINGS**

Subject to the provisions of the Act and other applicable laws, retained earnings may be utilised as under:

- Issue of fully paid-up bonus shares;
- Declaration of dividend - Interim or Final;
- Augmenting internal resources;
- Funding for Capex / expansion plans / acquisition;
- Any other permitted use as may be decided by the Board.

## **9. PARAMETERS FOR VARIOUS CLASSES OF SHARES**

Currently, the Company has only one class of shares - Equity Shares. There is no privilege amongst Equity shareholders of the Company with respect to dividend distribution.

## **10. CIRCUMSTANCES IMPACTING DIVIDEND PAYMENT**

Given below are some of the circumstances in which shareholders of the Company may or may not expect dividend pay-out:

### **May expect dividend:**

- Adequate profits and liquidity;
- Accumulated profits not warranted for immediate business needs.

### **May not expect dividend:**

- Non availability of profits for dividend distribution;
- Funds available for dividend but need to be conserved due to:
- Business needs;
- Adverse economic /market scenario expected in near future;
- Augmenting internal resources.

## **11. PROCEDURE**

- The Chief Financial Officer in consultation with the MD & CEO of the Company shall recommend any amount to be declared/ recommended as Dividend to the Board of Directors of the Company.
- The agenda of the Board of Directors where Dividend declaration or recommendation is proposed shall contain the rationale of the proposal.
- Pursuant to the provisions of applicable laws and this Policy, interim Dividend approved by the Board of Directors and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders' approval, at the ensuing Annual General Meeting of the Company.
- The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to Dividend declared by the Company.

## **12. DISCLOSURE**

This Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and on the Company's website [www.zaheenspinningltd.com](http://www.zaheenspinningltd.com).

If the Company proposes to declare dividend on the basis of any additional parameters apart from those mentioned in the Policy or proposes to change the parameters contained in this Policy, it shall disclose such changes along with the rationale for the same in the Annual Report and on the website.

## **13. EFFECTIVE DATE**

This Policy shall be effective and applicable for dividend, if any, declared for the Financial Year 2020-2021 onwards.

## **14. REVIEW / AMENDMENT**

The Board may amend, abrogate, modify or revise any or all provisions of this Policy. However, amendments in the Act or in the Listing Regulations shall be binding even if not incorporated in this Policy.

This Policy has been approved by the Board of Directors of the Company at its meeting held on August 05, 2021.

## Independent Auditor's Report To the Shareholders of Zaheen Spinning Limited Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Zaheen Spinning Limited ("the Company"), which comprise the statement of financial position as at June 30, 2022, 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 notes to the financial statements, including summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion section and Matter of Emphasis section* of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Qualified Opinion

1. The financial statement shows Property Plant & Equipment, and Work in Progress Tk. 628,339,704 which includes transfer during the year to Property, Plant & Equipment Tk. 56,439,225 from Capital Work in Progress and new addition of Tk. 11,400,000 to Capital Work in Progress, against which only Tk 8,975,000 has been paid through bank and Tk. 23,411,317 has shown as unpaid liabilities to M/S Dhaka Enterprise and rest of the amount has shown as adjustment against sales/receivable without deducting AIT and VAT, which is a violation of Income Tax Ordinance 1984, section 30 (m) and section 48. Beside this Dhaka Enterprise is not any reputed machinery manufacturer or supplier from whom the company acquires machinery of Tk. 50,900,000, without following standard purchase procedure. We were not provided with satisfactory evidence to authenticate those transactions and we were also unable to obtain sufficient appropriate audit evidence in alternative approach to satisfy ourselves to provide our opinion, and conclude that there are no undetected material misstatements in the financial statement in this regard.
2. The financial statement shows Trade & Other Receivable Tk. 369,985,513 on 30 June 2022 and realization of Tk. 372,304,930 during the year whereas bank statement produced to us by the company shows deposits of Tk. 82,056,356 only in company's bank accounts during the year under audit. Moreover, we have received no response from the customers/parties confirming the year-end balance despite of our written approach to them. Whereas the company has made Provision for Bad Debts of Tk.83,440,705 in this year in addition to 202,356,355 provision made earlier. We were not provided with satisfactory evidence to verify those transactions and we were also unable to obtain sufficient appropriate audit evidence in alternative approach to satisfy ourselves to provide our opinion, and conclude that there are no undetected material misstatements in the financial statement in this regard.
3. The financial statement exhibits Sales Revenue (Net off VAT) Tk. 337,577,733 as shown in the note # 24.00 and note # 6.00, which has been recognized by realizing through cash, bank and adjustment with suppliers bills as stated by the management of the company, out of that total Tk. 82,056,356 were only deposited in the bank. The balance amount was cash received and adjusted against purchase from M/S Dhaka Enterprise the only agent as well as supplier of the company we were also



unable to obtain sufficient appropriate audit evidence to satisfy ourselves to provide our opinion, and conclude that there are no undetected material misstatements in the financial statement in this regard.

4. The financial statement shows an amount of Tk. 137,524,422 loss on fire by virtue of damage of Property Plant & Equipment and damage of Inventory in the year 2020-21 without considering any claim receivable from insurance company. During our verification we found that the company had a fire insurance policy of only Tk. 100,000,000 instead book value of Building, Machinery Tk 451,924,490 and Inventory Tk. 82,474,124 Total Tk. 534,398,614 we were also unable to obtain sufficient appropriate audit evidence to satisfy ourselves to provide our opinion, and conclude that there are no undetected material misstatements in the financial statement in this regard.

#### **Matter of Emphasis:**

1. We found that the company is submitting the VAT Returns, Mushak 9.1 showing only sells Qty without mentioning sales revenue, though the company is paying VAT on the sales as per related VAT rule except for wastage sales. Income Tax Returns have not yet submitted from the accounting year 2016-17 to 2020-21. Our opinion is to ensure compliance with all related laws, rules and regulations to avoid any risk of the entity.
2. To the best of our understanding the company is suffering from working capital crisis which has laid down the company's dependency on single agent and supplier in local market, for which the company is struggling in reestablishing machinery and infrastructures damaged in the fire incidence on 21 January 2021 to regain the production capacity. All those have ultimately created going concern threats to the company though the management of the company has prepared the Financial Statement of the company considering it as a going concern and fully functional as stated in note # 2.01, but we were not provided with any written management plan to effectuate and ensuring this. Our opinion is to set up proper management plan in this regard ensure going concern of the entity.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.



KEY AUDIT MATTER	How our audit addresses the Key Audit Matter
<p><b>Revenue Recognition</b></p> <p>Revenue of BDT 33.76 Crore (BDT 28.53 Crore for the year ended June 30, 2021) is recognized in the Statement of Profit and Loss and Comprehensive Income of Zaheen Spinning Limited. The Company's revenue recognition policies and procedures are not complex, and revenue is recognized at a point in time when the control of the manufactured goods is transferred to the customer. However, Revenue is highly material to the financial statement users and is the primary driver of key investor metrics such as Earnings per Share etc. This account is also subject to some risk on depending on single buyer and material supplier due to the risks such as management override and bias.</p> <p>Details of the Revenue Section are summarized in Note 24 to the Financial Statements.</p>	<p>Our audit procedures included:</p> <p>Understanding the process of estimating, recording and reassessing going concern.</p> <ul style="list-style-type: none"> <li>▶ Obtain an understanding of Company's internal controls specifically geared towards adoption of the new accounting standard.</li> <li>▶ Examine customer contracts to determine key arrangements between the Customer and Company to understand when control of the goods manufactured transfer from Company to Customer.</li> <li>▶ Reviewing Invoices, Shipping Documents and other supporting documentation to ensure revenue recognition is occurring appropriately</li> <li>▶ Examine Payment documentation to ensure completion of revenue cycle is documented appropriately.</li> </ul>

#### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the 2021 Annual Report. The Annual Report comprises of the Director's Report, Corporate Governance Compliance Report and Management Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations 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. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so and those charged with governance are responsible for overseeing the Company's financial reporting process.





### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, without modifying our basis for qualified opinion as mentioned above we also report that:

- ▶ We have obtained all the information and explanations except for those mentioned under the basis of qualified opinion, which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ▶ In our opinion, proper books of accounts, records and other statutory books as required by law except for those mentioned under the basis of qualified opinion, have been kept by the Company so far as it appeared from our examinations of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- ▶ 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 returns;
- ▶ The expenditures incurred were for the purpose of the Company's business.

Date: 01 Nov 2022  
Dhaka, Bangladesh

  
**Md. Harun Or Rashid FCA (697)**

Engagement Partner

ARTISAN

Chartered Accountants

DVC: 2211100697AS576823



Sonargaon Terrace (2nd floor), House # 52, Road # 13/C,  
Block # E, Banani, Dhaka-1213, Bangladesh.



hrashidfca.artisan@gmail.com  
thamina.artisan@gmail.com

**ZAHEEN SPINNING LIMITED**  
**Statement of Financial Position**  
**As at June 30, 2022**

Particulars	Notes	Amount in Taka	
		June 30, 2022	June 30, 2021
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4.00	616,939,704	599,325,782
Capital Work in Progress	Annex-A/I	11,400,000	56,439,225
		<b>628,339,704</b>	<b>655,765,007</b>
<b>Current Assets</b>			
Inventories	5.00	14,570,407	1,089,526
Trade & Other Receivables	6.00	369,985,513	404,712,710
Advances, Deposits & Prepayments	7.00	21,422,898	17,771,887
Cash & Cash Equivalents	8.00	592,763	2,321,783
		<b>406,571,581</b>	<b>425,895,906</b>
<b>Total Assets</b>		<b>1,034,911,285</b>	<b>1,081,660,913</b>
<b>Shareholders Equity and Liabilities</b>			
<b>Shareholders Equity</b>			
Share Capital	9.00	1,138,283,680	1,138,283,680
Tax Holiday Reserve	10.00	31,538,864	31,538,864
Revaluation Surplus	11.00	132,818,398	132,818,398
Retained Earnings	12.00	(736,858,872)	(590,736,033)
		<b>565,782,070</b>	<b>711,904,909</b>
<b>Non-Current Liabilities</b>			
Deferred Tax Liability	13.00	27,651,072	27,169,316
Long Term Loan (Non-Current Portion)	14.01	27,063,548	-
		<b>54,714,620</b>	<b>27,169,316</b>
<b>Current Liabilities</b>			
Trade & Other Payable	15.00	30,374,148	19,155,873
Short Term Bank Loan	16.00	-	17,553,195
Long Term Loan (Current Portion)	14.02	5,433,195	12,469,287
Provision for Bad & Doubtful Debts	17.00	285,797,060	202,356,355
Liabilities for Income Tax	18.00	75,522,325	65,186,121
Liabilities for WPPF	19.00	-	1,871,718
Non Refunded Subscription Money	20.00	181,750	5,248,500
Unclaimed Fractional Dividend	21.00	2,266	23,134
Liabilities for Expenses	22.00	17,103,850	18,722,505
		<b>414,414,594</b>	<b>342,586,688</b>
<b>Total Shareholders Equity and Liabilities</b>		<b>1,034,911,285</b>	<b>1,081,660,913</b>
<b>Net Asset Value (NAV) Per Share</b>	23.00	<b>4.97</b>	<b>6.25</b>

The accompanying notes form an integral part of these financial statements.



Chairman

  
CFO (Current Charge)



Managing Director

  
Company Secretary



Director

Signed as per our report on even date.

Dated: 01 November, 2022

Place: Dhaka

DVC: **2211100697.AS.576823**

  
Md. Harun Or Rashid FCA (697)  
Engagement Partner  
**ARTISAN**  
Chartered Accountants

**ZAHEEN SPINNING LIMITED**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended June 30, 2022**

Particulars	Notes	Amount in Taka	
		June 30, 2022	June 30, 2021
Sales Revenue (Net off VAT)	24.00	337,577,733	285,391,902
Less: Cost of Goods Sold	25.00	366,146,005	316,975,187
<b>Gross Profit/ (Loss)</b>		<b>(28,568,272)</b>	<b>(31,583,285)</b>
Add: Other Income	26.00	1,414,792	4,986,643
		<b>(27,153,480)</b>	<b>(26,596,642)</b>
<b>Less: Operating Expenses</b>			
Administrative Expenses	27.00	18,630,447	21,137,268
Marketing Expenses	28.00	4,933,370	6,269,784
Loss on Sale of Vehicle	29.00	-	449,982
Provision for Bad & Doubtful Debts	17.00	83,440,705	92,899,830
		<b>107,004,522</b>	<b>120,756,864</b>
<b>Profit from Operations</b>		<b>(134,158,002)</b>	<b>(147,353,505)</b>
Less: Financial Expenses	30.00	5,168,981	2,756,425
Add/ (Less): Foreign Exchange Gain/(Loss)	31.00	21,383	(124)
<b>Profit/ (Loss) before Charging WPPF</b>		<b>(139,305,600)</b>	<b>(150,110,054)</b>
Less: WPPF Expenses	19.00	-	-
<b>Net Profit/ (Loss) before fire loss &amp; income tax</b>		<b>(139,305,600)</b>	<b>(150,110,054)</b>
Less: Fire Loss	32.00	-	137,524,422
<b>Net Profit/ (Loss) before income tax</b>		<b>(139,305,600)</b>	<b>(287,634,476)</b>
<b>Less: Tax Expenses</b>	33.00		
Current Tax		6,335,483	1,940,952
Deferred Tax		481,756	(2,629,649)
		<b>6,817,239</b>	<b>(688,697)</b>
<b>Net Profit/ (Loss) after Tax</b>		<b>(146,122,840)</b>	<b>(286,945,779)</b>
Add: Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b>(146,122,840)</b>	<b>(286,945,779)</b>
<b>Earnings Per Share (EPS)</b>	34.00	<b>(1.28)</b>	<b>(2.52)</b>

The accompanying notes form an integral part of these financial statements.

  
Chairman

  
Managing Director

  
Director

  
CFO (Current Charge)

  
Company Secretary

Signed as per our report on even date.

  
Md. Harun Or Rashid FCA (697)  
Engagement Partner  
ARTISAN  
Chartered Accountants


Dated: 01 November, 2022  
Place: Dhaka  
DVC: 2211100697AS.576823

**ZAHEEN SPINNING LIMITED**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2022**

Particulars	Share Capital	Tax Holiday Reserve	Revaluation Surplus	Retained Earnings	Total Equity
<b>Balance as on July 01, 2021</b>	1,138,283,680	31,538,864	132,818,398	(590,736,033)	711,904,909
Bonus Share	-	-	-	-	-
Net Profit after Tax for the period	-	-	-	(146,122,839)	(146,122,839)
<b>Balance as on June 30, 2022</b>	<b>1,138,283,680</b>	<b>31,538,864</b>	<b>132,818,398</b>	<b>(736,858,872)</b>	<b>565,782,070</b>

**For the year ended 30 June 2021**

Particulars	Share Capital	Tax Holiday Reserve	Revaluation Surplus	Retained Earnings	Total Equity
<b>Balance as on July 01, 2020</b>	1,138,283,680	31,538,864	132,818,398	(303,790,255)	998,850,687
Bonus Share	-	-	-	-	-
Net profit after Tax for the period	-	-	-	(286,945,779)	(286,945,779)
<b>Balance as on June 30, 2021</b>	<b>1,138,283,680</b>	<b>31,538,864</b>	<b>132,818,398</b>	<b>(590,736,033)</b>	<b>711,904,909</b>

  
 Chairman

  
 Managing Director

  
 Director

  
 CFO (Current Charge)

  
 Company Secretary

Signed as per our report on even date.

Dated: 01 November, 2022

Place: Dhaka

DVC: **2211100697AS576823**

  
**Md. Harun Or Rashid FCA (697)**  
 Engagement Partner  
 ARTISAN  
 Chartered Accountants

**ZAHEEN SPINNING LIMITED**  
**Statement of Cash Flows**  
**For the year ended June 30, 2022**

Particulars	Notes	Amount in Taka	
		June 30, 2022	June 30, 2021
<b>A. Cash Flows from Operating Activities</b>			
Collection from Customers & Others	35.00	373,719,722	323,491,935
Payment to Suppliers & Others	36.00	(338,553,455)	(257,631,094)
Adjustment of Payment of Advance Tax		4,000,721	-
<b>Cash Generated from Operating Activities</b>		<b>39,166,988</b>	<b>65,860,841</b>
<b>B. Cash Flows from Investing Activities</b>			
Cash payment for Expenses	37.00	(23,171,660)	(22,914,006)
Payment against Advance, Deposits & Prepayments		(3,651,011)	8,880,202
Finance Cost	38.00	(5,168,981)	(2,756,425)
<b>Net Cash Flows from Operating Activities</b>	39.00	<b>7,175,336</b>	<b>49,070,612</b>
<b>B. Cash Flows from Investing Activities</b>			
Acquisition of Fixed Assets		-	(3,655,104)
Work in Progress		(11,400,000)	(56,439,225)
Proceed from sale of vehicle		-	2,670,000
Proceeds from sale Salvage Fixed Assets		-	4,214,046
<b>Net Cash Flows from Investing Activities</b>		<b>(11,400,000)</b>	<b>(53,210,283)</b>
<b>C. Cash Flows from Financing Activities</b>			
Changes in short term bank loan		(17,553,195)	(871,063)
Payment of long term loan		20,027,456	(918,439)
<b>Net Cash Flows from Financing Activities</b>		<b>2,474,261</b>	<b>(1,789,502)</b>
<b>D. Net Cash inflow/(outflow) for the year (A+B+C)</b>		<b>(1,750,403)</b>	<b>(5,929,173)</b>
E. Cash & Cash Equivalent at beginning of the year		2,321,783	8,251,080
F. Foreign Exchange Gain/Loss		21,383	(124)
<b>G. Cash &amp; Cash Equivalent at end of the year (D+E)</b>		<b>592,763</b>	<b>2,321,783</b>
<b>Net Operating Cash Flows (NOCF) Per Share</b>	40.00	<b>0.06</b>	<b>0.43</b>

  
Chairman

  
Managing Director

  
Director

  
CFO (Current Charge)

  
Company Secretary

Dated: 01 November, 2022

Place: Dhaka

DVC: **2211100697 AS 576823**

  
**Md. Harun Or Rashid FCA (697)**  
Engagement Partner  
ARTISAN  
Chartered Accountants

**Zaheen Spinning Limited**  
**Notes, Summary of Significant Accounting Policies and other Explanatory Information**  
**For the year ended June 30, 2022**

**1.00 Background of the Company**

**1.01 Legal Status**

Zaheen Spinning Limited was incorporated on July 22, 2007 as private limited companies under the Companies Act 1994 vide registration no. C-67789(340)/07. The company started its commercial operation on February 15, 2010. On August 14, 2012 it was converted into a public limited company. Bangladesh Securities and Exchange Commission (BSEC) has accorded consent for IPO on November 11, 2014 and on March 25, 2015 trading of shares of Zaheen Spinning Limited started on both the bourses namely Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE).

**1.02 Registered office & location of the factory of the company**

The registered office of the company is located at House-9, Road-10, Flat-A/1, Dhanmondi, Dhaka-1205 and Factory is situated at Jhawgara, Araihasar, and Narayanganj, Bangladesh.

**1.03 Nature of business activities**

The company is a 100% cotton yarn manufacturer of different counts.

**1.04 Capital Structure of the Company**

Particulars	Taka
<b>Authorized Capital</b>	
300,000,000 Ordinary Shares of Tk. 10.00 each	3,000,000,000
100,000,000 Preference Shares of Tk. 10.00 each	1,000,000,000
<b>Issued, subscribed, called-up and paid-up capital</b>	
113,828,368 Ordinary Shares of Tk. 10.00 each	1,138,283,680

**1.05 Board of Directors**

The composition of the Board of Directors is as follows:

Name	Position
Mrs. Farida Khanam	Chairman
Mr. Mahmudur Rahman	Managing Director
Mrs. Nusrat Jahan	Director
Mr. Mahbubur Rahman Khan	Director
Mrs. Masuma Khan	Director
Prof. M. Farid Ahmed	Independent Director
Dr. Saud Ahmed	Independent Director

**2.00 Basis of Preparation of Financial Statements**

**2.01 Measurement bases and going concern**

The financial statements have been prepared on historical cost convention under mercantile system, accounting for all accruals and pre-payments, on the assumption that the company will function as a going concern in the foreseeable future.

## **2.02 Reporting framework and compliance thereof:**

The financial statement have been prepared in compliance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, the listing regulation of Dhaka and Chittagong Stock Exchanges Limited and other relevant local laws as applicable, and in accordance with the applicable International Financial Reporting Standards (IFRSs) including with International Accounting Standards (IASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

## **2.03 Presentation of financial statements**

The presentation of these financial statements is in accordance with the guidelines provided by IAS: 1 'Presentation of Financial Statements'.

- (i) statement of financial position as at June 30, 2022;
- (ii) statement of profit or loss and other comprehensive income for the year ended 01 July 2021 to 30 June 2022;
- (iii) statement of changes in equity for the year ended 01 July 2021 to 30 June 2022;
- (iv) statement of cash flows for the year ended 01 July 2021 to 30 June 2022;and
- (v) notes, summary of significant accounting policies and other explanatory information for the year ended 01 July 2021 to 30 June 2022.

## **2.04 Risk and Uncertainties for use of Estimates in preparation of financial statements.**

The preparation of financial statements 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 disclosure requirements for contingent assets and liabilities during and at the date of financial statements. Actual results may differ from those 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 IAS-8: Accounting Policies, Changes in Accounting Estimates and Errors.

In particular, information about significant areas of estimation on uncertainty and critical judgments in applying accounting policies that have the most significant affect on the amounts recognized in the financial statements are included in the following notes:

Note: 4 Properties, Plant and Equipment  
Note: 5 Inventories  
Note: 6 Trade & Other Receivables  
Note: 7 Advances, Deposits and Pre-payments  
Note: 15 Trades& Other Payable  
Note: 18 Liabilities for Income Tax

## **2.05 Reporting period**

The financial statements cover 1(One) year from 01 July 2021 to 30 June 2022.

## **2.06 Authorization for issue**

The financial statements were authorized for issue by the Board of Directors of the company on November 01, 2022.

## **2.07 Functional and presentation currency**

The financial statements are prepared and presented in Bangladesh currency (BDT/Taka), which is the company's functional currency. All financial information presented has been rounded off to the nearest taka except where indicated otherwise.

## **2.08 Statement of Cash Flows**

The statement of cash flows has been prepared in accordance with the requirements of IAS-7: 'Statement of Cash Flows'. The cash generating from operating activities has been reported using the direct method as



prescribed by the Securities and Exchange Rules-1987 and as the benchmark treatment of IAS-7, whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

## 2.09 IAS and IFRS Adopted by the Management

The following IAS and IFRS are applicable and adopted by management for preparation of financial statements for the year ended June 30, 2022:

Sl. No.	Name of the IAS	IAS's No.	Status
1	Presentation of Financial Statements	1	Applied
2	Inventories	2	Applied
3	Statement of Cash Flows	7	Applied
4	Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
5	Events after the Reporting Period	10	Applied
6	Income Taxes	12	Applied
7	Property, Plant and Equipment	16	Applied
8	Leases	17	N/A
9	Employees Benefits	19	Applied
10	Accounting for Government Grants & Disclosure of Government Assistance	20	N/A
11	The Effects of Changes in Foreign Exchange Rates	21	Applied
12	Borrowing Costs	23	Applied
13	Related Party Disclosures	24	Applied
14	Accounting and Reporting by Retirement Benefit Plans	26	N/A
15	Separate Financial Statements	27	N/A
16	Investment in Associates and Joint Ventures	28	N/A
17	Financial Reporting in Hyperinflationary Economics	29	N/A
18	Financial Instruments: Presentation	32	Applied
19	Earnings Per Share	33	Applied
20	Interim Financial Reporting	34	N/A
21	Impairment of Assets	36	Applied
22	Provision, Contingent Liabilities and Contingent Assets	37	Applied
23	Intangible Assets	38	N/A
24	Financial Instruments: Recognition & Measurement	39	Applied
25	Investment Property	40	N/A
26	Agriculture	41	N/A

SL. No.	Name of the BFRS/IFRS	IFRS No.	Status
1	First-time Adoption of Bangladesh Financial Reporting Standards	1	N/A
2	Share based payment	2	N/A
3	Business Combinations	3	N/A
4	Insurance Contracts	4	N/A
5	Non-Current Assets held for sale and discontinued operations	5	N/A
6	Exploration for and evaluation of mineral resources	6	N/A
7	Financial Instruments: Disclosures	7	Applied
8	Operating Segments	8	N/A
9	Financial Instruments	9	Applied
10	Consolidated Financial Statements	10	N/A
11	Joint Arrangements	11	N/A

12	Disclosure of Interests in Other Entities	12	N/A
13	Fair Value Measurement	13	Applied
14	Regulatory Deferral Accounts	14	N/A
15	Revenue from Contracts with Customers	15	Applied
16	Leases	16	Applied
17	Insurance Contracts	17	N/A

### 3.00 Significant Accounting Policies

#### 3.01 Principal Accounting Policies

The accounting policies and methods of computation used in preparation of the financial statements for the year ended 30 June 2022 are consistent with those adopted in the financial statements for the period ended 30 June 2021.

#### 3.02 Revenue Recognition

Revenue from net sales of the company represents invoiced value of sale of Knit Yarn selling to the customers. Revenue is recognized in accordance with IFRS 15 and the recognition process involves the following 5-step process:

- Identifying the contract from a customer;
- Identifying the performance obligation;
- Determining the transaction prices;
- Allocating the transaction price to the performance obligation; and
- Recognizing revenue when/as performance obligation(s) is satisfied.

If the Company satisfies a performance obligation before it receives the consideration, the Company recognizes Accounts Receivable in its statement of financial position. Similarly, if the Company receives a consideration before the performance obligation, a contract liability is recognized. As at June 30, 2022, the Company did not receive any consideration before performance obligation was completed and there is no amount recognized on the Statement of Financial position as of the end of the year.

In compliance with the requirements of IFRS 15, the Company recognizes revenue when control of the goods or services has been transferred to the customer and the performance obligation has been completed. Revenue is measured at the fair value of the amount of consideration to which the Company expects to be entitled to, including variable consideration, if any, to the extent that it is highly probable that a significant reversal will not occur.

Net Revenue reflects the Company's sale of goods less returns and discounts. Revenue is recognized at the point of delivery measured at fair value of the consideration received, net of discounts. IFRS 15 requires Companies to determine variable factors such as sales returns when calculating the fair value of the consideration to be received. The magnitude and quantity of sales returns as a percentage of sales has been historically extremely minute and there were no returns recognized in the current year. As a result, the Company does not make a sales return allowance at the end of the year.

### 3.03 Property, Plant and Equipment

#### 3.03.1 Recognition and Measurement

Property, Plant and Equipment are capitalized at cost of acquisition and subsequently stated at cost or valuation less accumulated depreciation in compliance with the requirements of IAS 16: 'Property, Plant and Equipment'. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non refundable taxes. Capital work-in-progress represents cost of effluent treatment plant & civil work-in-progress for such plant.

#### 3.03.2 Subsequent Expenditure

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably.

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 additional cost of the assets. All other costs are recognized to the profit and loss account as expenses if incurred. All up-gradation/enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

### 3.03.3 Depreciation

Depreciation is recognized in statement of profit or loss and other comprehensive income on diminishing balance method over the estimated useful lives of fixed assets. Depreciation is charged on addition from the date of the assets when available for use. Depreciation is provided on a diminishing balance method at the rate(s) shown below:

Particulars	Rate
Land & land development	0%
Plant & machinery	10%
Building	10%
Office equipment	15%
Furniture & fixture	15%
Generator	15%
Vehicles	15%
Electrical equipment	10%

Depreciation is provided on all fixed assets except land and land development.

### 3.03.4 Retirement and disposal

An asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized as gain or loss from disposal of asset under other income in the statement of comprehensive income. There was no disposal of assets during the year.

### 3.03.5 Revaluation of Fixed Assets

The company revalued its Land & Land Development for the 1<sup>st</sup> time in the year ended 31 December 2015 by WASO Engineers & Consultants (BD) Ltd. dated on 12 March 2016 and subsequently the auditor (AHMAD & AKHTAR, Chartered Accountant) certified the revaluation report dated on 15 March 2016.

### 3.03.6 Inventories

Inventories are valued at the lower of cost or net realizable value with cost determined by weighted average cost basis. The cost of inventories comprises of expenditure incurred (raw materials, work-in process, finished goods, waste cotton, packing materials, store and spares and stock-in transit) in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale.

### 3.03.7 Impairment of Assets

In accordance with the provision of IAS-36, the carrying amount of non-financial assets other than inventories of the company involved in the manufacturing of the products. If any such indication exists, then the asset's recoverable amount is estimated and impairment losses are recognized in the statement of comprehensive income. No such indication of impairment has been observed till the end of the year.

### 3.04 Borrowing Costs

Borrowing costs comprise of interest expense on long and short term loan. The costs are charged to revenue except those are capitalized in accordance with IAS-23: Borrowing Costs.

### 3.05 Financial Assets

Financial assets of the company include cash and cash equivalents and accounts receivable.

### **3.06 Trade & Other Receivables**

Trade receivables are created at original invoice amount less any provision for doubtful debts. Provision is made where there is evidence of a risk of non-payment, taking into account ageing, provision experience and general economic conditions. When an accounts receivable is determined to be uncollectible it is written off, firstly against any provision available and then to the statement of comprehensive income.

### **3.07 Advance, Deposits and Prepayment**

Advance is initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to statement of profit or loss comprehensive income.

### **3.08 Cash and Cash Equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost and include cash in hand and with banks on current deposit and marginal deposits accounts which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

### **3.09 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 a financial liability when its contractual obligations are discharged or cancelled or expire. Financial liabilities include payable for expenses, liability for capital expenditure and other current liabilities.

### **3.10 Provision**

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation.

### **3.11 Tax holiday**

The national board of revenue (NBR) had granted tax holiday for a period of 5 (Five) years vide Ref. No. 11(23) Abz-1/2010 dated-27-06-2010 under Income Tax Ordinance 1984 (XXXVI of 1984) section 46A(3). The company is maintaining tax holiday reserve @ 30.00% of Net Profit before Tax in the statement of financial position.

### **3.12 Tax holiday reserve**

This is being created out of tax holiday profit to invest in the same undertaking or in any new industrial undertaking or in stocks and shares of listed companies or in government bonds or securities or for other purposes as required by the Income Tax Ordinance 1984.

### **3.13 Taxation**

#### **3.13.1 Current Tax**

Current tax is the expected tax payable on the taxable income for the period ended, using tax rates enacted or subsequently enacted after the reporting date and any adjustment to tax payable in respect of previous years. Provision for taxation is calculated on the basis of applicable current tax rate and non-compliance with Finance Act, 2022.

#### **3.13.2 Deferred tax**

Deferred tax arises due to temporary difference deductible or taxable for the transaction which is recognized in the statement of profit or loss and other comprehensive income. A temporary difference between the tax

base of an asset or liability and its carrying amount/or amount in the Statement of Financial Position. Deferred tax assets or liability is the year income tax recoverable or payable in future period recognized in the current period as per "IAS 12: Income Tax".

### **3.14 Earnings per share (EPS)**

This has been calculated by dividing the earnings attributable to the ordinary shareholders by total number of ordinary shares outstanding during the year. The company calculated earning per share (EPS) in accordance with IAS-33: 'Earnings Per Share' which has been shown on the face of profit and loss account and the computation of EPS is stated in Note no:34.

#### **3.14.1 Basic Earnings**

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax holiday reserve for the period has been considered as fully attributable to the ordinary shareholders.

#### **3.14.2 Diluted Earnings Per Share**

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

### **3.15 Foreign Currencies Transaction**

Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date in accordance with IAS-21 'the Effects of changes in Foreign Exchange Rates'. Foreign currency transactions translated at the financial position date are charged/credited to the statement of Profit or Loss and Other Comprehensive Income whenever arise.

### **3.16 Workers Profit Participation Fund**

The Board of Directors of the Company in their 32nd meeting has decided to comply with the Labor Law 2006 and introduced workers profit participation fund (5% of profit before tax). The company has decided to establish a contributory provident fund and gratuity fund and to form a trusty body for operation of provident fund which will be effective after due approval of relevant authority.

### **3.17 Segment Reporting**

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

### **3.18 Events after the Reporting Period**

In compliance with the requirements of IAS-10: 'Events after the Reporting Period', provided additional information about the company's position at the statement of financial position date are reflected in the financial statements and events after the statement of financial position date that are not adjusting events are disclosed in the notes when material.

### **3.19 Related Party Disclosures**

The company carried out a number of transactions with related parties in the normal course of business and on arms' length basis. The information as required by IAS-24: 'Related Party Disclosures' has been disclosed in a separate note (Note no:44) to the accounts.

### **3.20 Leases (IFRS 16)**

The Company applied IFRS 16 Leases for the first time on 1 July 2019. A Lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Previously the Company used to charge the consideration paid in its books as rent expenses. IFRS 16 introduced a single, on balance sheet accounting model for leases. Company has only office rent agreement, which is classified as operating leases, which under IFRS 16 are required to be recognized on the Company's statement of financial position. These rental agreements are less than or

equal to 12 (Twelve) months and therefore fall under the definition of a short-term lease. In accordance with paragraph 6 of IFRS 16, the Company recognizes the rental expenses as they are accrued by the Company. The Company did not record any right-of-use assets and lease liabilities related to these rental agreements in the current year.

### **3.21 Comparative information and General**

- i) Comparative figures have been re-arranged where 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.
- ii) Figures for the year ended 30<sup>th</sup> June 2022 have been rearranged wherever considered necessary to ensure comparability with the current period.

Amount in Taka	
June 30, 2022	June 30, 2021

#### 4.00 Property, Plant and Equipment

The details of Fixed Assets and allocation of depreciation has been shown in **Annexure-A** of the enclosed Financial Statement. The Break up is given below:

Name of Assets	Cost Value	Accumulated Depreciation	Written Down Value	Written Down Value
Land & Land Development	104,675,109	-	104,675,109	104,675,109
Plant & Machinery	542,390,892	278,137,753	264,253,139	250,602,944
Building & Constructions	140,728,168	60,779,715	79,948,453	79,894,573
Office Equipment	3,262,562	2,246,691	1,015,871	950,643
Furniture & Fixture	2,411,961	1,811,700	600,262	706,190
Vehicles	4,266,000	1,844,602	2,421,398	2,848,704
Electrical Equipment	38,241,310	11,142,021	27,099,289	22,721,436
Revaluation Surpluse of Land & Land	136,926,183	-	136,926,183	136,926,183
<b>Total</b>	<b>972,902,185</b>	<b>355,962,481</b>	<b>616,939,704</b>	<b>599,325,782</b>

Since inception, the company revalued its Land & Land Development for the 1<sup>st</sup> time in the year ended 31 December 2015 by WASO Engineers & Consultants (BD) Ltd. dated on 12 March 2016 and subsequently the auditor (Ahmad & Akhtar Chartered Accountant) certified the revaluation report dated on 15 March 2016. Revaluation Surplus has arisen Tk. 136,926,183

#### 5.00 Inventories

Raw Materials	2,817,732	-
Work-in-Process	7,084,776	-
Finished Goods	2,699,000	-
Wastage Goods	212,333	-
Spare Parts	1,756,566	1,089,526
	<b>14,570,407</b>	<b>1,089,526</b>

- Quantity reconciliation of products were done properly.
- The valuation of closing inventory has been made on the basis of lower of cost and net realizable value as per IAS-2.
- Conduction of physical verification/stock taking of above inventories as on 30.06.2022 was done.
- Spare parts consists of the total cost of spare parts.

#### Details Shown in Annexure-B

#### 6.00 Trade & Other Receivables

Opening Balance	404,712,710	437,826,100
Add: Sales during the year	337,577,733	285,391,902
<b>Total</b>	<b>742,290,443</b>	<b>723,218,002</b>
Less: Realised during the year	372,304,930	318,505,292
<b>Closing Balance</b>	<b>369,985,513</b>	<b>404,712,710</b>

This is considered as fully secured and is considered good & realizable within one year. The classification of receivables as required by the Schedule XI of the Companies Act, 1994 are given below:

Particulars	30 June 2022 (Taka)	30 June 2021 (Taka)
i. Receivables considered good in respect of which the company holds no security other than the debtor personal security	84,188,453	202,356,355
ii. Receivables considered doubtful or bad	285,797,060	202,356,355
iii. Receivables due by directors or other officers & staffs		
iv. Receivables due from companies under same management		
v. The maximum amount of receivable due by any director or other officer of the company		
<b>Total</b>	<b>369,985,513</b>	<b>404,712,710</b>

Ageing of the above Trade Receivable is given below:

Particular	Amount in Taka			
			June 30, 2022	June 30, 2021
	Less than 6 Months	6 Months Above	Total	Total
Customers	9,462,000	360,523,513	369,985,513	404,712,710

Details Shown in Annexure-C

7.00 Advance, Deposit & Prepayments

Advances:

Salary & others	225,000	149,160
Tax, Vat & Others	6,275,294	274,573
Others Advance	140,000	140,000
Contractor/ Supplier	1,677,376	6,217,376
<b>Sub Total</b>	<b>8,317,670</b>	<b>6,781,109</b>

Deposits:

Security Deposit	13,105,228	10,990,778
<b>Sub Total</b>	<b>13,105,228</b>	<b>10,990,778</b>
<b>Grand Total</b>	<b>21,422,898</b>	<b>17,771,887</b>

There is no amount of loans advances due for payment for a period of more than 12 months from the date of Balance Sheet.

There is no aggregate amount due from Directors.

All advance and deposit amount considered good and recoverable.

There is no agreement with director and officers of the company regarding advance or due amount

There are no claims against the company, which can be acknowledged as bad debt.

8.00 Cash & Cash Equivalents

a) Cash in Hand 276,041 105,721

b) Cash at Bank

MTBL A/C No -01356	-	236,973
MTBL A/C No -01612	231,008	209,625
MTBL A/C No -9037	15,573	19,218
SBAC A/C No -81390/117	-	1,442
SBAC A/C No -79742/4956	1,922	1,922
Southeast Bank A/C no -0064	20,513	1,033,158
Southeast Bank A/C no -2315	3,453	575,859
The City Bank Ltd. A/C No. 81001	5,275	95,735
NRB Ltd. A/C No. 316	2,183	3,620
BRAC Bank Ltd. A/C No-302001	9,858	10,433
UCBL A/C No- 01221110001608/0041	-	-
Al-Arafa Islami Bank Ltd A/C No- 96988	2,355	3,045
	<b>292,140</b>	<b>2,191,030</b>
c) Balance at BO Account (MTBCL)	<b>24,582</b>	<b>25,032</b>
<b>Total Cash &amp; Cash Equivalents (a+b+c)</b>	<b>592,763</b>	<b>2,321,783</b>

Foreign currency account balances have been converted to Taka at the ruling rate at the reporting date.

9.00 Share Capital

Authorized Share Capital

300,000,000 Ordinary Shares of Tk. 10.00 each	3,000,000,000	3,000,000,000
100,000,000 Preference Shares of Tk. 10.00 each	1,000,000,000	1,000,000,000
	<b>4,000,000,000</b>	<b>4,000,000,000</b>

Issued, subscribed and paid up capital :

11,38,28,368 Ordinary Shares of Tk. 10.00 each

Shareholding Position:

	No. of Share	No. of Share
Sponsors & Directors	35,404,336	35,404,336
Institutions	35,924,359	33,197,815
General Public	42,499,673	45,226,217
	<b>113,828,368</b>	<b>113,828,368</b>



**10.00 Tax Holiday Reserve**

## Opening Balances

Add: Provision made during the period

Less: Adjustment of tax holiday reserve as per BAS-8

Amount in Taka	
June 30, 2022	June 30, 2021
31,538,864	31,538,864
-	-
<b>31,538,864</b>	<b>31,538,864</b>
-	-
<b>31,538,864</b>	<b>31,538,864</b>

i) This have been provided as per provisions of section 46(A) of the Income Tax Ordinance, 1984.

ii) Tax holiday reserve have been adjusted as per IAS-8, Para-42 for the period ended 30 June 2016 due to over provision of Tax holiday reserve for the period ended 30 June 2015.

**Para-42:** Subject to paragraph 43, an entity shall correct material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by:

(a) restating the comparative amounts for the prior period(s) presented in which the error occurred; or

(b) 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.

**Para-43:** A prior period error shall be corrected by retrospective restatement except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error.**11.00 Revaluation Surplus**

## Opening Balance

Less: Prior Year Correction

Adjusted Opening Balance

Add: Revaluation Surplus for current year

132,818,398	132,818,398
-	-
132,818,398	132,818,398
-	-
<b>132,818,398</b>	<b>132,818,398</b>

**12.00 Retained Earnings**

## Opening Balance

Add: Net Profit/(Loss) for the year

Retained Earnings

(590,736,033)	(303,790,255)
(146,122,840)	(286,945,779)
<b>(736,858,872)</b>	<b>(590,736,033)</b>

**13.00 Deferred Tax Liability**

Deferred tax liability has been calculated below at the applicable tax rate on the difference between the carrying value of property, plant and equipment as per financial statements and tax based written down value and financial position's liability method for gratuity obligation.

## Opening Balance

Expenses/ (Income) of Deferred Tax for the year

Deferred Tax Liability /(Assets) as on 30 June 2022

27,169,316	29,798,965
481,756	(2,629,649)
<b>27,651,072</b>	<b>27,169,316</b>

Details Shown in Note 33.02

**14.00 Long Term Loan****14.01 Long Term Loan (Non-Current Portion):**

Name of Bank	Type of A/C	Branch	Account No	June 30, 2022	June 30, 2021
MTBL	Term Loan	Dilkusha	0012-5161000314	1,032,368	-
MTBL	Term Loan	Dilkusha	0012-5161000225	1,323,292	-
MTBL	Term Loan	Dilkusha	0012-5161000252	7,903,044	-
MTBL	Term Loan	Dilkusha	2403-000005628	16,804,844	-
<b>Total</b>				<b>27,063,548</b>	<b>-</b>

Amount in Taka	
June 30, 2022	June 30, 2021

#### 14.02 Long Term Loan (Current Portion)

Name of Bank	Type of A/C	Branch	Account No	30 June 2022	30 June 2021
MTBL	Term Loan	Dilkusha	0012-5161000314	278,052	1,251,954
MTBL	Term Loan	Dilkusha	0012-5161000225	356,196	1,605,759
MTBL	Term Loan	Dilkusha	0012-5161000252	2,142,634	9,611,574
MTBL	Term Loan	Dilkusha	2403-000005628	2,656,313	-
<b>Total</b>				<b>5,433,195</b>	<b>12,469,287</b>

Mode of adjustment	Quarterly Installment
Security	The loan are secured by registered mortgage of 354.59 decimals land owned by company, Factory Building, Hypothecation Import & Local machineries and Master cheque covering the total loan amount.

#### 15.00 Trade & Others Payable

Trade Payable	3,704,474	3,292,144
Others Payable	26,669,674	15,863,729
<b>Total</b>	<b>30,374,148</b>	<b>19,155,873</b>

This represents the amount payable to regular suppliers, packing materials, utilities and others services rendered to the company. All suppliers were paid on a regular basis.

#### 16.00 Short Term Bank Loan

(MTBL A/C No - 0398 (Cash Credit))	-	17,553,195
	-	<b>17,553,195</b>

The above loan has been converted into a Term Loan A/C No. 2403000005628 for a period of six years.

#### 17.00 Provision for Bad Doubtful Debts

Opening Balance	202,356,355	109,456,525
Add: Provision made for the year	83,440,705	92,899,830
	<b>285,797,060</b>	<b>202,356,355</b>

#### 18.00 Liabilities for Income Tax

Opening Balance	65,186,121	63,245,169
Add: Prior Year adjustment (AY 2011-2012 & 2016-2017)	4,093,165	-
Add: Ajustment of Payment of Advance Tax	4,000,721	-
Add: Provision made for the year	2,242,318	1,940,952
	<b>75,522,325</b>	<b>65,186,121</b>
Less: Payment	-	-
<b>Closing balance</b>	<b>75,522,325</b>	<b>65,186,121</b>

#### Year Wise Break up of Income Tax Liabilities:

Year		
2021-2022	2,242,318	-
2020-2021	1,940,952	1,940,952
2019-2020	3,420,049	3,420,049
2018-2019	5,612,768	5,612,768
2017-2018	13,927,966	13,927,966
2016-2017	18,932,240	18,932,240
2015-2016	7,263,699	3,262,978
31.12.2015 2016-2017	22,174,831	18,089,166
30.12.2011	7,500	-
<b>Total</b>	<b>75,522,325</b>	<b>65,186,121</b>

		Amount in Taka	
		June 30, 2022	June 30, 2021
<b>19.00</b>	<b>Liabilities for Workers Profit Participation Fund (WPPF)</b>		
	Opening Balances	1,871,718	1,871,718
	Add: Provision for the year	-	-
		<b>1,871,718</b>	<b>1,871,718</b>
	Less: Current year payment	1,871,718	-
	<b>Closing balance</b>	<b>-</b>	<b>1,871,718</b>
<b>20.00</b>	<b>Non Refunded Subscription Money</b>		
	Opening Balance		
	General Public	5,066,750	5,066,750
	NRB	181,750	181,750
		<b>5,248,500</b>	<b>5,248,500</b>
	Less: Refund during the year	5,066,750	-
	<b>Closing Balance</b>	<b>181,750</b>	<b>5,248,500</b>
<b>21.00</b>	<b>Unclaimed Fractional Dividend</b>		
	Opening Balance	23,134	23,134
	Add: Unclaimed for the period/year	-	-
		<b>23,134</b>	<b>23,134</b>
	Less: Paid during the period/year	10,450	-
	Less: Transferred to CMSF	10,418	-
	<b>Closing Balance</b>	<b>2,266</b>	<b>23,134</b>
<b>22.00</b>	<b>Liabilities for Expenses</b>		
	Salary & Allowance	525,300	191,717
	Wages & Salary	3,658,534	2,977,513
	Director Remuneration	2,100,000	2,625,000
	Withholding Tax	106,955	106,955
	VAT Payable	309,376	51,030
	Gas Bill	4,773,474	6,941,507
	Audit Fee	149,500	149,500
	Printing Bill Payable	-	26,000
	Listing Fee Payable	268,097	811,583
	Advertisement Bill Payable	158,960	136,900
	Transport Bill Payable	173,000	-
	Electricity & Utility Bill	4,880,654	4,704,800
		<b>17,103,850</b>	<b>18,722,505</b>
<b>23.00</b>	<b>Net Asset Value (NAV) Per Share (including revaluation surplus)</b>		
	Share Capital	1,138,283,680	1,138,283,680
	Tax Holiday Reserve	31,538,864	31,538,864
	Revaluation Surplus	132,818,398	132,818,398
	Retained earnings	(736,858,872)	(590,736,033)
	<b>A. Total shareholders equity</b>	<b>565,782,070</b>	<b>711,904,909</b>
	B. No. of ordinary shares outstanding	113,828,368	113,828,368
	<b>Net asset value (NAV) per share (A/B)</b>	<b>4.97</b>	<b>6.25</b>
	<b>Net Asset Value (NAV) Per Share (Excluding revaluation surplus)</b>		
	A. Net asset value (NAV)	432,963,672	579,086,511
	B. No. of ordinary shares outstanding	113,828,368	113,828,368
	<b>Net Asset Value (NAV) Per Share (Excluding revaluation surplus) (A/B)</b>	<b>3.80</b>	<b>5.09</b>

Since net loss has been increased due to low production & sales for repairing, renovation, reconstruction, replacement and installation of new machineries after fire incident, NAV has been decreased.

		Amount in Taka	
		June 30, 2022	June 30, 2021
<b>24.00</b>	<b>Sales Revenue</b>		
	Gross Sales	339,720,390	286,992,000
	Less: Value Added Tax (VAT)	2,142,657	1,600,098
	<b>Net Sales</b>	<b>337,577,733</b>	<b>285,391,902</b>
	A massive fire incident occurred at Factory Premises on January 21, 2021. Since then production remain suspended till the end of July 16, 2021 for repairing, renovation, reconstruction, replacement and installation of new machineries. Production had been resumed on 17 July 2021 in a limited capacity which was continuing till the end of the reporting period. As a result, sales have been slightly improved during the reporting period compared to same period of the previous year as there was a mill closure for a period around 5.5 months for fire incident.		
<b>25.00</b>	<b>Cost of Goods Sold</b>		
	Raw material consumed	227,728,492	170,813,061
	Add: Work-in-process- Opening	-	2,447,022
		<b>227,728,492</b>	<b>173,260,083</b>
	Less: Work-in-process-Closing	7,084,776	-
	Less: Fire Damaged	-	1,488,000
	<b>Materials transferred to finished goods</b>	<b>220,643,716</b>	<b>171,772,083</b>
	Add: Factory overhead	148,413,622	141,720,954
	<b>Cost of goods manufactured</b>	<b>369,057,338</b>	<b>313,493,037</b>
	Add: Opening Finished goods	-	15,518,205
	Add: Opening Wastage goods	-	505,183
	<b>Cost of goods available for sale</b>	<b>369,057,338</b>	<b>329,516,425</b>
	Less: Closing Finished goods	2,699,000	-
	Less: Closing Wastage Goods	212,333	-
	Less: Fire Damaged (Finished Goods)	-	12,541,238
	Less: Obsolete Finished Goods Written Off	-	-
	<b>Cost of goods sold for the period</b>	<b>366,146,005</b>	<b>316,975,187</b>
<b>25.01</b>	<b>Raw Material Consumed</b>		
	Opening stock	-	61,238,923
	Add: Purchase during the year	230,546,224	170,001,555
	<b>Raw material available for consumption</b>	<b>230,546,224</b>	<b>231,240,478</b>
	Less: Closing stock	2,817,732	-
	Less: Obsolete Raw Materials Written Off	-	-
	Less: Fire Damaged	-	60,427,417
	<b>Raw material consumed</b>	<b>227,728,492</b>	<b>170,813,061</b>
<b>25.02</b>	<b>Factory Overhead</b>		
	Wages & Salary	45,949,997	34,517,758
	Over time	829,580	426,839
	Gas bill	4,418,350	15,649,486
	Packaging expenses	2,086,480	1,787,650
	Spare parts consumed	6,048,380	7,999,164
	Daily labour	247,345	108,530
	Loading & Unloading Expenses	387,245	554,371
	Fire Protection	571,739	1,529,805
	Transport & Others	2,994,160	2,203,015
	Miscellaneous Expenses	328,823	557,881
	Electricity, Utility & others bill	45,897,995	33,627,451
	Repairing & Maintenance	1,596,366	1,338,756
	Mobil, Oil & Lubricant	1,550,000	1,708,600
	Workshop expenses	273,000	77,000
	Fax, Phone & Fooding exp.	291,388	286,935
	Depreciation (Annexure-A)	34,942,774	39,347,713
		<b>148,413,622</b>	<b>141,720,954</b>

		Amount in Taka	
		June 30, 2022	June 30, 2021
<b>26.00 Other Income</b>			
Wastage Sales		1,414,792	1,405,733
Sale of Obsolete Raw Materials		-	-
Sale of Obsolete FG		-	-
Insurance Claim Received		-	3,577,072
Interest Income from Bank	Note 26.01	-	3,838
		<b>1,414,792</b>	<b>4,986,643</b>
<b>26.01 Interest Income from Bank</b>			
Interest Income		-	3,838
<b>Total Income</b>		<b>-</b>	<b>3,838</b>
<b>27.00 Administrative Expenses</b>			
Salary and Allowances		5,540,600	5,199,185
Directors remuneration		2,800,000	5,250,000
Vehicle Maintenance		365,931	319,862
Stationery & Printing		89,311	120,142
Medical Expenses		-	11,448
Advertisement		244,005	193,363
Meeting exp. & others		420,980	651,000
Insurance		587,500	2,017
Travelling, tour and conveyance		158,128	643,596
Fax, telephone & photocopy expenses		129,927	147,479
Renewal & others fees		750,646	448,701
Consultancy & Legal Fee		127,910	100,200
Audit Fee		149,500	149,500
Other Professional Expenses		17,250	-
Office rent		1,140,000	1,140,000
Office expenses		59,785	119,446
Regulatory & others Expenses		1,211,314	1,356,888
Fooding & Entertainment		147,542	205,199
Electric & Utility bill		289,545	303,572
News paper, books & forms		4,290	5,868
Repairs & maintenance		234,000	250,010
Misc. & Others exp.		279,753	147,823
Depreciation (Annexure-A)		3,882,530	4,371,968
		<b>18,630,447</b>	<b>21,137,268</b>
<b>28.00 Marketing Expenses</b>			
Business Promotional Expenses		1,784,236	2,192,194
Commission & Others		3,149,134	4,077,590
		<b>4,933,370</b>	<b>6,269,784</b>
<b>29.00 Loss on Sale of Vehicles</b>			
Book Value of Vehicles		-	10,655,300
Less: Accumulated Depreciation		-	7,535,318
		-	<b>3,119,982</b>
Less: Sold		-	2,670,000
<b>Loss on sale</b>		<b>-</b>	<b>449,982</b>
<b>30.00 Financial Expenses</b>			
Bank charge & commission		247,620	85,427
Interest on long term loan		2,509,292	1,060,561
Interest on CC hypo		2,412,069	1,610,437
		<b>5,168,981</b>	<b>2,756,425</b>

				Amount in Taka	
				June 30, 2022	June 30, 2021
<b>31.00</b>	<b>Foreign Exchange Gain/ (Loss)</b>				
	Exchange Gain / (loss)			21,383	(124)
				<u>21,383</u>	<u>(124)</u>
<b>32.00</b>	<b>Fire Loss</b>				
<b>A</b>	<b>Loss of Fixed Assets for Fire Incident:</b>				
	Book Value of Fire Lost Fixed Assets			-	108,638,186
	Less: Accumulated Depreciation for the Fire Lost Assets			-	43,649,429
				<u>-</u>	<u>64,988,757</u>
	Less: Salvage Assets Sold			-	4,214,046
	<b>Loss of Fixed Assets due to Fire</b>			<u>-</u>	<u>60,774,711</u>
	Details Shown in Annexure-A				
<b>B</b>	<b>Inventory Lost on Account of Fire</b>	Note	32.01	-	76,749,711
	<b>Total Loss by Fire (A+B)</b>			<u>-</u>	<u>137,524,422</u>
<b>32.01</b>	<b>Details of Fire Loss of Inventories</b>	<b>Quantity(Lbs)</b>			
	Raw Materials			-	60,427,417
	Finished Goods			-	12,541,238
	Work in process			-	1,488,000
	Wastage Goods			-	2,293,056
				<u>-</u>	<u>76,749,711</u>
<b>33.00</b>	<b>Income Tax Expenses</b>				
	Current Tax	Note	33.01	2,242,318	1,940,952
	Add: Prior Year adjustment (AY 2011-2012 & 2016-2017)			4,093,165	-
	<b>Total Current Tax Expenses</b>			<u>6,335,483</u>	<u>1,940,952</u>
	Deferred Tax	Note	33.02	481,756	(2,629,649)
				<u>6,817,239</u>	<u>(688,697)</u>
<b>33.01</b>	<b>Current Tax</b>				
	Current Tax on Operating Income		33.01.A	(21,384,057)	(43,775,580)
	Current Tax on Other Income		33.01.B	353,698	1,246,661
	Total Current Tax			<u>(21,030,359)</u>	<u>(42,528,919)</u>
	Tax as per ITO Section 82 (C ) @ 0.60%		33.01.C	<u>2,242,318</u>	<u>1,940,952</u>
	<b>Current Tax, Which ever is higher</b>			<u>2,242,318</u>	<u>1,940,952</u>
<b>33.01.A</b>	<b>Current Tax on Operating Income</b>				
	Net Profit Before Tax			(139,305,600)	(287,634,476)
	Add: Depreciation as accounting base			38,825,304	43,719,681
	Add: WPPF Expenses			-	-
	Less: Depreciation as per tax base			(40,165,290)	(42,935,765)
	Less: Other income			(1,414,792)	(4,986,643)
	Less: Payment for WPPF			(500,000)	-
	Taxable operating income			<u>(142,560,378)</u>	<u>(291,837,203)</u>
	<b>Income tax @ 15%</b>			<u>(21,384,057)</u>	<u>(43,775,580)</u>
<b>33.01.B</b>	<b>Current Tax on Other Income @ 25%</b>			<u>353,698</u>	<u>1,246,661</u>

	Amount in Taka	
	June 30, 2022	June 30, 2021
<b>33.01.C Calculation of Gross Receipts as per 82(C):</b>		
Sales during the year	337,577,733	285,391,902
Add: Other Income during the year	1,414,792	4,986,643
Add: Trade Receivables as on July 1, 2021/2020	404,712,710	437,826,100
Less: Trade Receivables as on June 30, 2022/2021	(369,985,513)	(404,712,710)
<b>Gross Receipts</b>	<b>373,719,722</b>	<b>323,491,935</b>
Tax as per ITO Section 82 (C) @ 0.60%	<b>2,242,318</b>	<b>1,940,952</b>
<b>33.02 Deferred Tax</b>		
Total income tax for the year	6,817,239	(688,697)
Less: Current Tax	6,335,483	1,940,952
<b>Deferred Tax</b>	<b>481,756</b>	<b>(2,629,649)</b>
<b>Deferred tax for the year</b>	<b>481,756</b>	<b>(2,629,649)</b>
Details are as follows:		
<b>Carrying Value as per Accounts</b>		
Property, Plant & Equipment	375,338,412	357,724,490
<b>Carrying Value as per Tax Base</b>		
Property, Plant & Equipment	218,383,165	202,109,230
Taxable Difference	156,955,247	155,615,260
Less: Liability to Employees	-	1,871,718
<b>Net Taxable Difference</b>	<b>156,955,247</b>	<b>153,743,542</b>
Applicable Income Tax Rate	15%	15%
Deffered Tax Liability at the end of the period	23,543,287	23,061,531
Deffered Tax Liability- 3% of Revaluation Surplus	4,107,785	4,107,785
Total Deffered Tax Liability at the end of the period	27,651,072	27,169,316
Deffered Tax Liability at the beginning of the period	27,169,316	29,798,965
<b>Deffered Tax Expenses during the period</b>	<b>481,756</b>	<b>(2,629,649)</b>
<b>34.00 Earning Per Share (EPS)</b>		
<b>(i) Earnings from core business</b>		
a) Net Profit/(Loss) after tax excluding Extraordinary Income & Fire Loss	(147,529,143)	(154,378,080)
b) Weighted average number of shares (Note-34.01)	113,828,368	113,828,368
<b>Earnings Per Share (EPS) from core business before fire loss (a/b)</b>	<b>(1.30)</b>	<b>(1.36)</b>
<b>(ii) Earnings from Extra Ordinary Income</b>		
a) Extra Ordinary Income after tax	1,406,303	4,956,723
b) Weighted average number of shares (Note-34.01)	113,828,368	113,828,368
<b>Earnings Per Share (EPS) from extraordinary income (a/b)</b>	<b>0.01</b>	<b>0.04</b>
<b>(iii) Basic Earnings per Share (EPS) before fire loss (i+ii)</b>	<b>(1.28)</b>	<b>(1.31)</b>
<b>(iv) Fire Loss</b>		
a) Fire loss	-	(137,524,422)
b) Weighted average number of shares (Note-34.01)	113,828,368	113,828,368
Earnings per Share (EPS) from fire loss (a/b)	-	(1.21)
<b>Basic Earning per Share (iii+iv)</b>	<b>(1.28)</b>	<b>(2.52)</b>

A massive fire incident occurred at Factory Premises on January 21, 2021. After for repairing, renovation, reconstruction, replacement and installation of new machineries production had been resumed on 17 July 2021 in a limited capacity which was continuing till the end of the reporting period resulted a negative EPS. Though there is a negative EPS, nevertheless EPS has been increased in the current year as compared with previous year. This is because there is no write off of Advance, Deposits and Prepayments and no Write off of obsolete Raw Materials and Obsolete Finished Goods during the reporting period.

Amount in Taka	
June 30, 2022	June 30, 2021

#### 34.01 Weighted Average Number of Shares

Particulars	Number of Share outstanding		Weight average no. of Share	Weight average no. of Share
Opening Shares Capital	52,800,000	1	52,800,000	52,800,000
IPO Shares	12,000,000	1	12,000,000	12,000,000
Bonus Shares-2014	9,720,000	1	9,720,000	9,720,000
Bonus Shares-2015-16	11,178,000	1	11,178,000	11,178,000
Bonus Shares-2016-17	12,854,700	1	12,854,700	12,854,700
Bonus Shares-2017-18	9,855,270	1	9,855,270	9,855,270
Bonus Shares-2018-19	5,420,398	1	5,420,398	5,420,398
<b>Total</b>	<b>113,828,368</b>		<b>113,828,368</b>	<b>113,828,368</b>

#### 35.00 Cash Received from Customers

Revenue	337,577,733	285,391,902
Add: Other income	1,414,792	4,986,643
Add/Less: Decrease/(Increase) in accounts receivable	34,727,197	33,113,390
	<b>373,719,722</b>	<b>323,491,935</b>

#### 36.00 Cash paid to Suppliers

Cost of goods sold	366,146,005	316,975,187
Fire Loss in Inventory	-	76,749,711
Increase/(decrease) in inventory	13,480,881	(81,384,600)
(Increase)/decrease in accounts payable	(11,218,275)	(15,361,491)
Add: (increase)/decrease in Non Refunded Subscription Money	5,066,750	-
(Increase)/decrease in unclaimed fractional dividend	20,868	-
Less: Depreciation	(34,942,774)	(39,347,713)
	<b>338,553,455</b>	<b>257,631,094</b>

#### 37.00 Cash Payment for Expenses

Administrative, Selling & Distribution expenses	18,630,447	21,137,268
Add: Marketing expenses	4,933,370	6,269,784
Add: Increase in liabilities for expenses	1,618,655	(121,077)
Add: WPPF paid	1,871,718	-
Less: Depreciation	(3,882,530)	(4,371,968)
	<b>23,171,660</b>	<b>22,914,006</b>

#### 38.00 Finance Cost

Bank charge & commission	247,620	85,427
Interest payment on long term loan	2,509,292	1,060,561
Interest payment on short term loan	2,412,069	1,610,437
	<b>5,168,981</b>	<b>2,756,425</b>

#### 39.00 Reconciliation of cash generated by operations

Net Profit After Tax	(146,122,840)	(286,945,779)
Depreciation as Non Cash Expenses	38,825,304	43,719,681
Loss on Sale of Vehicles	-	449,982
(Increase)/Decrease of Account Receivables	34,727,197	33,113,390
(Increase)/Decrease of Inventories	(13,480,881)	81,384,600
Fire Loss in Fixed Assets	-	60,774,711
(Increase)/Decrease of Advance, Deposits & Prepayments	(3,651,011)	8,880,202
Increase/(Decrease) of Liabilities for expenses	(1,618,655)	121,077
Increase/(Decrease) of Accounts Payable	11,218,275	15,361,491
Increase/(Decrease) in Non Refunded Subscription Money	(5,066,750)	-
(Increase)/decrease in Unclaimed Fractional Dividend	(20,868)	-
Increase/(Decrease) of Provision for Income Tax	10,336,204	1,940,952
Increase/(Decrease) of Deferred Tax Liability	481,756	(2,629,649)
Increase/(Decrease) of WPPF Expenses	(1,871,718)	-
Provision for Bad & Doubtful Debts	83,440,705	92,899,830
Foreign Exchange Gain	(21,383)	124
<b>Net Cash Flows from Operating Activities</b>	<b>7,175,336</b>	<b>49,070,612</b>



				Amount in Taka	
				June 30, 2022	June 30, 2021
<b>40.00</b>	<b>Net Operating Cash Flow Per Share (NOCFPS)</b>				
	Net Operating Cash Flows			7,175,336	49,070,612
	Weighted average number of shares	Note	34.01	113,828,368	113,828,368
				<b>0.06</b>	<b>0.43</b>

NOCFPS has been decreased due to increase in cost of goods sold.

**41.00 Employees Position (as of June 30, 2022)**

Employee Position of Zaheen Spinning Limited as per requirement of schedule XI, Part II, Para 3 of company Act 1994.

Salary range (Monthly)	Total	Officer & Worker	
		Head Office	Factory
Below 5,500	-	-	-
Above 5,500	505	25	480

**42.00 Bank Guarantee**

The company have no Bank Guarantee on the reporting date.

**43.00 Capital Commitment**

The company have no Capital Commitment at the reporting date.

**44.00 Related Party Transaction**

During the period the Company carried out a number of transactions with related parties in the normal course of business on an arms' length basis. Names of those related parties, nature of those transactions and their total value have been set out in accordance with the provisions of BAS-24: Related Party Disclosures.

Particulars	Relationship	Transaction during the year / period	Outstanding as on 30.06.2022	Outstanding as on 30.06.2021
Mrs. Farida Khanam	Chairman	-	-	-
Mr. Mahmuddur Rahman	Director	700,000	1,400,000	2,000,000
Mrs. Nusrat Jahan	Director	-	-	-
Mr. Mahbubur Rahman Khan	Director	-	350,000	500,000
Mrs. Masuma Khan	Director	-	350,000	500,000
<b>Total</b>		<b>700,000</b>	<b>2,100,000</b>	<b>3,000,000</b>

**44.01 Key Management Personnel Compensation**

Sl	Name	Designation	Grows Salary
1	Mr. Mahmuddur Rahman	M.D	1,400,000
2	Mr. Md. Ibrahim Khalil/Mr. Monotosh Datta	CFO (CC)	1,120,000
			<b>2,520,000</b>

During the year 2021-2022, Directors of Zaheen Spinning Limited have taken Tk. 316,000.00 as meeting attendance fees.

During the period from 01-07-2021 to 30-06-2022, there were 8 (eight) Board Meetings held. The attendance status of all the meetings is as follows:

Name of Directors	Designation	No. of Meetings Attended
Mrs. Farida Khanam	Chairman	8
Mr. Mahmuddur Rahman	Managing Director	8
Mrs. Nusrat Jahan	Director	8
Mr. Mahbubur Rahman Khan	Director	6
Mrs. Masuma Khan	Director	6
Prof. M. Farid Ahmed	Independent Director	7
Prof. Abu Taleb	Independent Director	7 (resigned on 20 June 2022)
Dr. Saud Ahmed	Independent Director	2 (Appointed with effect from 1 Feb 2022)

Disclosure as per requirement of Schedule XI, Part II, Para 4

					Amount in Taka	
					June 30, 2022	June 30, 2021
Name of Directors	Designation	Remuneration	Festival Bonus	Total Payment		
Mrs. Farida Khanam	Chairman	-	-	-		
Mr. Mahmuddur Rahman	Managing Director	1,200,000	200,000	1,400,000		
Mrs. Nusrat Jahan	Director	-	-	-		
Mr. Mahbubur Rahman Khan	Director	600,000	100,000	700,000		
Mrs. Masuma Khan	Director	600,000	100,000	700,000		
<b>Total</b>				<b>2,800,000</b>		

**Transaction with Key Management Personnel of the entity:**

(a)	Managerial Remuneration paid or payable during the year to the directors, including managing directors, a managing agent or manager.	2,100,000
(b)	Expenses reimbursed to Managing Agent	Nil
(c)	Commission or Remuneration payable separately to a managing agent or his associate	Nil
(d)	Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company.	Nil
(e)	The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year.	Nil
(f)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	Nil
(g)	Other allowances and commission including guarantee commission	Nil
(h)	Pensions etc.	Nil
	(i) Pensions	Nil
	(ii) Gratuities	Nil
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	Nil
(i)	Share Based payments	Nil

**As per IAS- 24 Para 17:**

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

(a) Short-term employee benefits	700,000
(b) Post-employee benefits	
(c) Other long term benefits	
(d) termination benefits and	
(e) share- based payment	

**As per IAS- 24 Para 18:**

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

a) the amount of transaction	700,000
b) the amount of outstanding balance, including commitments	2,100,000
i) their terms & condition, including whether they are secured, and the nature of the consideration to be provided in statement	Remuneration and Advance
ii) details of any gurantee given or received	Nil
c) provisions for doubtful debts related to the amount of putstanding balance	Nil
d) the expenses recognized during the period in respect of bad or doubtful debts due from	Nil

Amount in Taka	
June 30, 2022	June 30, 2021

**Disclosure as per requirement of Schedule XI, Part II, Para 7**

Details of production capacity utilization

Particulars	Licence Capacity	Installed Capacity in MT	Actual Production in MT from 1st July 2021 to 30th June 2022	Capacity Utilization from 1st July 2021 to 30th June 2022
Annual Production Capacity	Not mentioned in	1,900.00	719.48	37.87%

**Disclosure as per requirement of Schedule XI, Part II, Para 3**

Requirements under	Compliance	Compliance status of Disclosure of Schedule XI, Part II, Para 3
3(i)(a) The turnover		337,577,733
3(i)(b) Commission paid to selling agents		3,149,134
3(i)(c) Brokerage and discount of sales, other than the usual trade		Nil
3(i)(d)(i) The value of the raw materials consumed, giving item-wise as possible		227,728,492
3(i)(d)(ii) The opening and closing stocks of goods produced	Op Stock: Nil Lbs Tk. Nil	Cosing Stock: 11,600 Lbs and Tk. 2,699,000/-
3(i)(e) In the case of trading companies, the purchase made and the		N/A
3(i)(f) In the case of Companies rendering or supplying services, the gross income derived from services rendered or supplied		N/A
3(i)(g) Opening and closing stocks, purchases, sales and consumption of raw materials with value and quantity breakup for the Company, which falls under one or more categories i.e. manufacturing and/or trading		Shown in Annexure-B
3(i)(h) In the case of other companies, the gross income derived under different heads		N/A
3(i)(i) Work-in-progress, which have been completed at the commencement and at the end of the accounting period		Shown in Annexure-B

Amount in Taka	
June 30, 2022	June 30, 2021

3(i)(j) Provision for depreciation, renewals or diminution in value of fixed assets	Tk.3,59,97,726/-	
3(i)(k) Interest on the debenture paid or payable to the Managing Director, Managing Agent and the Manager	N/A	
3(i)(l) Charge for income tax and other taxation on profits	TK. 63,35,489/-	
3(i)(m) Reserved for repayment of share capital and repayment of loans	No Reserved	
3(i)(n)(i) Amount set aside or proposed to be set aside, to reserves, but not including provisions made to meet any specific liability, contingency or commitment, know to exist at the date as at which the balance sheet is made up.	N/A	
3(i)(n)(ii) Amount withdrawn from above mentioned reserve	N/A	
3(i)(o)(i) Amount set aside to provisions made for meeting specific liabilities, contingencies of commitments.	N/A	
3(i)(o)(ii) Amount withdrawn from above mentioned provisions, as no longer required.	N/A	
3(i)(p) Expenditure incurred on each of the following items,		
separately for each item:		
(i) Consumption of stores and spare parts	(i) Consumption of Stores & Spare Parts: Tk. 6,048,380.00	
(ii) Power and Fuel (iii) Rent (iv) Repairs of Buildings (v) Repairs of	(ii) Power and Fuel: Tk. 5,03,16,345.00	(iii) Rent: tk. 11,40,000.00

		Amount in Taka	
		June 30, 2022	June 30, 2021
Machinery (vi)(1) Salaries, wages and bonus (2) Contribution to provident and other funds (3) Workmen and staff welfare expenses to the extent not adjusted from any previous provision or reserve.	(vi)(1) Salaries, wages and bonus: Tk. 45,949,997.00	(vi)(2) Contribution to provident and other funds: Tk. Nil	(3) Workmen and staff welfare expenses to the extent not adjusted from any previous provision or reserve: Tk. Nil

**45.00 VAT, Income Tax, Customs Duty or Other Tax Liability Including Contingent Liabilities which is yet to be paid with reason for non-payment:**

(i) VAT: There has VAT liability by the Company as on June 30, 2022 Tk. 299,376.00.

(ii) Income Tax: Zaheen Spinning Limited enjoyed tax holiday facilities for a period of 5 (five) years starting from February 01, 2010 to January 31, 2015; first two years 100%, next two years 50% and last one year 25% Tax Holiday as per approval granted by the National Board of Revenue (NBR) vide their letter bw\_ bs-11(23) Aby-1/2010 dated 27/06/2010 under section 46A & 46(A) (1A)(I) of Income Tax Ordinance 1984.

The Company's tax assessment position is as under:

Income year	Assessment year		Remarks
2010	2011-2012	The company is enjoyed Tax holiday.	Assessment completed
2011	2012-2013		Assessment completed
2012	2013-2014		Assessment completed
2013	2014-2015		Assessment completed
2014	2015-2016		Assessment completed
01 January 2015 30 June 2016	2016-2017		Return submitted and partial payment made against assessed Tax
2016-2017	2017-2018		Return not filed
2017-2018	2018-2019		Return not filed
2018-2019	2019-2020		Return not filed
2019-2020	2020-2021		Return not filed
2020-2021	2021-2022		Return not filed

(iii) Custom duty or other Tax and contingent liabilities:

There is no custom duty or any other tax & contingent liability by the Company.

**46.00 Commission, Brokerage or Discount against sales**

Commission paid against sales as Discounts amounting tk. 3,149,134/-

**47.00 Credit Facility Not Availed**

There was no credit facility available to the company under any contract, but not availed as on 30th June 2021 other than trade credit available in the ordinary course of business.

**48.00 Internal Control**

The following steps have been taken for implementation of an effective internal control procedure of the Company:

A strong internal control and compliance division has been formed with a view to establish a well designated system of internal control.

Regular review of internal audit reports with view to implement the suggestion of internal auditors in respect of internal control technique.

To establish an effective management system that includes planning, organizing and supervising culture in the factory as well as at Head Office.

Amount in Taka	
June 30, 2022	June 30, 2021

**49.00 General Comments and Observations**

All shares have been fully called and paid up.

Auditor's are paid only statutory audit fees.

No foreign exchange remitted to the relevant shareholders during the period under audit.

No amount of money was expended by the company fo recompensating any members of the Board for special service rendered.

There was no bank guarantee issued by the company on behalf of Directors.

**ZAHREEN SPINNING LIMITED**  
Schedule of Property, Plant and Equipment  
As at 30 June 2022 (July 2021 to June 2022)

Annexure-A

Sl. No.	Particulars	Cost			Rate %	Depreciation			W.D.V. Balance as at 30.06.2022
		Balance as at 01.07.2021	Addition During the year	Disposal/ Adjustment		Balance as at 30.06.2022	Charged During the year	Disposal/ Adjustment	
1	Land & Land Development	104,675,109	-	-	-	104,675,109	-	-	104,675,109
2	Plant & Machinery	501,643,009	40,747,883	-	10%	542,390,892	27,097,689	278,137,753	264,253,139
3	Building & Constructions	132,261,497	8,466,671	-	10%	140,728,168	8,412,791	60,779,715	79,948,453
4	Office Equipment	3,037,887	224,675	-	15%	3,262,562	159,447	2,246,691	1,015,871
5	Furniture & Fixture	2,411,961	-	-	15%	2,411,961	105,929	1,811,700	600,262
6	Vehicles	4,266,000	-	-	15%	4,266,000	427,306	1,844,602	2,421,398
7	Electrical Equipment	31,241,314	6,999,996	-	10%	38,241,310	2,622,143	11,142,021	27,099,289
	<b>A. Sub-Total</b>	<b>779,536,777</b>	<b>56,439,225</b>	<b>-</b>		<b>835,976,002</b>	<b>38,825,304</b>	<b>355,962,481</b>	<b>489,013,521</b>
<b>B. At Revaluation</b>									
1	Land & Land Development	136,926,183	-	-	-	136,926,183	-	-	136,926,183
	<b>B. Sub-Total</b>	<b>136,926,183</b>	<b>-</b>	<b>-</b>		<b>136,926,183</b>	<b>-</b>	<b>-</b>	<b>136,926,183</b>
	<b>Balance as on 30 June 2022 (A+B)</b>	<b>916,462,960</b>	<b>56,439,225</b>	<b>-</b>		<b>972,902,185</b>	<b>38,825,304</b>	<b>355,962,481</b>	<b>616,939,704</b>
	<b>Balance as on 30 June 2021</b>	<b>1,032,101,342</b>	<b>3,655,104</b>	<b>(119,293,486)</b>		<b>916,462,960</b>	<b>43,719,681</b>	<b>(51,184,747)</b>	<b>599,325,782</b>

Note: Depreciation Charged on addition for six months.

Allocation of Depreciation:

Note: Depreciation Charged in the following Manner:

Particulars	Rate	Amount
Factory Overhead	90%	34,942,774
Administrative Expenses	10%	3,882,530
<b>Total</b>	<b>100%</b>	<b>38,825,304</b>

**ZAHREEN SPINNING LIMITED**  
Schedule of Capital Work in Progress  
As at 30 June 2022 (July 2021 to June 2022)

Annexure-A/1

Sl. No.	Particulars	Cost			Rate %	Depreciation			Balance
		Balance as at 01.07.2021	Addition During the year	Transferred to Fixed Asset		Balance as at 01.07.2021	Charged During the year	Total Charges 30.06.2022	
1	Plant & Machinery	40,747,883	11,400,000	40,747,883	0%	11,400,000	-	-	11,400,000
2	Generator	-	-	-	0%	-	-	-	-
3	Office Equipment	224,675	-	224,675	0%	-	-	-	-
4	Electrical Equipment	6,999,996	-	6,999,996	0%	-	-	-	-
5	Building & Constructions	8,466,671	-	8,466,671	0%	-	-	-	-
	<b>A. Sub-Total</b>	<b>56,439,225</b>	<b>11,400,000</b>	<b>56,439,225</b>		<b>11,400,000</b>	<b>-</b>	<b>-</b>	<b>11,400,000</b>

**ZAHHEEN SPINNING LIMITED**  
Quantity-wise break-up of Inventory  
As of June 30, 2022

Annexure-B

Items Name	Balance as on 01.07.2021		Purchased		Consumed/Used		Fire Damaged		Obsolete Items Written Off		Balance as on 30.06.2022	
	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount
MCU-5	-	-	843,744	105,303,813	831,332	103,754,728	-	-	-	-	12,412	1,549,085
Cameroon	-	-	32,808	4,166,613	32,808	4,166,613	-	-	-	-	-	-
Chad	-	-	18,138	2,357,900	18,138	2,357,900	-	-	-	-	-	-
Viscos	-	-	509,370	52,028,064	503,543	51,432,883	-	-	-	-	5,827	595,181
PSF (Polyster)	-	-	161,419	10,201,632	158,906	10,042,811	-	-	-	-	2,513	138,821
Tencile	-	-	267,161	39,818,454	263,708	39,303,809	-	-	-	-	3,453	514,645
Burkina	-	-	135,081	16,669,748	135,081	16,669,748	-	-	-	-	-	-
<b>Sub Total</b>	-	-	<b>1,967,721</b>	<b>230,546,224</b>	<b>1,943,516</b>	<b>227,728,492</b>	-	-	-	-	<b>24,205</b>	<b>2,817,732</b>

**Finished Goods:**

Items Name	Balance as on 01.07.2021		Production		Delivered		Fire Damaged		Obsolete Items Written Off		Balance as on 30.06.2022	
	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount
40 (Auto) Yarn	-	-	14,930	3,473,799	14,930	3,471,786	-	-	-	-	-	-
50 (Auto) Yarn	-	-	170,200	39,600,848	163,600	38,043,149	-	-	-	-	6,600	1,535,638
52 (Auto) Yarn	-	-	456,937	106,316,644	456,937	106,255,026	-	-	-	-	-	-
54 (Auto) Yarn	-	-	139,900	32,550,874	139,900	32,532,008	-	-	-	-	-	-
60 (Auto) Yarn	-	-	804,200	187,115,172	799,200	185,844,037	-	-	-	-	5,000	1,163,362
<b>Sub Total:</b>	-	-	<b>1,586,167</b>	<b>369,057,338</b>	<b>1,574,567</b>	<b>366,146,006</b>	-	-	-	-	<b>11,600</b>	<b>2,699,000</b>

**Work in Process:**

Items Name	Balance as on 01.07.2021		Current Year		Transfer to Finished Goods		Fire Damaged		Obsolete Items Written Off		Balance as on 30.06.2022	
	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount
Blow Room	-	-	1,943,516	227,728,492	1,883,052	220,643,716	-	-	-	-	9,074	1,063,232
Carding	-	-	-	-	-	-	-	-	-	-	463	54,251
Drawing	-	-	-	-	-	-	-	-	-	-	772	90,458
Simplex	-	-	-	-	-	-	-	-	-	-	6,085	713,000
Ring	-	-	-	-	-	-	-	-	-	-	43,078	5,047,598
Cone Winding	-	-	-	-	-	-	-	-	-	-	992	116,237
<b>Sub Total:</b>	-	-	<b>1,943,516</b>	<b>227,728,492</b>	<b>1,883,052</b>	<b>220,643,716</b>	-	-	-	-	<b>60,464</b>	<b>7,084,776</b>



Wastage Goods:

Items Name	Balance as on 01.07.2021		Production/Production Loss		Sold		Fire Loss		Obsolete Items Written Off		Balance as on 30.06.2022	
	Quantity (Kg)	Amount	Quantity (Kg)	Amount	Quantity (Kg)	Amount	Qty (Kg)	Amount	Quantity (LBS)	Amount	Quantity (Kg)	Amount
Dropping -1	-	-	15,585	144,115	11,200	103,567	-	-	-	-	4,385	40,548
Dropping -2	-	-	-	-	-	-	-	-	-	-	-	-
Filter- Blow Room	-	-	10,930	46,060	5,700	24,020	-	-	-	-	5,230	22,040
Filter Carding	-	-	32,925	239,800	21,434	156,109	-	-	-	-	11,491	83,691
Sweeping	-	-	7,800	48,420	4,693	29,133	-	-	-	-	3,107	19,287
Roving	-	-	-	-	-	-	-	-	-	-	-	-
Hardwaste	-	-	9,586	260,640	7,866	21,874	-	-	-	-	1,720	46,766
<b>Sub Total:</b>	-	-	<b>76,826</b>	<b>739,035</b>	<b>50,893</b>	<b>334,703</b>	-	-	-	-	<b>25,933</b>	<b>212,333</b>

Spare Parts:

Items Name	Balance as on 01.07.2021		Purchased		Consumed/Used		Fire Damaged		Obsolete Items Written Off		Balance as on 30.06.2022	
	Quantity (Kg)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (Kg)	Amount	Quantity (Kg)	Amount
Spare Parts	-	1,089,526	-	6,715,420	-	6,048,380	-	-	-	-	-	1,756,566
<b>Sub Total:</b>	-	<b>1,089,526</b>	-	<b>6,715,420</b>	-	<b>6,048,380</b>	-	-	-	-	-	<b>1,756,566</b>
<b>Total Amount:</b>	-	<b>1,089,526</b>	-	<b>834,786,509</b>	-	<b>820,901,297</b>	-	-	-	-	-	<b>14,570,407</b>

**ZAHEN SPINNING LIMITED**  
Schedule of Accounts Receivable  
As of June 30, 2022

Annexure-C

SL. No.	Name of the Party	Items	Less than 6 Months	Above 6 Months	(Amount in Taka)	
					June 30, 2022 Total BDT	June 30, 2021 Total BDT
1	M/s. Provati Yarn Traders	Yarn	-	79,193,441	79,193,441	104,332,638
2	M/s. Raya Spinning Mills Ltd	Yarn	-	11,414,000	11,414,000	18,464,000
3	M/s. Sakib Traders	Yarn	-	16,413,500	16,413,500	21,013,500
4	M/s. Babul Textile	Yarn	-	23,389,922	23,389,922	23,589,922
5	M/s. Prime Print Shari	Yarn	-	25,650,500	25,650,500	27,250,500
6	M/s. A.F. Fabrics Mills Ltd	Yarn	-	22,060,580	22,060,580	22,060,580
7	M/s. Asraful Islam Traders	Yarn	-	22,565,875	22,565,875	22,565,875
8	M/s. Shukhi Textile Ltd	Yarn	-	18,332,930	18,332,930	19,432,930
9	M/s. Daliya Print Shari	Yarn	-	20,601,255	20,601,255	21,601,255
10	M/s. Tahmid Print Shari	Yarn	-	22,290,440	22,290,440	22,290,440
11	M/s. Shammul Textile Ltd	Yarn	-	17,829,020	17,829,020	17,829,020
12	M/s. Masud Textile Ltd	Yarn	-	18,668,000	18,668,000	18,668,000
13	M/s. Unitex Knitwear Ltd	Yarn	-	17,028,000	17,028,000	18,528,000
14	M/s. Yusuf Textile	Yarn	-	15,230,000	15,230,000	17,230,000
15	M/s. MK Fashion Ltd	Yarn	-	27,906,050	27,906,050	27,906,050
16	M/s. Shimul Textile	Yarn	-	-	-	-
17	M/s. Dhaka Enterprise	Yarn	9,462,000	-	9,462,000	-
18	M/s. Kawsar Textile	Yarn	-	1,950,000	1,950,000	1,950,000
	<b>Total</b>		<b>9,462,000</b>	<b>360,523,513</b>	<b>369,985,513</b>	<b>404,712,710</b>

Annexure-D	30 June 2022	30 June 2021
	Taka	Taka
<b>01) Advance, Deposit &amp; Prepayments:</b>	<b>21,422,898</b>	<b>17,771,887</b>
<b>Advances:</b>		
<b>Salary &amp; others</b>		
Salary & others	225,000	149,160
<b>Sub-Total=</b>	<b>225,000</b>	<b>149,160</b>
<b>AIT, TDS &amp; VAT</b>		
VAT C/A	149,189	149,189
Advance VAT	-	-
Advance Tax	6,126,105	125,384
<b>Sub-Total=</b>	<b>6,275,294</b>	<b>274,573</b>
<b>Others Advances:</b>		
Office rent	140,000	140,000
Others	-	-
<b>Sub-Total=</b>	<b>140,000</b>	<b>140,000</b>
<b>Contractor/ Supplier:</b>		
Dana Engineering Ltd	1,072,192	4,272,192
Yunus Molla (Electric Contrac)	-	220,000
Zahirul Islam	-	220,000
Multi Trade	605,184	1,505,184
Waso Engineering Consultants (BD) Ltd.	-	-
<b>Sub-Total=</b>	<b>1,677,376</b>	<b>6,217,376</b>
<b>Deposits:</b>		
<b>Margin &amp; Deposits:</b>		
Lc Margin	-	-
Others	-	-
<b>Sub-Total=</b>	<b>-</b>	<b>-</b>
<b>Security Deposit</b>		
CDBL	500,000	500,000
Titas Gas T & D	3,390,850	1,276,400
Anser VDP	-	-
Palli Biddut Somity	9,214,378	9,214,378
<b>Sub-Total=</b>	<b>13,105,228</b>	<b>10,990,778</b>

## Annexure-G

	June 30, 2022	June 30, 2021
	Taka	Taka
<b>Trade &amp; Others Payable:</b>	<b>30,374,148</b>	<b>19,155,873</b>
<b>01 Trade Payable:</b>	<b>Amount in Taka</b>	<b>Amount in Taka</b>
Provati Yarn Traders	-	-
Provati Traders (Cone & Poly)	914,934	914,934
Bismillah Paper Cone	142,100	162,000
Nafiz Enterprise	-	83,500
Abdullah Traders	178,750	-
Tanvir Traders	2,468,690	2,131,710
<b>Sub Total=</b>	<b>3,704,474</b>	<b>3,292,144</b>
<b>02 Others Payable:</b>		
Dhaka Enterprise	23,436,317	14,514,222
Recotech Bangladesh	75,000	115,000
ZR Enterprise	-	26,000
Confidence Power Solution BD.	1,012,350	-
The Engineering Steel Building Systems Ltd.	832,500	-
H.A Enterprise	783,832	783,832
Confidence International	52,000	-
Link3 Technologies Ltd.	3,000	-
Satcom IT Ltd	400,000	350,000
Maa Enterprise	74,675	74,675
<b>Sub Total=</b>	<b>26,669,674</b>	<b>15,863,729</b>

# BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2022/269

Date of issue : August 22, 2022

**BAPLC**

## Renewed Certificate

*This is to certify that*

**ZAHEEN SPINNING LIMITED**

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

*This certificate remains current until 31<sup>st</sup> December 2022.*



  
Secretary General

## ZAHEEN SPINNING LIMITED

Corporate Headquarters: House # 59/A, Road # 12/A,(6<sup>th</sup> & 7<sup>th</sup> Floor), Dhanmondi, Dhaka-1209.

### PROXY FORM

I/We \_\_\_\_\_

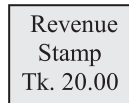
of \_\_\_\_\_  
being a shareholder of Zaheen Spinning Limited do hereby appoint

Mr./Mrs./Miss \_\_\_\_\_

of \_\_\_\_\_ as my/ our proxy to attend and vote for me/ us and on my/ our behalf at the 15<sup>th</sup> Annual General Meeting of the Company to be held on Monday the 26<sup>th</sup> December, 2022 at 9.00 a.m. virtually by using Digital Platform and/or at any adjournment thereof.

As witness my/ our hand this \_\_\_\_\_ day of \_\_\_\_\_ 2022 signed by the said in presence

of Mr./Mrs./Miss \_\_\_\_\_



\_\_\_\_\_  
(Signature of the Proxy)

\_\_\_\_\_  
(Signature of Witness)

\_\_\_\_\_  
(Signature of the Shareholder)

Register Folio/ B.O \_\_\_\_\_

Shares \_\_\_\_\_

Dated:

- Notes:
1. A Shareholder entitled to attend and vote at the General Meeting may appoint a Proxy on his/her behalf.
  2. The Proxy Form duly stamped, must be deposited at the Share office of the Company at least 48 (Forty eight) hours before the time fixed for the Meeting.



## Zaheen Spinning Limited

House # 59/A, Road # 12/A (6<sup>th</sup> & 7<sup>th</sup> Floor), Near Takwa Masjid, Dhanmondi,  
Dhaka-1209, Bangladesh, **Phone:**+88-02-8191588, 8191522; **Fax:**+88-02-8191522,  
**E-mail:**info@zahaspinningltd.com; **Web:**www.zahaspinningltd.com