



G. KIBRIA & CO.
CHARTERED ACCOUNTANTS



**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, 2021, 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 of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2021, 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

As disclosed in the note # 4.00 and Annex-A/1 to the financial statements regarding Property Plant and Equipment, and Work in Progress amounting to TK 655,765,007. During the year the company's addition to the Property, Plant and Equipment & Work in Progress amounts to Tk. 60,094,329. In respect of the addition, an amount of Tk 12,995,500 was adjusted with receivable and rest of the payment was made by cash, which is a violation of Income tax Ordinance 1984, section 30(m). Also we were unable to obtain sufficient appropriate audit evidence on which to make any opinion, and we concludes that there may be possible effects on the financial statements of undetected misstatements, if any, could be material.

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
Revenue Recognition	
<p>Revenue of BDT 28.53 Crore (BDT 60.85 Crore for the year ended June 30, 2020) 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 due to the risks such as management override and bias.</p> <p>Details of the Revenue Section are summarized in Note 23 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"> ▶ Obtain an understanding of Company's internal controls specifically geared towards adoption of the new accounting standard. ▶ 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. ▶ Reviewing Invoices, Shipping Documents and other supporting documentation to ensure revenue recognition is occurring appropriately ▶ Examine Payment documentation to ensure completion of revenue cycle is documented appropriately.
Details of Revenue Recognition are included in Note 23.00 to the Financial Statements	

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.



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, we also report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- In our opinion, proper books of accounts, records and other statutory books as required by law 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: 03 November 2021
Dhaka, Bangladesh
DVC: 211100392A5562370

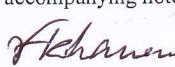
G. Kibria
A.K. Gulam Kibria, FCA (#392)
Engagement Partner
G. KIBRIA & CO.
Chartered Accountants

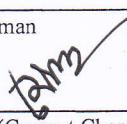


ZAHEEN SPINNING LIMITED
Statement of Financial Position
As at June 30, 2021

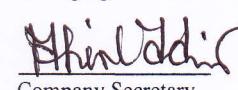
Particulars	Notes	Amount in Taka		
		June 30, 2021	June 30, 2020	
Assets				
Non-Current Assets				
Property, Plant and Equipment	4.00	599,325,782	707,499,098	
Work in Progress	Annex-A/1	56,439,225	-	
		655,765,007	707,499,098	
Current Assets				
Inventories	5.00	1,089,526	82,474,124	
Trade & Other Receivables	6.00	404,712,710	437,826,100	
Advances, Deposits & Prepayments	7.00	17,771,887	26,652,089	
Cash & Cash Equivalents	8.00	2,321,783	8,251,080	
		425,895,906	555,203,393	
Total Assets		1,081,660,913	1,262,702,492	
Shareholders Equity and Liabilities				
Shareholders Equity				
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	(590,736,033)	(303,790,255)	
		711,904,909	998,850,687	
Non-Current Liabilities				
Deferred Tax Liability	13.00	27,169,316	29,798,965	
Long Term Loan (Non-Current Portion)	14.01	-	6,024,888	
		27,169,316	35,823,853	
Current Liabilities				
Trade & Other Payable	15.00	19,155,873	3,794,382	
Short Term Bank Loan	16.00	17,553,195	18,424,258	
Long Term Loan (Current Portion)	14.02	12,469,287	7,362,838	
Provision for Bad & Doubtful Debts	17.00	202,356,355	109,456,525	
Liabilities for Income Tax	18.00	65,186,121	63,245,169	
Liabilities for WPPF	19.00	1,871,718	1,871,718	
Non Refunded Subscription Money	20.00	5,248,500	5,248,500	
Unclaimed Fractional Dividend		23,134	23,134	
Liabilities for Expenses	21.00	18,722,505	18,601,428	
		342,586,688	228,027,952	
Total Shareholders Equity and Liabilities		1,081,660,913	1,262,702,492	
Net Asset Value (NAV) Per Share	22.00	6.25	8.78	

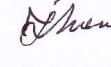
The accompanying notes form an integral part of these financial statements.


Chairman


CFO (Current Charge)


Managing Director


Company Secretary


Director

Signed as per our report on even date.


A.K. Gulam Kibria, FCA, Partner (#392)

Engagement Partner

G. KIBRIA & CO.

Chartered Accountants

DVC: 2111100392AS562370

Dated: 03 November 2021
Place: Dhaka

Ref: GKC/21-22/A/044



ZAHEEN SPINNING LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2021

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
Sales Revenue (Net off VAT)	23.00	285,391,902	608,583,834
Less: Cost of Goods Sold	24.00	316,975,187	574,554,956
Gross Profit/ (Loss)		(31,583,285)	34,028,878
Add: Other Income	25.00	4,986,643	10,572,490
		<u>(26,596,642)</u>	<u>44,601,368</u>
Less: Operating Expenses			
Administrative Expenses	26.00	21,137,268	30,318,565
Marketing Expenses	27.00	6,269,784	9,470,482
Loss on Sale of Vehicle	28.00	449,982	-
Obsolete Inventory Written Off	29.00	-	87,105,026
Advance, Deposits & Prepayments Write Off	30.00	-	78,713,276
Provision for Bad & Doubtful Debts	17.00	92,899,830	109,456,525
		<u>120,756,864</u>	<u>315,063,874</u>
Profit from Operations		(147,353,505)	(270,462,506)
Less: Financial Expenses	31.00	2,756,425	4,842,721
Add/ (Less): Foreign Exchange Gain/(Loss)	32.00	<u>(124)</u>	<u>895</u>
Profit/ (Loss) before Charging WPPF		(150,110,054)	(275,304,332)
Less: WPPF Expenses	19.00	-	-
Net Profit/ (Loss) before fire loss & income tax		(150,110,054)	(275,304,332)
Less: Fire Loss	33.00	137,524,422	103,874,707
Net Profit/ (Loss) before income tax		(287,634,476)	(379,179,039)
Less: Tax Expenses	34.00		
Current Tax		1,940,952	3,420,049
Deferred Tax		<u>(2,629,649)</u>	<u>3,240,207</u>
		<u>(688,697)</u>	<u>6,660,256</u>
Net Profit/ (Loss) after Tax		(286,945,779)	(385,839,296)
Add: Other Comprehensive Income			
Total Comprehensive Income		(286,945,779)	(385,839,296)
Earnings Per Share (EPS)	35.00	(2.52)	(3.39)

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

Shahzad Khan
Chairman

Tamim
CFO (Current Charge)

M. A. Hossain
Managing Director

Shahzad Khan
Director

M. H. Md. Sadiq
Secretary

Signed as per our report on even date.

G. K. Kibria
A.K. Gulam Kibria, FCA, Partner (#392)
Engagement Partner
G. KIBRIA & CO.
Chartered Accountants
DVC: 211100392A5562370

Dated: 03 November 2021
Place: Dhaka

Ref: GKC/21-22/A/044



ZAHEEN SPINNING LIMITED
Statement of Changes in Equity
For the year ended 30 June 2021

Particulars	Share Capital	Tax Holiday Reserve	Revaluation Surplus	Retained Earnings	Total Equity
Balance as on July 01, 2020	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)
Balance as on June 30, 2021	1,138,283,680	31,538,864	132,818,398	(590,736,033)	711,904,909

For the year ended 30 June 2020

Particulars	Share Capital	Tax Holiday Reserve	Revaluation Surplus	Retained Earnings	Total Equity
Balance as on July 01, 2019	1,084,079,700	31,538,864	132,818,398	136,253,020	1,384,689,982
Bonus Share	54,203,980	-	-	(54,203,980)	-
Net profit after Tax for the period	-	-	-	(385,839,296)	(385,839,296)
Balance as on June 30, 2020	1,138,283,680	31,538,864	132,818,398	(303,790,255)	998,850,687



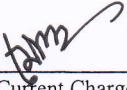
Chairman



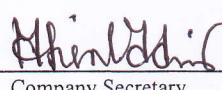
Managing Director



Director



CFO (Current Charge)



Company Secretary

Signed as per our report on even date.



A.K. Gulam Kibria, FCA, Partner (#392)

Engagement Partner
G. KIBRIA & CO.
Chartered Accountants

DVC : 211100392AS562370



ZAHEEN SPINNING LIMITED
Statement of Cash Flows
For the year ended June 30, 2021

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
A. Cash Flows from Operating Activities			
Collection from Customers & Others	36.00	323,491,935	570,008,107
Payment to Suppliers & Others	37.00	(257,631,094)	(508,254,014)
Tax Paid		-	(721)
Cash Generated from Operating Activities		65,860,841	61,753,372
 B. Cash Flows from Investing Activities			
Acquisition of Fixed Assets	38.00	(22,914,006)	(110,018,861)
Payment against Advance, Deposits & Prepayments		8,880,202	60,633,114
Finance Cost	39.00	(2,756,425)	(4,842,721)
Net Cash Flows from Operating Activities	40.00	49,070,612	7,524,904
 C. Cash Flows from Financing Activities			
Changes in short term bank loan		(3,655,104)	(4,428,717)
Payment of long term loan		(56,439,225)	-
Proceed from sale of vehicle		2,670,000	-
Proceeds from sale Salvage Fixed Assets		4,214,046	-
Net Cash Flows from Investing Activities		(53,210,283)	(4,428,717)
 D. Net Cash inflow/(outflow) for the year (A+B+C)			
E. Cash & Cash Equivalent at beginning of the year		(5,929,173)	(712,865)
F. Foreign Exchange Gain/Loss		8,251,080	8,963,049
G. Cash & Cash Equivalent at end of the year (D+E)		(124)	895
Net Operating Cash Flows (NOCF) Per Share	41.00	2,321,783	8,251,080

Skhaman
Chairman

Jamal
CFO (Current Charge)

Dated: 03 November 2021

Place: Dhaka

Ref: GKC/21-22/A/044

Abdul
Managing Director

Rihan
Director

Mirul
Company Secretary

G. K. Kibria
A.K. Gulam Kibria, FCA, Partner (#392)
Engagement Partner
G. KIBRIA & CO.
Chartered Accountants

DVC: 2111100392 AS562370



Zaheen Spinning Limited
Notes, Summary of Significant Accounting Policies and other Explanatory Information
For the year ended June 30, 2021

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 Jhwgara, Araihaazar, 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
Authorized Capital	
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
Issued, subscribed, called-up and paid-up capital	
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
Ms. Masuma Khan	Director
Mr. M. Farid Ahmed	Independent Director
Mr. Abu Taleb	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, 2021;
- (ii) statement of profit or loss and other comprehensive income for the year ended 01 July 2020 to 30 June 2021;
- (iii) statement of changes in equity for the year ended 01 July 2020 to 30 June 2021;
- (iv) statement of cash flows for the year ended 01 July 2020 to 30 June 2021; and
- (v) notes, summary of significant accounting policies and other explanatory information for the year ended 01 July 2020 to 30 June 2021.

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 2020 to 30 June 2021.

2.06 Authorization for issue

The financial statements were authorized for issue by the Board of Directors of the company on November 03, 2021.

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, 2021;

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 2021 are consistent with those adopted in the financial statements for the period ended 30 June 2020.

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, 2021, 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.

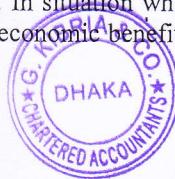
3.03 Property, Plant and Equipment

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 & Constructions	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 1st 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 Profit or Loss and Other 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 incompliance with Finance Act, 2021.



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: 35.

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: 45) 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 30th June 2020 have been rearranged wherever considered necessary to ensure comparability with the current period.



Amount in Taka	
June 30, 2021	June 30, 2020

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	101,770,505
Plant & Machinery	501,643,009	251,040,065	250,602,944	309,543,386
Building & Constructions	132,261,497	52,366,924	79,894,573	95,160,534
Office Equipment	3,037,887	2,087,244	950,643	1,194,314
Furniture & Fixture	2,411,961	1,705,771	706,190	916,006
Generator	-	-	-	24,412,819
Vehicles	4,266,000	1,417,296	2,848,704	6,770,185
Electrical Equipment	31,241,314	8,519,878	22,721,436	30,805,167
Revaluation Surplus of Land & Land	136,926,183	-	136,926,183	136,926,183
Total	916,462,960	317,137,178	599,325,782	707,499,098

Since inception, the company revalued its Land & Land Development for the 1st 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	-	61,238,923
Work-in-Process	-	2,447,022
Finished Goods	-	15,518,205
Wastage Goods	-	505,183
Spare Parts	1,089,526	2,764,791
	1,089,526	82,474,124

- a) Quantity reconciliation of products were done properly.
- b) The valuation of closing inventory has been made on the basis of lower of cost and net realizable value as per IAS-2.
- c) Conduction of physical verification/stock taking of above inventories as on 30.06.2021 was done.
- d) Spare parts consists of the total cost of spare parts.

Details Shown in Annexure-B

6.00 Trade & Other Receivables

Opening Balance	437,826,100	388,677,883
Add: Sales during the year	285,391,902	608,583,834
Total	723,218,002	997,261,717
Less: Realised during the year	318,505,292	559,435,617
Closing Balance	404,712,710	437,826,100

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 2021 (Taka)	30 June 2020 (Taka)
i. Receivables considered good in respect of which the company holds no security other than the debtor personal security	202,356,355	328,369,575
ii. Receivables considered doubtful or bad	202,356,355	109,456,525
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		
Total	404,712,710	437,826,100



Amount in Taka	
June 30, 2021	June 30, 2020

Ageing of the above Trade Receivable is given below:

Particular	Less than 6 Months	6 Months Above	Total	Total
Customers	-	404,712,710	404,712,710	437,826,100

Details Shown in Annexure-C

7.00 Advance, Deposit & Prepayments

Advances:

Salary & others	149,160	250,000
Tax, Vat & Others	274,573	196,186
Others Advance	140,000	140,000
Contractor/ Supplier	6,217,376	14,349,725
Sub Total	6,781,109	14,935,911

Deposits:

Security Deposit	10,990,778	11,716,178
Sub Total	10,990,778	11,716,178
Grand Total	17,771,887	26,652,089

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

105,721 5,320,089

b) Cash at Bank

MTBL A/C No -01356	236,973	234,589
MTBL A/C No -01612	209,625	209,749
MTBL A/C No -9037	19,218	5,933
SBAC A/C No -81390/117	1,442	1,442
SBAC A/C No -79742/4956	1,922	5,279
Southeast Bank A/C no -0064	1,033,158	2,309,170
Southeast Bank A/C no -2315	575,859	21,114
The City Bank Ltd. A/C No. 81001	95,735	97,000
NRB Ltd. A/C No. 316	3,620	4,310
BRAC Bank Ltd. A/C No-302001	10,433	11,008
UCBL A/C No- 01221110001608/0041	-	2,180
Al-Arafa Islami Bank Ltd A/C No- 96988	3,045	3,735
	2,191,030	2,905,509
c) Balance at BO Account (MTBCL)	25,032	25,482
Total Cash & Cash Equivalents (a+b+c)	2,321,783	8,251,080

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
100,000,000 Preference Shares of Tk. 10.00 each

3,000,000,000	3,000,000,000
1,000,000,000	1,000,000,000
4,000,000,000	4,000,000,000

Issued, subscribed and paid up capital :

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

1,138,283,680 1,138,283,680

Shareholding Position:

Sponsors & Directors

No. of Share No. of Share

35,404,336 35,404,336

Institutions

33,197,815 32,810,042

General Public

45,226,217 45,613,990

113,828,368 **113,828,368**



	Amount in Taka	
	June 30, 2021	June 30, 2020
10.00 Tax Holiday Reserve		
Opening Balances	31,538,864	31,538,864
Add: Provision made during the period	-	-
	31,538,864	31,538,864
Less: Adjustment of tax holiday reserve as per BAS-8	-	-
	31,538,864	31,538,864

- 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		132,818,398	132,818,398
Opening Balance		-	-
Less: Prior Year Correction		132,818,398	132,818,398
Adjusted Opening Balance		-	-
Add: Revaluation Surplus for current year		132,818,398	132,818,398

12.00 Retained Earnings		(303,790,255)	136,253,020
Opening Balance		(286,945,779)	(385,839,296)
Add: Net Profit/(Loss) for the year		-	(54,203,980)
Less: Bonus shares capitalised		(590,736,033)	(303,790,255)
Retained Earnings			

13.00 Deferred Tax Liability		29,798,965	26,558,757
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		29,798,965	26,558,757
Add: Prior Year Error Correction		(2,629,649)	3,240,207
Adjusted Opening Balance as at July 01, 2020		27,169,316	29,798,965
Expenses/ (Income) of Deferred Tax for the year			
Deferred Tax Liability /Assets) as on 30 June 2021			

Details Shown in Note 34.02

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, 2021	June 30, 2020
MTBL	Term Loan	Dilkusha	0012-5161000314	-	892,521
MTBL	Term Loan	Dilkusha	0012-5161000225	-	1,080,678
MTBL	Term Loan	Dilkusha	0012-5161000252	-	4,051,689
Total				-	6,024,888



Amount in Taka	
June 30, 2021	June 30, 2020

14.02 Long Term Loan (Current Portion)

Name of Bank	Type of A/C	Branch	Account No	30 June 2021	30 June 2020
MTBL	Term Loan	Dilkusha	0012-5161000314	1,251,954	401,148
MTBL	Term Loan	Dilkusha	0012-5161000225	1,605,759	635,774
MTBL	Term Loan	Dilkusha	0012-5161000252	9,611,574	6,325,916
Total				12,469,287	7,362,838

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	3,292,144	3,026,565
Others Payable	15,863,729	767,817
Total	19,155,873	3,794,382

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	18,424,258
	17,553,195	18,424,258

Above facility has been enjoyed against working capital sanctioned from Mutual Trust Bank Ltd., Dilkusha, Dhaka and secured by hypothecation of stock & stores and collateral security of land.

Nature	CC (Hypoo) Cash
Sanction Limit	17.50 million
Purpose of Loan	Working Capital
Margin	25 % on Stock in Trade
Rate of Interest	09 % p.a & Late Payment Interest @ Tk. 2%.
Execution Date	14.05.2008
Mode of Adjustment	Within 90 days from the date of advance and account outstanding.
Security	Stock of raw materials, work-in- process and finished goods (yarn), spare parts of machineries stores in office /factory located at Jhwara, Araihazar, Narayanganj & security clause of term loan.

17.00 Provision for Bad Doubtful Debts

Opening Balance	109,456,525	-
Add: Provision made for the year	92,899,830	109,456,525
	202,356,355	109,456,525

18.00 Liabilities for Income Tax

Opening Balance	63,245,169	59,825,841
Add: Provision made for the year	1,940,952	3,420,049
	65,186,121	63,245,890
Less: Tax Paid/Adjustment for the year	-	721
Closing balance	65,186,121	63,245,169

19.00 Liabilities for Workers Profit Participation Fund (WPPF)

Opening Balances	1,871,718	5,364,722
Add: Provision for the year	-	-
Less: Current year payment	1,871,718	5,364,722
Closing balance	-	3,493,004
	1,871,718	1,871,718



		Amount in Taka	
		June 30, 2021	June 30, 2020
20.00	Non Refunded Subscription Money		
Opening Balance		5,066,750	5,066,750
General Public		181,750	181,750
NRB		5,248,500	5,248,500
Less: Refund during the year		<u>5,248,500</u>	<u>5,248,500</u>
Closing Balance		<u>5,248,500</u>	<u>5,248,500</u>
21.00	Liabilities for Expenses		
Salary & Allowance		191,717	231,969
Wages & Salary		2,977,513	3,164,660
Director Remuneration		2,625,000	375,000
Withholding Tax		106,955	106,955
VAT Payable		51,030	271,111
Gas Bill		6,941,507	9,831,495
Audit Fee		149,500	149,500
Printing Bill Payable		26,000	26,000
Listing Fee Payable		811,583	1,411,388
Advertisement Bill Payable		136,900	-
Other Expenses (Payable)		-	81,239
Electricity & Utility Bill		4,704,800	2,952,111
		<u>18,722,505</u>	<u>18,601,428</u>
22.00	Net Asset Value (NAV) Per Share (including revaluation surplus)		
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		(590,736,033)	(303,790,255)
A. Total shareholders equity		711,904,909	998,850,687
B. No. of ordinary shares outstanding		<u>113,828,368</u>	<u>113,828,368</u>
Net asset value (NAV) per share (A/B)		<u>6.25</u>	<u>8.78</u>
Net Asset Value (NAV) Per Share (Excluding revaluation surplus)			
A. Net asset value (NAV)		579,086,511	866,032,289
B. No. of ordinary shares outstanding		<u>113,828,368</u>	<u>113,828,368</u>
Net Asset Value (NAV) Per Share (Excluding revaluation surplus) (A/B)		<u>5.09</u>	<u>7.61</u>
Since net loss have been increased and assets have been decreased due to fire occurrence, NAV has been decreased.			
23.00	Sales Revenue		
Gross Sales		286,992,000	611,390,925
Less: Value Added Tax (VAT)		1,600,098	2,807,091
Net Sales		<u>285,391,902</u>	<u>608,583,834</u>
A massive fire incident occurred at Factory Premises on January 21, 2021. Since then production remain suspended till the end of June 30, 2021 for repairing, renovation, reconstruction, replacement and installation of new machineries. As a result sales, have been decreased significantly.			
24.00	Cost of Goods Sold		
Raw material consumed	Note	24.01	170,813,061
Add: Work-in-process- Opening		2,447,022	2,879,650
		<u>173,260,083</u>	<u>390,693,301</u>
Less: Work-in-process-Closing		-	2,447,022
Less: Fire Damaged		1,488,000	-
Materials transferred to finished goods		171,772,083	388,246,279
Add: Factory overhead	Note	24.02	141,720,954
Cost of goods manufactured		313,493,037	558,265,861
Add: Opening Finished goods		15,518,205	53,935,850
Add: Opening Wastage goods		505,183	2,678,980
Cost of goods available for sale		329,516,425	614,880,691
Less: Closing Finished goods		-	15,518,205
Less: Closing Wastage Goods		-	505,183
Less: Fire Damaged (Finished Goods)		12,541,238	12,666,901
Less: Obsolete Finished Goods Written Off		-	11,635,445
Cost of goods sold for the period		<u>316,975,187</u>	<u>574,554,956</u>



Amount in Taka			
June 30, 2021			
24.01 Raw Material Consumed			
Opening stock	61,238,923	226,653,153	
Add: Purchase during the year	170,001,555	386,783,752	
Raw material available for consumption	231,240,478	613,436,905	
Less: Closing stock	-	61,238,923	
Less: Obsolete Raw Materials Written Off	-	75,469,581	
Less: Fire Damaged	60,427,417	88,914,750	
Raw material consumed	170,813,061	387,813,651	
24.02 Factory Overhead			
Wages & Salary	34,517,758	42,352,134	
Over time	426,839	381,833	
Gas bill	15,649,486	19,025,259	
Packaging expenses	1,787,650	4,639,676	
Spare parts consumed	7,999,164	8,260,668	
Daily labour	108,530	126,425	
Loading & Unloading Expenses	554,371	670,740	
Fire Protection	1,529,805	350,700	
Transport & Others	2,203,015	3,092,036	
Miscellaneous Expenses	557,881	302,726	
Electricity, Utility & others bill	33,627,451	38,591,311	
Repairing & Maintenance	1,338,756	979,970	
Mobil, Oil & Lubricant	1,708,600	2,879,850	
Workshop expenses	77,000	144,300	
Fax, Phone & Fooding exp.	286,935	287,997	
Depreciation (Annexure-A)	39,347,713	47,933,957	
	141,720,954	170,019,582	
25.00 Other Income			
Wastage Sales	1,405,733	2,039,753	
Sale of Obsolete Raw Materials	-	7,347,081	
Sale of Obsolete FG	-	1,178,450	
Insurance Claim Received	3,577,072	-	
Interest Income from Bank	3,838	7,206	
	4,986,643	10,572,490	
25.01 Interest Income from Bank			
Interest Income	3,838	7,206	
Total Income	3,838	7,206	
26.00 Administrative Expenses			
Salary and Allowances	5,199,185	6,746,723	
Directors remuneration	5,250,000	4,480,000	
Vehicle Maintenance	319,862	452,553	
Stationery & Printing	120,142	180,047	
Medical Expenses	11,448	416,480	
Advertisement	193,363	228,000	
Meeting exp. & others	651,000	668,508	
Insurance	2,017	411,209	
Travelling, tour and conveyance	643,596	1,582,162	
Fax, telephone & photocopy expenses	147,479	125,484	
Renewal & others fees	448,701	207,737	
Consultancy & Legal Fee	100,200	90,350	
Audit Fee	149,500	149,500	
Other Professional Expenses	-	17,250	
Office rent	1,140,000	1,075,000	
C & F Charge	-	450,000	
Office expenses	119,446	95,036	
Regulatory & others Expenses	1,356,888	1,464,943	
Relief	-	4,668,937	
Fooding & Entertainment	205,199	166,279	
Electric & Utility bill	303,572	310,678	
News paper, books & forms	5,868	4,785	
Repairs & maintenance	250,010	56,000	
Misc. & Others exp.	147,823	944,909	
Depreciation (Annexure-A)	4,371,968	5,325,995	
	21,137,268	30,318,565	



		Amount in Taka	
		June 30, 2021	June 30, 2020
27.00	Marketing Expenses		
	Business Promotional Expenses	2,192,194	2,612,750
	Commission & Others	<u>4,077,590</u>	<u>6,857,732</u>
		<u><u>6,269,784</u></u>	<u><u>9,470,482</u></u>
28.00	Loss on Sale of Vehicles		
	Book Value of Vehicles	10,655,300	-
	Less: Accumulated Depreciation	<u>7,535,318</u>	<u>-</u>
		<u><u>3,119,982</u></u>	<u>-</u>
	Less: Sold	2,670,000	-
	Loss on sale	<u>449,982</u>	<u>-</u>
29.00	Obsolete Inventory Write Off		
	<u>Quantity(Lbs)</u>		
	Raw Materials	-	75,469,581
	Finished Goods	<u>-</u>	<u>11,635,445</u>
		<u><u>-</u></u>	<u><u>87,105,026</u></u>
30.00	Advance, Deposits & Prepayemnts Write Off		
	Other Advanced	-	11,875,000
	Margin and Deposite	<u>-</u>	<u>26,417,968</u>
	Supplier	<u>-</u>	<u>40,420,308</u>
		<u><u>-</u></u>	<u><u>78,713,276</u></u>
31.00	Financial Expenses		
	Bank charge & commission	85,427	72,715
	Interest on long term loan	<u>1,060,561</u>	<u>2,568,247</u>
	Interest on CC hypo	<u>1,610,437</u>	<u>2,201,759</u>
		<u><u>2,756,425</u></u>	<u><u>4,842,721</u></u>
32.00	Foreign Exchange Gain/ (Loss)		
	Exchange Gain / (loss)	<u>(124)</u>	<u>895</u>
		<u><u>(124)</u></u>	<u><u>895</u></u>
33.00	Fire Loss		
A	Loss of Fixed Assets for Fire Incident:		
	Book Value of Fire Lost Fixed Assets	108,638,186	-
	Less: Accumulated Depreciation for the Fire Lost Assets	<u>43,649,429</u>	<u>-</u>
		<u><u>64,988,757</u></u>	<u>-</u>
	Less: Salvage Assets Sold	<u>4,214,046</u>	<u>-</u>
	Loss of Fixed Assets due to Fire	<u>60,774,711</u>	<u>-</u>
	Details Shown in Annexure-A		
B	Inventory Lost on Account of Fire	Note	33.01
	Total Loss by Fire (A+B)		
		<u>76,749,711</u>	<u>103,874,707</u>
		<u><u>137,524,422</u></u>	<u><u>103,874,707</u></u>
33.01	Details of Fire Loss of Inventories	<u>Quantity(Lbs)</u>	
	Raw Materials	850,774	
	Finished Goods	99,800	
	Work in process	20,000	
	Wastage Goods	45,527	
			60,427,417
			12,541,238
			1,488,000
			2,293,056
			<u>76,749,711</u>
			<u>88,914,750</u>
			<u>12,666,901</u>
			<u>-</u>
			<u>2,293,056</u>
			<u><u>76,749,711</u></u>
			<u><u>103,874,707</u></u>

N.B.: Company's fire affected assets and inventories are partially covered by Crystal Insurance Company Limited. Inventories have been accounted for as fire loss because the application for fire claim is still under process. As there is no estimation that to be recovered from the insurance company, no insurance benefit have been obtained yet from the insurance company. Thus the company has recognized the full amount of fire affected inventories as fire loss and charged in the Statement of Profit or Loss and other Comprehensive Income. The subsequent status and financial event will be recognized and reflected in the onward relevant financial statements as and when be enacted.



			Amount in Taka	
			June 30, 2021	June 30, 2020
34.00 Income Tax Expenses				
Current Tax	Note	34.01	1,940,952	3,420,049
Deferred Tax	Note	34.02	(2,629,649)	3,240,207
			<u>(688,697)</u>	<u>6,660,255</u>
34.01 Current Tax				
Current Tax on Operating Income	34.01.A		(43,775,580)	(61,702,937)
Current Tax on Other Income	34.01.B		1,246,661	2,643,123
Total Current Tax			<u>(42,528,920)</u>	<u>(59,059,814)</u>
Tax as per ITO Section 82 (C) @ 0.60%	34.01.C		1,940,952	3,420,049
Current Tax, Which ever is higher			<u>1,940,952</u>	<u>3,420,049</u>
34.01.A Current Tax on Operating Income				
Net Profit Before Tax			(287,634,476)	(379,179,039)
Add: Depreciation as accounting base			43,719,681	53,259,952
Add: WPPF Expenses				
Less: Depreciation as per tax base			42,935,765	71,368,331
Less: Other income			4,986,643	10,572,490
Less: Payment for WPPF				3,493,004
Taxable operating income			<u>(291,837,203)</u>	<u>(411,352,912)</u>
Income tax @ 15%			<u>(43,775,580)</u>	<u>(61,702,937)</u>
34.01.B Current Tax on Other Income @ 25%				
34.01.C Calculation of Gross Receipts as per 82(C):				
Sales during the year			285,391,902	608,583,834
Add: Other Income during the year			4,986,643	10,572,490
Add: Trade Receivables as on July 1, 2020			437,826,100	388,677,883
Less: Trade Receivables as on June 30, 2021			(404,712,710)	(437,826,100)
Gross Receipts			<u>323,491,935</u>	<u>570,008,107</u>
Tax as per ITO Section 82 (C) @ 0.60%			<u>1,940,952</u>	<u>3,420,049</u>
34.02 Deferred Tax				
Total income tax for the year			(688,697)	6,660,255
Less: Current Tax			1,940,952	3,420,049
Deferred Tax			<u>(2,629,649)</u>	<u>3,240,207</u>
Deferred tax for the year				
Details are as follows:				
Carrying Value as per Accounts				
Property, Plant & Equipment			357,724,490	468,802,410
Carrying Value as per Tax Base				
Property, Plant & Equipment			202,109,230	295,656,162
Taxable Difference			155,615,260	173,146,248
Less: Liability to Employees			1,871,718	1,871,718
Net Taxable Difference			<u>153,743,542</u>	<u>171,274,530</u>
Applicable Income Tax Rate			15%	15%
Deffered Tax Liability at the end of the period			23,061,531	25,691,180
Deffered Tax Liability- 3% of Revaluation Surplus			4,107,785	4,107,785
Total Deffered Tax Liability at the end of the period			27,169,316	29,798,965
Deffered Tax Liability at the beginning of the period			29,798,965	26,558,757
Deffered Tax Expenses during the period			<u>(2,629,649)</u>	<u>3,240,207</u>
35.00 Earning Per Share (EPS)				
(i) Earnings from core business				
a) Net Profit/(Loss) after tax excluding Extraordinary Income & Fire Loss			(154,378,080)	(292,473,644)
b) Weighted average number of shares (Note-35.01)			113,828,368	113,828,368
Earnings Per Share (EPS) from core business before fire loss (a/b)			<u>(1.36)</u>	<u>(2.57)</u>
(ii) Earnings from Extra Ordinary Income				
a) Extra Ordinary Income after tax			4,956,723	10,509,055
b) Weighted average number of shares (Note-35.01)			113,828,368	113,828,368
Earnings Per Share (EPS) from extra ordinary income (a/b)			<u>0.04</u>	<u>0.09</u>



Amount in Taka	
June 30, 2021	June 30, 2020
(1.31)	(2.48)
(137,524,422)	(103,874,707)
113,828,368	113,828,368
(1.21)	(0.91)
(2.52)	(3.39)

(iii) Basic Earnings per Share (EPS) before fire loss (i+ii)
(iv) Fire Loss
a) Fire loss
b) Weighted average number of shares (Note-35.01)
Earnings per Share (EPS) from fire loss (a/b)
Basic Earning per Share (iii+iv)

A massive fire incident occurred in January 2021 at factory premises. Since then production remained suspended till the end of June 30, 2021 for repairing, renovation, replacement and installation of new machineries, 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.

35.01 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
IPO Shares	12,000,000	1	12,000,000
Bonus Shares-2014	9,720,000	1	9,720,000
Bonus Shares-2015-16	11,178,000	1	11,178,000
Bonus Shares-2016-17	12,854,700	1	12,854,700
Bonus Shares-2017-18	9,855,270	1	9,855,270
Bonus Shares-2018-19	5,420,398	1	5,420,398
Total	113,828,368		113,828,368

36.00 Cash Received from Customers

Revenue	285,391,902	608,583,834
Add: Other income	4,986,643	10,572,490
Add/Less: Decrease/(Increase) in accounts receivable	33,113,390	(49,148,217)
	323,491,935	570,008,107

37.00 Cash paid to Suppliers

Cost of goods sold	316,975,187	574,554,956
Fire Loss in Inventory	76,749,711	103,874,707
Obsolete Inventory Write Off	-	87,105,026
Increase/(decrease) in inventory	(81,384,600)	(206,826,511)
(Increase)/decrease in accounts payable	(15,361,491)	(2,520,208)
(Increase)/decrease in unclaimed fractional dividend	-	-
Less: Depreciation	(39,347,713)	(47,933,957)
	257,631,094	508,254,014

38.00 Cash Payment for Expenses

Administrative, Selling & Distribution expenses	21,137,268	30,318,565
Add: Marketing expenses	6,269,784	9,470,482
Add: Increase in liabilities for expenses	(121,077)	(6,650,471)
Add: WPPF paid	-	3,493,004
Add: Advance, Deposits & Prepayments Write Off	-	78,713,276
Less: Depreciation	(4,371,968)	(5,325,995)
	22,914,006	110,018,861

39.00 Finance Cost

Bank charge & commission	85,427	72,715
Interest payment on long term loan	1,060,561	2,568,247
Interest payment on short term loan	1,610,437	2,201,759
	2,756,425	4,842,721



		Amount in Taka	
		June 30, 2021	June 30, 2020
40.00	Reconciliation of cash generated by operations		
	Net Profit After Tax	(286,945,779)	(385,839,296)
	Depreciation as Non Cash Expenses	43,719,681	53,259,952
	Loss on Sale of Vehicles	449,982	-
	(Increase)/Decrease of Account Receivables	33,113,390	(49,148,217)
	(Increase)/Decrease of Inventories	81,384,600	206,826,511
	Fire Loss in Fixed Assets	60,774,711	-
	(Increase)/Decrease of Advance, Deposits & Prepayments	8,880,202	60,633,114
	Increase/(Decrease) of Liabilities for expenses	121,077	6,650,471
	Increase/(Decrease) of Accounts Payable	15,361,491	2,520,208
	Increase/(Decrease) of Provision for Income Tax	1,940,952	3,419,328
	Increase/(Decrease) of Deferred Tax Liability	(2,629,649)	3,240,208
	Increase/(Decrease) of WPPF Expenses		(3,493,004)
	Provision for Bad & Doubtful Debts	92,899,830	109,456,525
	Foreign Exchange Gain	124	(895)
	Net Cash Flows from Operating Activities	49,070,612	7,524,904
41.00	Net Operating Cash Flow Per Share (NOCFPS)		
	Net Operating Cash Flows	49,070,612	7,524,904
	Weighted average number of shares	Note 35.01 113,828,368 0.43	113,828,368 0.07

Since collection has been increased against sales and accounts receivables, NOCFPS has been increased.

42.00 Employees Position (as of June 30, 2021)

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	408	25	383

43.00 Bank Guarantee

The company have no Bank Guarantee on the reporting date.

44.00 Capital Commitment

The company have no Capital Commitment at the reporting date.

45.00 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 30.06.2021	Outstanding as on 30.06.2020
Dainik Desh Bortoman	Sister Concern	-	-	352,260
Mrs. Farida Khanam	Chairman	550,000	350,000	50,000
Mr. Mahmuddur Rahman	Director	2,400,000	1,400,000	200,000
Mrs. Nusrat Jahan	Director	380,000	175,000	25,000
Mr. Mahbubur Rahman Khan	Director	-	350,000	50,000
Mrs. Masuma Khan	Director	250,000	350,000	50,000
Total		3,580,000	2,625,000	727,260

45.01 Key Management Personnel Compensation

Sl	Name	Designation	Gross Salary
1	Mr. Mahmuddur Rahman	M.D	2,800,000
2	Mr. Md. Ibrahim Khalil	CFO (CC)	1,120,000
			3,920,000

During the year 2020-2021, the Board of Directors of Zaheen Spinning Limited have taken Tk. 150,000.00 as board meeting attendance fees.



Amount in Taka	
June 30, 2021	June 30, 2020

During the period from 01-07-2020 to 30-06-2021, there were 7 (seven) 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	7
Mr. Mahmudur Rahman	Managing Director	7
Mrs. Nusrat Jahan	Director	7
Mr. Mahbubur Rahman Khan	Director	3
Mrs. Masuma Khan	Director	3
Dr. Md. Abbas Ali Khan	Independent Director	3 (Expired on 16 Jan 2021)
Dr. M. Farid Ahmed	Independent Director	7
Dr. Abu Taleb	Independent Director	1 (appointed on 13 March 2021)

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

Name of Directors	Designation	Remuneration	Total Payment
Mrs. Farida Khanam	Chairman	600,000	700,000
Mr. Mahmudur Rahman	Managing Director	2,400,000	2,800,000
Mrs. Nusrat Jahan	Director	300,000	350,000
Mr. Mahbubur Rahman Khan	Director	600,000	700,000
Mrs. Masuma Khan	Director	600,000	700,000
Total			5,250,000

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.	2,625,000
(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	Nil
(g)	Other allowances and commission including guarantee commission	Nil
(h)	Pensions etc.	Nil
(i)	(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	3,580,000
(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	3,580,000
b) the amount of outstanding balance, including commitments	2,625,000
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 guarantee given or received	Nil



Amount in Taka	
June 30, 2021	June 30, 2020

c) provisions for doubtful debts related to the amount of outstanding balance Nil
d) the expenses recognized during the period in respect of bad or doubtful debts due from Nil

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

Details of production capacity utilization

Particulars	Licence Capacity	Installed Capacity in MT	Capacity Utilization from 1st July 2020 to 30th June 2021
Annual Production Capacity	Not mentioned in the Licence	2,777.60	35%

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

Requirements under	Compliance	Compliance status of Disclosure of Schedule XI, Part II, Para 3
3(i)(a) The turnover		285,391,902
3(i)(b) Commission paid to selling agents		4,077,590
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 far as possible		170,813,061
3(i)(d)(ii) The opening and closing stocks of goods produced	Op Stock: 120,900 Lbs Tk. 1,55,18,20 Cosing Stock: Nil Lbs and Tk. Nil	
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
3(i)(j) Provision for depreciation, renewals or diminution in value of fixed assets		Tk. 4,37,19,681/-



	Amount in Taka	
	June 30, 2021	June 30, 2020
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. 19,40,952/-	
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, known 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 (ii) Power and Fuel (iii) Rent (iv) Repairs of Buildings (v) Repairs of 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.	<p>(i) Consumption of Stores & Spare Parts: Tk. 79,99,164.00</p> <p>(ii) Power and Fuel: Tk. 4,92,76,937.00</p> <p>(vi)(1) Salaries, wages and bonus: Tk. 34,517,758</p>	<p>(iii) Rent: tk. 11,40,000.00</p> <p>(vi)(2) Contribution to provident and other funds: Tk. Nil</p> <p>(3) Workmen and staff welfare expenses to the extent not adjusted from any previous provision or reserve: Tk. Nil</p>



Amount in Taka	
June 30, 2021	June 30, 2020

46.00 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, 2021 Tk. 51,030.00.

(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) 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		Assessment not yet completed
2016-2017	2017-2018		Assessment not yet completed
2017-2018	2018-2019		Assessment not yet completed
2018-2019	2019-2020		Assessment not yet completed
2019-2020	2020-2021		Assessment not yet completed

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

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

47.00 Commission, Brokerage or Discount against sales

Commission paid against sales as Discounts amounting tk. 4,077,590/-

48.00 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.

49.00 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.

50.00 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 for recompensating any members of the Board for special service rendered.

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

