



Annual Report
2018-2019



Zaheen Spinning Limited

MISSION, VISION, OBJECTIVE :



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, 2019.**

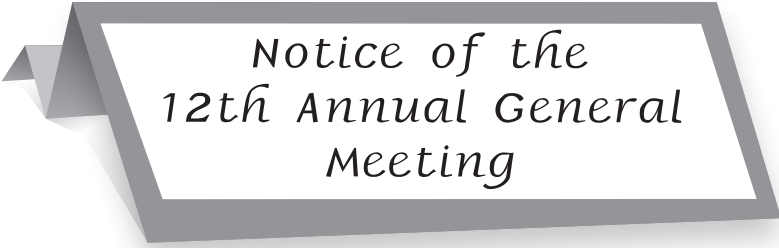
Dear Sir/Madam (s),

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 2019, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement Cash Flow for the Year Ended on **30 June, 2019**, along with notes thereon of Zaheen Spinning Limited for your reference and record.

Yours sincerely,

(Md. Mohin Uddin)

Company Secretary



*Notice of the
12th Annual General
Meeting*

12TH ANNUAL GENERAL MEETING NOTICE

Notice is hereby given that the 12th Annual General Meeting of Zaheen Spinning Limited will be held on **December 28, 2019, Saturday at 9.00 a.m. at “Sugandha Community Centre, Plot # 75/A, Road # 5/A, Sat Masjid Road, Dhanmondi, Dhaka-1205** to transact the following business:

Agenda:

1. To receive, consider and adopt the Director’s Report, Audited Financial Statements along with Auditors Report thereon for the year ended on 30th June 2019.
2. To declare 5% stock dividend for the year ended on 30th June, 2019 as recommended by the board of directors.
3. To elect/ reelect Directors in place of those who shall retire by rotation in accordance with the Articles of Association of the Company.
4. To approve the appointment of independent director.
5. To appoint Statutory Auditors of the Company for the year 2019-2020 and fix their remuneration.
6. To appoint Corporate Governance Code Auditors of the Company for the year 2019-2020 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 02, 2019

Notes:

1. The “Record Date” shall be on Sunday, November 24, 2019.
2. The Shareholders whose name will appear in the Share Register/ depository registrar on the Record Date will be eligible to attend the meeting and will qualify for the stock Dividend.
3. 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. 10/- and signed by the member must be submitted at the Share Department at House # 59/A, Road # 12/A, (6th& 7th Floor), Dhanmondi, Dhaka-1209, not less than 48 (Forty eight) hours before the time fixed for the meeting.

CORPORATE DIRECTORY

Board of Directors

Mrs. Farida Khanam
Mr. Mahmudur Rahman
Mrs. Nusrat Jahan
Mr. Mahbubur Rahman Khan
Mrs. Masuma Khan
Dr. Md. Abbas Ali Khan
Dr. M. Farid Ahmed

Md. Mohin Uddin

Audit Committee

Dr. Md. Abbas Ali Khan
Mr. Mahmudur Rahman
Mrs. Nusrat Jahan

Nomination and Remuneration Committee (NRC)

Dr. Md. Abbas Ali Khan
Mrs. Farida Khanam
Mrs. Nusrat Jahan

Md. Faruq Hossian
Md. Tanjim Hossain

Statutory Auditor

Corporate Governance Auditor

Legal Advisor

Bankers

Registered Office

Corporate Office

Factory

Phone

Fax

E-mail

Website

Chairman
Managing Director
Director
Director
Director
Independent Director
Independent Director
Company Secretary

Chairperson
Member
Member

Chairperson
Member
Member

Chief Financial Officer
Head of Internal Audit & Compliance

M/s. G. Kibria & Co.
Chartered Accountants

ARTISAN
Chartered Accountants

The Legal Edge

Mutual Trust Bank Ltd.
Southeast Bank Ltd
BRAC Bank Ltd.
SBAC Ltd.
AB Bank Ltd.

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

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

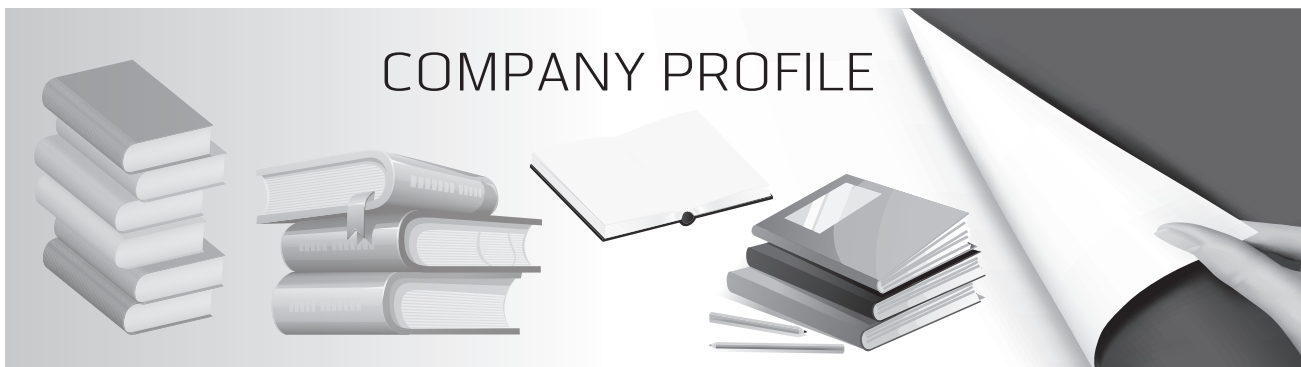
Jhawgara, Araihasar, Narayangonj

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www.zaheenspinningltd.com



Zaheen Spinning Limited was incorporated on July 22, 2007 as private limited company under the Companies Act 1994 vide 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. 1,084,079,700/- 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 Jhawgara, Araihasar, and Narayanganj, Bangladesh. The main activity of the Company is concentrated in manufacturing 100% quality cotton yarn of different counts.

Profile of Subsidiary- Zaheen Polymer Limited

Zaheen Polymer Limited was incorporated and registered with the Registrar of Joint Stock Companies and Firms of Bangladesh under the Companies Act (Act XVIII) of 1994 on 3 November 2015 vide Registration No. C-126648/2015. Registered Office of the Company is located at House No-09, Road No. -10, Flat No. A/1, Dhanmondi, Dhaka, Bangladesh. The activities of the subsidiary are yet to be commenced.

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 16 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 11 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 Khashroo and Mrs. Farida Khanam. He graduated in Computer Science and Engineering from Bangladesh University of Engineering and Technology (BUET) and post graduated from 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 UK..



Dr. Md. Abbas Ali Khan
Independent Director

Mr. Md. Abbas Ali Khan is the independent director of Zaheen Spinning Ltd. He is the Dean, Chairperson and Professor, Faculty of Business Administration, Eastern University. He is a retired Professor, Department of Management, Faculty of Business Studies, University of Dhaka. He obtained Ph.D. from University of Glasgow, UK. He started his career as a Lecturer of Management in 1975 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. He made remarkable contribution to business and management discipline through research, teaching and financial administration.



Dr. M Farid Ahmed
Independent Director

Mr. M. Farid Ahmed is the independent director of Zaheen Spinning Limited. He is also the independent director of Oimax Electrode Ltd. He is the Professor, Faculty of Business Administration, Eastern University. He is a retired 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.

DIRECTORS' REPORT

Dear Shareholders,
Assalamu Alaikum Warah'matullahe,

The Board of Directors of Zaheen Spinning Limited welcomes you all to the 12th Annual General Meeting of the company. We are therefore pleased to submit before you the operational activities and audited financial statements of the company for the year ended on 30th June 2019.

The Directors' Report is prepared in compliance with section 184 of the Companies Act 1994, Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June 2018 and other applicable laws and regulations.

(i) Industry outlook and Possible Future Development:

The company produces the 100% quality cotton yarn and delivers to the Garments Industries. The company has been operated in the market for long with reputation and commitment. Having long experience in yarn marketing we are confident of this value added yarn and believe that we can hold our reputation as a quality yarn supplier.

From the inception of the commercial operation, the company has become one of the very few spinning mills in Bangladesh where the garments manufacturer can rely for various types yarn. We believe this will add great value to the company in the coming days.

(ii) The segment wise or product-wise performance:

Particulars	Unit	2018-2019	2017-2018
Spindle	Number	29040	29040
Production Capacity (50 Auto & Normal Yarn)	Lbs	6,123,500	6,123,500
Actual Production (50 Auto & Normal Yarn)	Lbs	6,116,353	5,848,652
Capacity Utilization	%	99.88%	95.51

(iii) Risks and Concerns including internal and external risk factors, threat to sustainability and negative impact on environment is stated below::

Zaheen Spinning Limited being a yarn manufacturer and catering its risk is always associated with supply and demand of raw cotton. Any downturn in this industry has a direct impact in the business

Moreover, risks and concern of the industry solely depends on the upcoming Government policy as well.

(iv) A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin is as follows:

Particulars	July 18 to June 19	July 17 to June 18	Variance Increase(+)/ Decrease(-)
Turnover	800,439,920	857,617,439	(57,177,519)
Cost of Goods Sold	684,820,391	681,240,005	3,580,386
Gross Profit Margin	14.44	20.57	(6.13)
Net Profit Margin	8.50	13.40	(4.90)

Cost of Goods Sold increased due to increase of price of Raw Materials and increase of utility cost like Gas and Electricity. In addition to the above reasons the gross profit and net profit margin were affected significantly due to reduction of selling price of finished goods in the yarn market.

(v) Extra Ordinary Gain or loss:

There was no extra ordinary activity during the year.

(vi) Related Party Transaction:

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 38 of these financial statements.

(vii) A Statement of Utilization of Proceeds from Public Issues, Rights Issues and/or any other instruments:

Not applicable for Zaheen Spinning Ltd. for the year ended on June 30, 2019.

(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.:

After going for IPO in the 2014 the production capacity of the company was enhanced but due to the increase of cost of raw materials, utility cost like gas & fuel and higher Bank interest, the financial result slightly deteriorated. Over and above the fall of price of yarn in the market was a major factor behind the financial deterioration.

(ix) Variance between Quarterly Financial Performance and Annual Financial Statements:

Variation in financial result during the fourth quarter mainly due to loss of eight days production on account of Eid vacation, interruption in supply of power, low gas pressure, increase of price of Raw Materials and reduction in the selling price of finished goods in the yarn market.

(x) Statement of remuneration paid to directors including independent directors is stated below:

Name of Directors	Designation	Transacted Amount	
		July 18 to June 19	July 17 to June 18
Mrs. Farida Khanam	Chairperson	700,000	650,000
Mr. A.M Badruzzaman Khashroo	Ex. Managing Director	-	650,000
Mr. Mahmuddur Rahman	Managing Director	2,800,000	2,600,000
Mrs. Nusrat Jahan	Director	210,000	195,000
Dr. Md. Abbas Ali Khan	Independent Director	-	-
Total		3,710,000	4,095,000

(xi) Fair presentation of Financial Statements:

The management confirms that the financial statement prepared by the management of the company present fairly its state of affairs, the result of its operations, cash flow and change in equity.

(xii) Proper Books of Account:

The management of Zaheen Spinning Limited states that proper books of accounts of the company have been maintained.

(xiii) Appropriate Accounting Policies:

The management of Zaheen Spinning Limited confirms that the 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.

(xiv) Following of IAS or IFRS in preparation of Financial Statements:

The management confirms that the 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.

(xv) Internal Control System:

The management confirms that internal control system of Zaheen Spinning Limited is sound in design and has been effectively implemented and monitored.

(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:

Not applicable for Zaheen Spinning Ltd.

(xvii) Company's ability to continue as a going concern:

The management confirms that there is no significant doubt upon the issuer company's ability to continue as a going concern.

(xviii) Significant deviation from last years operating result:

No significant deviation occurs from the last year operational result.

(xix) A statement of key operating and financial data of preceding 5 (Five) years is given below :

Figure in thousand Taka

Particulars	30.06.2019	30.06.2018	30.06.2017	30.06.2016 (18 months)	31.12.2014
Paid-up Capital	1,084,080	985,527	856,980	745,200	528,000
Reserve, Surplus & Others	304,718	335,207	348,801	341,331	157,271
Shareholders Equity	1,388,798	1,320,734	1,205,781	1,086,531	685,271
Net Assets	1,388,798	1,320,734	1,205,781	1,086,531	743,457
Turnover	800,440	857,617	869,045	1,328,276	725,565
Gross Profit	115,620	176,377	190,539	231,927	112,390
Profit before Tax	80,216	135,390	140,487	176,784	88,550
Profit after Tax	68,064	114,953	119,249	147,066	72,000
Number of Shares	108,408	98,553	85,698	74,520	52,800
Number of Shareholders	6263	5380	4210	4839	95
Earning per Share-EPS	0.63	1.06	1.10	1.36	0.66
Net Asset Value	12.81	12.18	14.07	14.58	14.08

(xx) Dividend:

Board of Directors recommended 5% stock dividend for the financial year ended on 30th June 2019 in its meeting held on 2nd November 2019. The amount to be retained against stock dividend will be utilized for implementation of BMRE of the factory and additional civil construction i.e. Compressor Building, Boiler Building, Boundary wall, Outlet Drain.

(xxi) Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend:

The company has not declared any bonus share or stock dividend as interim dividend.

(xxii) Board Meeting:

During the year ended on June 30, 2019, 7 (Seven) Board Meeting was held & the attendance record of the Directors was as follows:

SI #	Name	Position	Meeting Held	Attendance
1.	Mrs. Farida Khanom	Director – HRD	7	7
2.	Mr. Mahmudur Rahman	Managing Director	7	7
3.	Mrs. Nusrat Jahan	Director -Planning	7	7
4.	Mr. Mahbubur Rahman Khan	Director	-	-
5.	Ms. Masuma Khan	Director	-	-
6.	Mr. Md. Abbas Ali Khan	Independent Director	7	7
7.	Dr. M. Farid Ahmed	Independent Director	-	-

N.B.: Mr. Mahbubur Rahman Khan and Ms. Masuma Khan appointed as director on 29th April 2019 and Dr. M. Farid Ahmed appointed as independent director on 2nd November 2019.

(xxiii) A 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:-

Sl #	Name	Description	Number of share as on 30.06.2019	(%)
(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	8,070,700	7.44%
2.	Mahmudur Rahman	Director	14,279,320	13.17%
3.	Mrs. Nusrat Jahan	Director	3,611,416	3.33%
4.	Mahbubur Rahman Khan	Director	5,171,320	4.77%
5.	Masuma Khan	Director	2,585,660	2.39%
6.	Md. Abbas Ali Khan, Ph.D.	Independent Director	Nil	Nil
7.	Dr. M. Farid Ahmed	Independent Director	Nil	Nil
8.	Md. Mohin Uddin	Company Secretary	Nil	Nil
9.	Md. Faruq Hossain	Chief Financial Officer	Nil	Nil
10.	Md. Tanjim Hossain	HIAC	Nil	Nil
Sub-Total			33,718,416	31.10%
Institution & General Public			74,689,554	68.90%
Total			108,407,970	100%
(c) Executives (Top 5 salaried employees):				
11.	Tamal Kusum Barua	General Manager	Nil	Nil
12.	Monotosh Datta	Manager	Nil	Nil
13.	Md. Razib Mahmud	Electrical Engineer	Nil	Nil
14.	Md. Shafikul Islam Suyel	AM	Nil	Nil
15.	Md. Bayazid Hossain	Maintenance Engineer	Nil	Nil
(d) Shareholders holding ten percent(10%) or more voting interest in the company				
	Mahmudur Rahman	Director	14,279,320	13.17%

(xxiv) 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 of the Board will retire at the Annual General Meeting.

Mrs. Farida Khanam, Director

Mrs. Farida Khanam, Chairman of Zaheen Spinning Limited is a business graduate with more than 16 years of experience. She has wide experience in management, procurement, HR and Textile sector. She is presently looking after HR and Administration.. She is eligible for reappointment.

Mr. Mahmudur Rahman, Director

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. He is also eligible for reappointment.

Appointment of Independent Director

The meeting was informed that as per the condition 1(2)(a) of Corporate Governance Code at least one-fifth(1/5) of the total number of directors in the company's Board shall be independent director(s); any fraction shall be considered to the next integer or whole number for calculating number of independent director(s). According to that the company is required to appoint another independent director in compliance Corporate Governance Code. Being eligible, the board of directors has proposed the name of Dr. M. Farid Ahmed, Professor of Finance, Dhaka University, to be an independent Director for a term of 3 (three) years with effect from 2nd November 2019 and adopted the following resolution unanimously.

“Resolved that, Prof. Dr. M. Farid Ahmed be and is hereby appointed as the Independent Director of the Company as per Corporate Governance Code issued by BSEC for term of 3 (three) years with effect from 2nd November 2019 subject to Approval of shareholders in the 12th AGM to be held on 28th December 2019.”

The Management Discussion and Analysis signed by CEO/MD presenting detailed analysis of the company's position and operation is attached in an **Annexure-01**

Declaration or certificate by the CEO and the CFO to the Board as required under condition No. 3(3) has been disclosed as per **Annexure-A**.

The report as well as certificate regarding compliance of conditions of these Code as required under condition No. 9 has been disclosed as per **Annexure-B** and **Annexure-C**.

Appointment of Statutory Auditors.

A discussion was held on the appointment of Statutory Auditors for the financial year 2019-2020. The Board was informed that the existing audit firm G. KIBRIA & CO. Chartered Accountants expressed their intention to be reappointed as Statutory Auditors of the company. The Board also informed that the Audit Committee had reviewed the Performance of the audit firm and proposed to the Board for appointment of G. KIBRIA & CO. Chartered Accountants as statutory auditors of the company for the financial year 2019-2020 at a fee of Tk. 200,000 (Taka Two lac) only plus applicable VAT.

After discussion, based on the proposal of the Audit Committee, it was unanimously resolved that G. KIBRIA & CO. Chartered Accountants be recommended for appointment as auditors for the financial year 2019-2020 at a fee based on mutual agreement, which would be approved by the shareholders in the upcoming AGM.

Appointment of Corporate Governance Auditor.

During the meeting the Chairman informed the Board that as per condition No. 9 of Corporate Governance Code dated 03 June, 2018 of BSEC Company obtained letter of intent in order to appoint Corporate Governance Auditor to comply with the said Code. Mr. Chairman also informed that ARTISAN, Chartered Accountants expressed their intention to be appointed as Corporate Governance Auditor of the company for the financial year 2019-2020. The profiles of the firm had been duly reviewed by the Audit Committee and proposed the name of ARTISAN, Chartered Accountants.

After discussion, based on the proposal of the Audit Committee it was unanimously resolved that ARTISAN & CO. Chartered Accountants be recommended for appointment as Corporate Governance Auditors for the financial year 2019-2020 at a fee based on mutual agreement, which would be approved by the shareholders in the upcoming AGM.

On behalf of the Board of Directors.



Mahmudur Rahman
Managing Director

Annexure-01

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

(b) There is no change in accounting policies and estimation during the preparation of financial statement for the year ended June 30, 2019.

(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 are as follows:
(In thousand)

Particulars	30.06.2019	30.06.2018	30.06.2017	30.06.2016 (18 months)	31.12.2014
Turnover	800,440	857,617	869,045	1,328,276	725,565
Gross Profit	115,620	176,377	190,539	231,927	112,390
Profit before Tax	80,216	135,390	140,487	176,784	88,550
Profit after Tax	68,064	114,953	119,249	147,066	72,000
Shareholders Equity	1,388,798	1,320,734	1,205,781	1,086,531	685,271
Total Assets	1,530,557	1,471,163	1,354,193	1,208,535	782,075
Current Assets	774,227	693,684	600,735	478,771	439,205
Current Liabilities	115,777	123,037	133,048	95,588	38,618
Current Ratio	6.69	5.64	4.52	5.01	11.37
Net Assets Value	12.81	12.18	14.07	14.58	12.98
Earning per Share-EPS	0.63	1.06	1.10	1.36	0.66
NOCFPS	0.36	0.58	0.75	1.91	(1.00)

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

Particulars	Zaheen Spinning Ltd. June 30, 2019	Maksons Spinning Mills Ltd. June 30, 2018	Malek Spinning Mills Ktd. June 30, 2018	Matin Spinning Mills Ktd. June 30, 2018	Mozaffar Hossain Spinning Mills Limited June 30, 2018
Revenue	800,440	4,731,802	3,002,641	4,050,914	674,569
Gross Profit	115,620	814,497	318,504	608,972	118,702
Operating Expenses	27,771	183,285	109,808	232,883	21,742
Financial Expenses	4,822	434,142	54,539	87,709	40,510
Net Profit before tax	80,216	190,045	141,193	355,748	57,112
Net Profit After Tax	68,064	116,434	119,129	302,605	48,479
Net Profit in%	8.50	2.46	3.97	7.4771	7.19
Earning Per Share (EPS)	0.63	0.49	0.62	3.10	0.51

(e) Bangladesh's economy has grown by approximately 6 percent annually for two decades despite prolonged political instability, poor infrastructure, insufficient power supplies and slow implementation of economic reforms. Despite some streamlining of business regulations, entrepreneurial activity is also hampered by an uncertain regulatory environment and the absence of effective institutional support for private-sector development. The top income tax rate is 30 percent, and the top corporate rate tax is 45 percent. Other Taxes include a value added tax. The overall tax burden equals 8.8 percent of total domestic income. Over the past three years, government spending has amounted to 13.9 percent of total output(GDP), and budget deficits have averaged 3.4 percent of GDP. Public debt is equivalent to 33.1 percent of GDP.

(f) Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment is stated below:

The company was setup with all brand new imported machineries. However, management is very much aware about such technology related risks and continuously keeping the company technologically updated. The machineries of the company are in very good working condition.

The manufacturing operation depends on gas from Titas Gas Transmission & Distribution Company Ltd." However, the management is very much aware about the risk of scarcity of Gas for Keeping production smoothly. For this, the management also setup 33/11/0.415KV, 4MVA Electric substation. This enables the company to continue production in case of emergency and non-committal supply lapses.

(g) The board of directors has informed the shareholders in last AGM that Zaheen Spinning Limited has taken decision for BMRE to increase the overall production capacity by setting new machineries product, balancing of the production line and optimizing the production efficiency by means of modernization of machineries. Now, the Board of Directors are stating the present status of the BMRE:-

Land development works for new expansion is under process. Reconstruction of Factory office building is almost done. Overhaul works of Waukesha Gas Generator has been done. Zaheen Spinning Limited has also imported 20 Nos 22 KW, 1 No 45 KW and 1 No 18.5 KW China origin power inverter to control induction motor.

Zaheen Spinning Limited has taken approval from "Titas Gas Transmission and Distribution Company Ltd." for increase of Gas Load a) Industry Run 16,962.91 m³ per month and b) Captive Run 356,221.06 m³ per month for additional 1500KW electricity and boiler.



Mahmudur Rahman
Managing Director

Zaheen Spinning Limited
Declaration by CEO and CFO

November 2, 2019

The Board of Directors

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

Subject: Declaration on Financial Statements for the year ended on June 30, 2019.

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, 2019 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, 2019 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.



Mahmudur Rahman
Managing Director & CEO



Md. Faruq Hossian
Chief Financial Officer

REPORT TO THE SHAREHOLDERS
OF
ZAHEEN SPINNING LIMITED
ON COMPLIANCE ON THE CORPORATE GOVERNANCE CODE
[Certificate as per condition No. 1(5) (xxvii)]

We have examined the compliance status to the Corporate Governance Code by **ZAHEEN SPINNING LIMITED** for the year ended on 30th June 2019 This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June 2018 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 the 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 above mentioned 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 highly satisfactory.

Place: Dhaka

Dated: 25th November 2019


AFM Alamgir
Chief Executive Partner
ARTISAN
Chartered Accountants



ZAHEN SPINNING LIMITED

Status of Compliance with the Corporate Governance Code (CGC)

Status of compliance with the conditions imposed by the 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)

Condition No .	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.0	Board of Directors			
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 6 Directors including 1 Independent Directors.
1.2	Independent Directors			
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 is one Independent Directors in the Board of Zaheen Spinning Limited.
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	✓		
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	✓		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years	✓		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies	✓		
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	✓		
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	✓		
(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	✓		
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies	✓		
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	✓		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM)			The Approval of newly appointed Independent Directors will be taking in next AGM.
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.	✓		
1.3	Qualification of Independent Directors (ID)			

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;	✓		
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
1.4	Chairman of the Board and Chief Executive Officer			
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.	✓		
1.5	The Directors' Report to Shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		
1(5)(ii)	The segment-wise or product-wise performance;	✓		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		
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.;			No Such Issue Arose
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;	✓		
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;			No Such Matter To Explain
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;			The BOD Declared Dividend
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;	✓		
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;	✓		

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.	✓		
1.6	Meetings of the Board of Directors			
	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.	✓		
1.7	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1.(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;		✓	Under Progress
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.		✓	Do
2	Governance of Board of Directors of Subsidiary Company.			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;		✓	Noted For Compliance
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;		✓	Do
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;		✓	Activities Yet to be Commenced
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;		✓	Do
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.		✓	Do
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).			
3(1)(a)	Appointment-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).	✓		
3.2	Requirement to attend Board of Directors' Meetings			
	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.	✓		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
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.	✓		
4	Board of Directors' Committee			
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.	✓		
5	Audit Committee			
5(1)	Responsibility to the Board of Directors.			
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.	✓		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
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.	✓		
5(3)	Chairperson of the Audit Committee			
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;	✓		

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.	✓		
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.	✓		
5(4)	Meeting of the Audit Committee			
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;	✓		
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.	✓		
5(5)	Role of Audit Committee			
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;s	✓		
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 prospectus for publication in the Annual Report along with the comments of the Audit Committee.	✓		
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
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)	Reporting to the Authorities: 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
5.(7)	Reporting to the Shareholders and General Investors			

	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.	✓		
6	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (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;			Under Progress
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).			Do
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All members of the Committee shall be non-executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6(2)(e)	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;			No Such Incident Arose
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;			Do
6(2)(g)	The company secretary shall act as the secretary of the Committee;	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			No Such Incident Arose
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.	✓		
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
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.	✓		
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board			
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:		✓	Under Progress
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;		✓	Do

	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.	✓		
6	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (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;			Under Progress
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).			Do
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All members of the Committee shall be non-executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6(2)(e)	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;			No Such Incident Arose
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;			Do
6(2)(g)	The company secretary shall act as the secretary of the Committee;	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			No Such Incident Arose
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.	✓		
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
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.	✓		
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board			
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:		✓	Under Progress
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;		✓	Do

6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and		✓	Do
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;		✓	Do
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;		✓	Do
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;		✓	Do
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;		✓	Under Progress
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		✓	Do
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;		✓	Do
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.		✓	Do
7	External or Statutory Auditors.			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1)(i)	appraisal or valuation services or fairness opinions;		✓	
7(1)(ii)	financial information systems design and implementation;		✓	
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)	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.		✓	
8	Maintaining a website by the Company			
(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).		✓	
9	Reporting and Compliance of Corporate Governance			
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.			Will Approve / Appoint in the next AGM
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.		✓	


Mahmudur Rahman
Managing Director

AUDIT COMMITTEE REPORT

For the year ended June 30, 2019

Composition of the Audit Committee

The Board constituted an Audit Committee as a sub-committee of the Board in the year 2015.

Composition of Audit Committee is as follows:

Dr. Md. Abbas Ali Khan, Independent Director	- Chairman
Mahmudur Rahman, Director	- Member
Nusrat Jahan, Director	- Member

The Company Secretary acts as the Secretary of the Audit Committee.

Terms of Reference (TOR) of the Audit Committee

- The Board defined Terms of Reference (TOR) for the Audit Committee. Activities of the Committee are performed as per the said TOR.
- The Committee submits its report directly to the Board of Directors.

Meeting of the Audit Committee

- The Committee had its four (04) meeting during the year. Attendance of the Members was as follows

Name of the Member	No. of Meetings held	No. of Meetings Attended
Dr. Md. Abbas Ali Khan	4	4
Mahmudur Rahman	4	4
Nusrat Jahan	4	4

- Minutes of the Committee are properly recorded.

Activities

In order to discharge the duties and responsibilities of the Audit Committee, the Committee-

- Reviewed the financial statements of the first quarter, half year, third quarter and the year ended 30 June 2019 and subsequently recommended to the board for consideration and approval.
- Reviewed the the work of the Internal Audit & Compliance Department and made suggestions for improvement.
- Recognized the observations of the Internal Audit & Compliance Department regarding internal control and suggestions made to improve operational systems and procedures and their implementation.
- Reviewed the integrity of the financial statements of the company to ensure that these reflect a true and fair view of the Company's state of affairs for the year ended 30 June 2019.
- Ensure, while reviewing the financial statements, that proper disclosure required under International Accounting Standards as adopted in Bangladesh have been made and also complied with the Companies Act and various other rules and regulations applicable to textile industries.
- Discussed with the statutory auditors about the nature and scope of audit as well as had post audit discussions to address areas of concern;
- Approved the internal audit plan and gave direction to the Internal Auditor where appropriate for carrying out in depth audit to ensure that the company or its assets are not exposed to undue risk;
- Reviewed the management report submitted by the statutory auditors and suggested corrective measures and fixed time frame for their implementation; and
- Reviewed the Internal Control System and Financial Statements.

Reporting

- Pursuant to Condition # 5.6 of the Corporate Governance Code issued by BSEC, the Committee reports that it did not find any conflict of interest or any fraud, irregularity, material defect in the Internal Audit and Compliance process. There are no infringement of laws, rules and regulations also.
- The committee is of the view that risk management associated with the business of the Company is adequately controlled.

On behalf of the Audit Committee



Dr. Md. Abbas Ali Khan
Chairman-Audit Committee

Date: November 2, 2019



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 which comprise the statement of financial position as at June30, 2019, 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 a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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. We have determined the matters described below to be the key audit matters to be communicated in our report

RISK	OUR RESPONSE TO THE RISK
------	--------------------------

Revenue Recognition

Revenue of approximately BDT 80Crore is recognized in the Statement of Profit & Loss and Other 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 performance obligation related to the good or service has been completed. 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.

Our audit procedures included:

- Understanding the process of estimating, recording and reassessing going concern.
- ▶ Obtain an understanding of Company's internal controls specifically geared towards adoption of the new accounting standard.
- ▶ Examine the customer contract to determine key arrangements between the Customer and Company to understand when control of the goods manufactured transfer from Company to Customer.



Details of the Revenue Section are summarized in Note 21 to the Financial Statements

- ▶ Reviewing Invoices, other supporting documentation to ensure revenue recognition is occurring appropriately
- ▶ Examine Payment documentation to ensure completion of revenue cycle is documented appropriately.

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

Management is responsible for the 2019 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 judgment 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.

Ref: GKC/19-20/A/39



- ▶ 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: November 02, 2019
Dhaka, Bangladesh



G. Kibria & Co


G. KIBRIA & CO.
Chartered Accountants

A. K. GULAM KIBRIA, FCA
G. KIBRIA & CO.
Chartered Accountants
24-25, Dilkusha C/A
Dhaka-1000


ZAHEEN SPINNING LIMITED
Statement of Financial Position
As at June 30, 2019


Particulars	Notes	Amount in Taka	
		June 30, 2019	June 30, 2018
Assets			
Non-Current Assets			
Property, Plant and Equipment	4.00	741,576,013	660,250,611
Capital Work in Progress	Annex-A/1	14,754,319	117,228,542
		756,330,332	777,479,153
Current Assets			
Inventories	5.00	289,300,635	287,024,355
Trade & Other Receivables	6.00	388,677,883	347,356,167
Advances, Deposits & Prepayments	7.00	87,285,203	52,644,967
Cash & Cash Equivalents	8.00	8,963,049	6,658,721
		774,226,770	693,684,210
Total Assets		1,530,557,102	1,471,163,363
Shareholders Equity and Liabilities			
Shareholders Equity			
Share Capital	9.00	1,084,079,700	985,527,000
Tax Holiday Reserve	11.00	31,538,864	31,538,864
Revaluation Surplus	12.00	136,926,183	136,926,183
Retained Earnings	13.00	136,253,020	166,741,817
		1,388,797,767	1,320,733,863
Non-Current Liabilities			
Deferred Tax Liability	10.00	22,450,972	15,911,168
Long Term Loan (Non-Current Portion)	19.01	3,530,909	11,480,886
		25,981,881	27,392,054
Current Liabilities			
Trade & Other Payable	14.00	6,545,808	7,087,510
Short Term Bank Loan	15.00	18,520,499	19,316,284
Long Term Loan (Current Portion)	19.02	13,569,628	18,163,908
Liabilities for Income Tax	16.00	59,825,841	58,213,073
Liabilities for WPPF	17.00	5,364,722	6,769,490
Liabilities for Expenses	18.00	11,950,957	13,487,181
		115,777,454	123,037,445
Total Shareholders Equity and Liabilities		1,530,557,102	1,471,163,363
Net Asset Value (NAV) Per Share	20.00	12.81	12.18

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


Mrs. Farida Khanam
Chairman


Md. Faruq Hossain
Chief Financial Officer


Mahmudur Rahman
Managing Director


Md. Mohin Uddin
Company Secretary


Nusrat Jahan
Director

Signed as per our annexed report on even date


G. KIBRIA & CO.


Chartered Accountants

Dated: November 02, 2019
Place: Dhaka


ZAHEEN SPINNING LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2019

Particulars	Notes	Amount in Taka	
		June 30, 2019	June 30, 2018
Sales Revenue (Net off VAT)	21.00	800,439,920	857,617,439
Less: Cost of Goods Sold	22.00	684,820,391	681,240,005
Gross Profit/ (Loss)		115,619,529	176,377,434
Add: Other Income	25.00	1,201,007	1,280,717
		116,820,536	177,658,151
Less: Operating Expenses			
Administrative Expenses	23.00	21,920,913	23,793,071
Marketing Expenses	24.00	5,850,200	4,844,090
		27,771,113	28,637,161
Profit from Operations		89,049,422	149,020,990
Less: Financial Expenses	26.00	4,822,124	6,861,708
Profit/ (Loss) before Charging WPPF		84,227,298	142,159,282
Less: WPPF Expenses	17.00	4,010,824	6,769,489.62
Profit/ (Loss) before Income Tax		80,216,475	135,389,792
Less: Tax Expenses			
Current Tax	16.00	5,612,768	13,927,966
Deferred Tax	10.00	6,539,804	6,508,575
		12,152,572	20,436,541
Net Profit/ (Loss) after Tax		68,063,903	114,953,252
Add: Other Comprehensive Income		-	-
Total Comprehensive Income		68,063,903	114,953,252
Earnings Per Share (EPS)	27.00	0.63	1.06


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



Mrs. Farida Khanam
 Chairman




Mahmudur Rahman
 Managing Director



Nusrat Jahan
 Director



Md. Faruq Hossain
 Chief Financial Officer



Md. Mohin Uddin
 Company Secretary

Signed as per our annexed report on even date

Dated: November 02, 2019
 Place: Dhaka



G. KIBRIA & CO.
 Chartered Accountants

ZAHEEN SPINNING LIMITED
Statement of Changes in Equity
For the year ended June 30, 2019

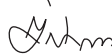
Particulars	Share Capital	Tax Holiday Reserve	Revaluation Surplus	Retained Earnings	Total Equity
Balance as on July 01, 2018	985,527,000	31,538,864	136,926,183	166,741,817	1,320,733,863
Bonus Share	98,552,700	-	-	(98,552,700)	-
Net Profit after Tax for the period	-	-	-	68,063,903	68,063,903
Balance as on June 30, 2019	1,084,079,700	31,538,864	136,926,183	136,253,020	1,388,797,767

For the year ended 30 June 2018


Particulars	Share Capital	Tax Holiday Reserve	Revaluation Surplus	Retained Earnings	Total Equity
Balance as on July 01, 2017	856,980,000	31,538,864	136,926,183	180,335,565	1,205,780,611
Bonus Share	128,547,000	-	-	(128,547,000)	-
Net profit after Tax for the period	-	-	-	114,953,252	114,953,251
Balance as on June 30, 2018	985,527,000	31,538,864	136,926,183	166,741,817	1,320,733,863


Mrs. Farida Khanam
Chairman


Mahmudur Rahman
Managing Director



Nusrat Jahan
Director


Md. Faruq Hossian
Chief Financial Officer



Md. Mohin Uddin
Company Secretary

ZAHEEN SPINNING LIMITED
Statement of Cash Flows
For the year ended June 30, 2019


Particulars	Notes	Amount in Taka	
		June 30, 2019	June 30, 2018
A. Cash Flows from Operating Activities			
Collection from Customers & Others	28.00	760,319,211	809,263,534
Payment to Suppliers & Others	29.00	(647,733,783)	(678,327,456)
Tax Paid		(4,000,000)	(1,095,476)
Cash payment for Expenses	30.00	(30,289,086)	(34,707,850)
Payment against Advance, Deposits & Prepayments		(34,640,236)	(24,986,557)
Finance Cost	31.00	(4,839,198)	(6,861,708)
Net Cash Flows from Operating Activities		38,816,908	63,284,487
B. Cash Flows from Investing Activities			
Acquisition of Fixed Assets		(8,435,294)	(21,362,809)
Capital Work in Progress		(14,754,319)	(37,241,508)
Net Cash Flows from Investing Activities		(23,189,613)	(58,604,317)
C. Cash Flows from Financing Activities			
Receive/(Payment) in short term bank loan, net		(795,785)	1,137,284
Receive/(Payment) of long term loan, net		(12,544,257)	(2,570,325)
Net Cash Flows from Financing Activities		(13,340,041)	(1,433,041)
D. Net Cash inflow/(outflow) for the year (A+B+C)		2,287,254	3,247,129
E. Cash & Cash Equivalent at beginning of the period		6,658,721	3,411,591
Unrealized gain / Loss on foreign exchange fluctuation		17,074	-
F. Cash & Cash Equivalent at end of the year (D+E)		8,963,049	6,658,721
Net Operating Cash Flows (NOCF) Per Share (Restated)	37.00	0.36	0.58


Mrs. Farida Khanam
Chairman


Mahmudur Rahman
Managing Director


Nusrat Jahan
Director


Md. Faruq Hossain
Chief Financial Officer


Md. Mohin Uddin
Company Secretary

Zaheen Spinning Limited
Notes, Summary of Significant Accounting Policies and other Explanatory Information
For the year ended June 30, 2019

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
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	
108,407,970 Ordinary Shares of Tk. 10.00 each	1,084,079,700

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. Md. Abbas Ali Khan	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, 2019;
- (ii) statement of profit or loss and other comprehensive income for the year ended 01 July 2018 to 30 June 2019;
- (iii) statement of changes in equity for the year ended 01 July 2018 to 30 June 2019;
- (iv) statement of cash flows for the year ended 01 July 2018 to 30 June 2019; and
- (v) notes, summary of significant accounting policies and other explanatory information for the year ended 01 July 2018 to 30 June 2019.

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: 17 Liabilities for Income Tax

2.05 Reporting period

The financial statements cover 1 (One) year from 01 July 2018 to 30 June 2019.

2.06 Authorization for issue

The financial statements were authorized for issue by the Board of Directors of the company on November 02, 2019.

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, 2019;

Sl. No.	Name of the BAS	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	N/A
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	N/A
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 2019 are consistent with those adopted in the financial statements for the period ended 30 June 2018.

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, 2019, 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 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 have arisen Tk. 136,926,183.

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 incompliance with Finance Act, 2018.

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: 27.

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: 38) to the accounts.

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 2018 have been rearranged wherever considered necessary to ensure comparability with the current period.

Amount in Taka	
June 30, 2019	June 30, 2018

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/Revaluation Value	Accumulated Depreciation	Written Down Value	Written Down Value
Land & Land Development	238,646,178	-	238,646,178	234,603,278
Plant & Machinery	561,221,586	217,284,491.16	343,937,095	346,633,918
Building	132,758,747	37,036,645.18	95,722,102	60,992,405
Office Equipment	3,423,485	2,058,410.40	1,365,075	1,602,796
Furniture & Fixture	2,679,956	1,602,301.90	1,077,654	1,217,466
Generator	30,445,188	1,724,225.21	28,720,963	835,028
Vehicles	11,721,300	7,097,553.30	4,623,747	5,439,702
Electrical Equipment	32,021,866	4,538,666.00	27,483,200	8,926,017
Total	1,012,918,306	271,342,293.15	741,576,013	660,250,611

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	226,653,153	259,867,589
Work-in-Process	2,879,650	2,567,890
Finished Goods	53,935,850	19,578,970
Wastage Goods	2,678,980	2,587,909
Spare Parts	3,153,002	2,421,997
	289,300,635	287,024,355

- 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) The company has conducted a test (physical verification/stock taking) of above inventories as on 30.06.2019

Details Shown in Annexure-B

6.00 Trade & Other Receivables

Opening Balance	347,356,167	297,721,545
Add: Sales during the year	800,439,920	857,617,439
Total	1,147,796,087	1,155,338,984
Less: Realized during the year	759,118,204	807,982,817
Closing Balance	388,677,883	347,356,167

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	June 30, 2019	June 30, 2018
i. Receivables considered good in respect of which the company is fully secured	-	-
ii. Receivables considered good in respect of which the company holds no security other than the debtor personal security	388,677,883	347,356,167
iii. Receivables considered doubtful or bad	-	-
iv. Receivables due by directors or other officers & staffs	-	-
v. Receivables due from companies under same management	-	-
vi. The maximum amount of receivable due by any director or other officer of the company.	-	-
Total	388,677,883	347,356,167

Amount in Taka	
June 30, 2019	June 30, 2018

Ageing of the above Trade Receivable is given below:

Particular	Less than 6 Months	6 Months Above	Total	Total
Customers	291,508,412	97,169,471	388,677,883	347,356,167

Details Shown in Annexure-C

7.00 Advance, Deposit & Prepayments

Advances:

Salary & Others	340,633	53,806
Tax, Vat & Others	604,916	3,806,333
Others Advance	12,015,000	2,515,000
Contractor/ Supplier	36,190,508	9,957,450
Sub Total	49,151,057	16,332,589

Deposits:

Margin & Deposit	26,417,968	26,598,000
Security Deposit	11,716,178	9,714,378
Sub Total	38,134,146	36,312,378
Grand Total	87,285,203	52,644,967

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

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	7,433,602	6,171,870
b) Cash at Bank		
MTBL A/C No - 4589	-	5,255
MTBL A/C No - 4920	824	1,939
MTBL A/C No -01356	229,474	230,552
MTB Capital Ltd. A/C No -0086	25,942	26,412
MTBL FC A/C No -01612	208,854	191,780
MTBL A/C No -9037	6,195	6,427
SBAC A/C No -81390/117	1,442	1,442
SBAC A/C No -79742/4956	463,092	-
Southeast Bank A/C no -0064	25,543	542
Southeast Bank A/C no -2315	441,630	-
The City Bank Ltd. A/C No-81001	98,495	-
NRB Ltd A/C No. 316	5,000	-
BRAC Bank Ltd. A/C No-302001	11,583	12,807
Janata Bank Ltd. A/C No- '001029586	-	-
UCBL A/C No- 01221110001608	3,330	5,055
UCBL A/C No- 0332101000000026	-	570
Exim Bank Ltd. A/C No-597322	-	102
Al-Arafa Islami Bank Ltd A/C No- 96988	4,425	350
AB Bank Ltd. A/c No-4017-794013-000	3,618	3,618
	1,529,447	486,851
Total Cash & Cash Equivalents (a+b)	8,963,049	6,658,721

Amount in Taka	
June 30, 2019	June 30, 2018

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
	4,000,000,000	4,000,000,000

Issued, subscribed and paid up capital :

108,407,970 Ordinary Shares of Tk. 10.00 each	1,084,079,700	985,527,000
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Shareholding Position	No. of Share	No. of Share	
Sponsors & Directors	31.10 % of share holding	33,718,416	30,653,106
Institutions	27.33 % of share holding	29,630,552	26,244,457
General Public	41.57 % of share holding	45,059,002	41,655,137
	100%	108,407,970	98,552,700

Distribution schedule of each class of equity security setting out the number of holders and percentage as on June 30, 2019:

Range of Holdings	Number of Holders	Number of Shares	In %
Less than 500 shares	1,485	224,416	0.21
500 to 5,000 shares	3,148	5,645,796	5.21
5,001 to 10,000 shares	646	4,658,906	4.3
10,001 to 20,000 shares	464	6,661,199	6.14
20,001 to 30,000 shares	197	4,910,123	4.53
30,001 to 40,000 shares	84	2,976,785	2.75
40,001 to 50,000 shares	61	2,760,670	2.55
50,001 to 100,000 shares	95	6,781,849	6.25
100,001 to 1,000,000 shares	72	17,250,960	15.91
Over 1,000,000 shares	11	56,537,266	52.15
Total	6,263	108,407,970	100%

10.00 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	15,911,168	9,402,593
Expenses/ (Income) of Deferred Tax during the year	6,539,804	6,508,575
Deferred Tax Liability /(Assets) as on June 30, 2019	22,450,972	15,911,168

Details Shown in Annexure-D

11.00 Tax Holiday Reserve

Opening Balances	31,538,864	31,538,864
Add: Provision made during the year	-	-
	31,538,864	31,538,864
Less: Adjustment of tax holiday reserve	-	-
	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:

Amount in Taka	
June 30, 2019	June 30, 2018

(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.

12.00 Revaluation Surplus

Opening Balance	136,926,183	136,926,183
Add: Revaluation Surplus for current year	-	-
	136,926,183	136,926,183

13.00 Retained Earnings

Opening Balance	166,741,817	180,335,565
Add: Net Profit during the year	68,063,903	114,953,252
Less: bonus shares capitalized	(98,552,700)	(128,547,000)
Closing retained earnings	136,253,020	166,741,817

14.00 Trade & Others Payable

Trade Payable	742,084	1,101,959
Others Payable	5,803,724	5,985,551
Total	6,545,808	7,087,510

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.

15.00 Short Term Bank Loan

(MTBL A/C No - 0398 (Cash Credit))	18,520,499	19,316,284
	18,520,499	19,316,284

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 (Hypo) Cash
Sanction Limit	17.50 million
Purpose of Loan	Working Capital
Margin	25 % on Stock in Trade
Rate of Interest	13.25 % 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 Imported raw materials, work-in- process and finished goods (yarn), spare parts of machineries stores in office /factory located at Jhawgara, Araihasar, Narayanganj & security clause of term loan.

16.00 Liabilities for Income Tax

Opening Balances	58,213,073	44,285,107
Add: Provision for current year	5,612,768	13,927,966
	63,825,841	58,213,073
Less: Tax Paid/Adjustment for the year	4,000,000	-
Closing balance	59,825,841	58,213,073

Details shown in Annexure-E

Amount in Taka	
June 30, 2019	June 30, 2018

17.00 Liabilities for Workers Profit Participation Fund (WPPF)

Opening Balances	6,769,490	7,024,343
Add: Provision for current year	4,010,824	6,769,490
	10,780,314	13,793,833
Less: Current year payment	5,415,592	7,024,343
Closing balance	5,364,722	6,769,490

18.00 Liabilities for Expenses

Salary & Allowance	1,815,758	1,255,619
Wages & Salary	2,416,830	2,476,426
Director Remuneration	1,065,000	4,245,000
Director Bonus	195,000	725,000
Overtime	661	21,307
Income Tax Payable (Employee)	67,500	57,500
Unauthorized leave & others	110,366	92,645
Gas Bill	2,515,488	1,077,525
AIT on Gas Bill	112,808	171,439
Audit Fee	103,500	103,500
Other Expenses (Payable)	245,643	30,439
Electricity & Utility Bill	3,302,403	3,135,781
Office Rent Payable	-	95,000
Total	11,950,957	13,487,181

AIT deducted on gas bill payable, which has not yet been paid.

19.00 Long Term Loan

19.01 Long Term Loan (Non-Current Portion):

Name of Bank	Type of A/C	Branch	Account No	June 30, 2019	June 30, 2018
MTBL	Term Loan	Dilkusha	0012-5161000225	430,242	1,421,782
MTBL	Term Loan	Dilkusha	0012-5161000252	2,608,937	9,006,870
MTBL	Term Loan	Dilkusha	0012-5161000314	491,730	1,052,234
Total				3,530,909	11,480,886

19.02 Long Term Loan (Current Portion)

Name of Bank	Type of A/C	Branch	Account No	June 30, 2019	June 30, 2018
MTBL	Term Loan	Dilkusha	0012-5161000225	1,695,396	2,227,176
MTBL	Term Loan	Dilkusha	0012-5161000252	10,804,504	14,298,924
MTBL	Term Loan	Dilkusha	0012-5161000314	1,069,728	1,637,808
Total				13,569,628	18,163,908

Mode of adjustment	Quarterly Installment
Rate of Interest	13 % p.a & Late Payment Interest @ Tk. 2%.
Security	The loan are secured by registered mortgage of 344.59 decimals land owned by company, Factory Building, Hypothecation Import & Local machineries and Master cheque covering the total loan amount.

		Amount in Taka	
		June 30, 2019	June 30, 2018
20.00	Net Asset Value (NAV) Per Share		
	Share capital	1,084,079,700	985,527,000
	Tax Holiday Reserve	31,538,864	31,538,864
	Revaluation Surplus	136,926,183	136,926,183
	Retained earnings	136,253,020	166,741,817
	A. Total shareholders equity	1,388,797,767	1,320,733,863
	B. No. of ordinary shares outstanding (prior year adjusted)	108,407,970	108,407,970
	Net asset value (NAV) per share (A/B) (including revaluation surplus)	12.81	12.18
	Net Asset Value (NAV) Per Share (Excluding revaluation surplus)		
	A. Net asset value (NAV)	1,251,871,584	1,183,807,680
	B. No. of ordinary shares outstanding (prior year adjusted)	108,407,970	108,407,970
	Net Asset Value (NAV) Per Share(A/B) (Excluding revaluation surplus)	11.55	10.92
	Comparative Net Asset Value (NAV) Per Share is adjusted using current year weighted average number of shares.		
21.00	Sales Revenue		
	Gross Sales	803,050,805	858,906,375
	Less: Value Added Tax (VAT)	2,610,885	1,288,936
	Net Sales	800,439,920	857,617,439
22.00	Cost of Goods Sold		
	Raw material consumed	568,604,900	578,309,087
	Add: Work-in-process- Opening	2,567,890	2,298,700
		571,172,790	580,607,787
	Less: Work-in-process-Closing	2,879,650	2,567,890
	Material consumed	568,293,140	578,039,897
	Add: Factory overhead	150,975,202	105,420,207
	Cost of goods manufactured	719,268,343	683,460,104
	Add: Opening Finished goods	19,578,970	18,348,000
	Add: Opening Wastage goods	2,587,909	1,598,780
	Cost of goods available for sale	741,435,222	703,406,884
	Less: Closing Finished goods	53,935,850	19,578,970
	Less: Closing Wastage goods	2,678,980	2,587,909
	Cost of goods sold for the period	684,820,391	681,240,005
22.01	Raw Material Consumed		
	Opening stock	259,867,589	247,297,800
	Add: Purchase during the year	535,390,464	590,878,876
	Raw material available for consumption	795,258,053	838,176,676
	Less: Closing stock	226,653,153	259,867,589
	Raw material consumed	568,604,900	578,309,087
	Details shown in Annexure-B		
22.02	Factory Overhead		
	Wages & salary	28,921,622	27,178,466
	Over time	615,450	531,718
	Gas bill	11,028,893	15,578,299
	Packaging expenses	4,295,121	3,435,794
	Spare parts consumed	9,601,550	3,302,058
	Daily labour	90,180	279,450
	Loading & unloading expenses	655,736	514,230
	Fire protection	22,500	37,000
	Transport & Others	1,991,994	1,397,870

		Amount in Taka	
		June 30, 2019	June 30, 2018
	Miscellaneous expenses	348,588	1,142,571
	Electricity, Utility & others bill	50,455,155	16,944,907
	Repair & maintenance	530,365	1,327,623
	Mobil, Oil & Lubricant	1,979,105	1,614,353
	Workshop expenses	279,060	307,654
	Fax, Phone & Fooding exp.	255,293	357,791
	Depreciation (Annexure-A)	39,904,590	31,470,423
		150,975,202	105,420,207
23.00	Administrative Expenses		
	Salaries and allowances	4,699,990	4,584,517
	Directors remuneration	3,710,000	4,095,000
	Vehicle fuel & Maintenance	120,760	220,000
	Vehicle maintenance	150,740	306,500
	Stationery & printing	199,801	221,334
	Medical expenses	305,000	350,000
	Meeting exp. & others	72,000	576,633
	Insurance	131,446	64,327
	Travelling, tour and conveyance	2,351,424	2,086,328
	Fax, telephone & photocopy expenses	172,666	130,664
	Electric & others expenses	-	309,660
	Renewal & others fees	263,788	102,434
	Consultancy Fees	100,000	148,000
	Audit Fees	155,000	118,500
	Other Professional Expenses	588,900	400,000
	Office rent	990,000	1,140,000
	C & F Charge	535,204	355,591
	Office expenses	84,670	37,835
	Regulatory & others Expenses	1,847,237	3,977,725
	Fooding & Entertainment	165,953	50,700
	Electric & Utility bill	294,802	261,008
	News paper, books & forms	5,330	7,330
	Entertainment	-	198,762
	Repairs & maintenance	56,859	423,750
	Misc. & Others exp.	485,500	514,014
	Depreciation (Annexure-A)	4,433,843	3,112,459
		21,920,913	23,793,071
24.00	Marketing Expenses		
	Business promotional expenses	1,144,600	868,640
	Commission & Others	4,705,600	3,975,450
		5,850,200	4,844,090
25.00	Other Income		
	Wastage sales	1,195,205	1,273,611
	Interest Income from Bank	5,802	7,106
		1,201,007	1,280,717
25.01	Interest Income from Bank		
	Interest Income	5,802	7,106
	Total Income	5,802	7,106

	Amount in Taka	
	June 30, 2019	June 30, 2018
26.00 Financial Expenses		
Bank charge & commission	76,230	146,749
Interest on long term loan	2,036,743	4,299,675
Realized (gain) or loss in Foreign exchange	-	-
Unrealized (gain) or loss in Foreign exchange	(17,074)	-
Interest on CC hypo	2,726,225	2,415,284
	4,822,124	6,861,708
27.00 Earning Per Share (EPS)		
Earnings attributable to ordinary shareholders during	68,063,903	114,953,252
Weighted average number of shares (prior year adjusted)	108,407,970	108,407,970
Earnings Per Share (EPS)	0.63	1.06
EPS Excluding Extra Ordinary Income		
Earnings attributable to ordinary shareholders during the period	68,063,903	114,953,252
Less: Other income	1,201,007	1,280,717
Earnings excluding extra ordinary income during	66,862,896	113,672,535
Weighted average no. of shares (prior year adjusted)	108,407,970	108,407,970
EPS excluding extra ordinary income	0.62	1.05

Comparative Earnings Per Share (EPS) is adjusted using current year weighted average number of shares.

27.01 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	1.00	52,800,000	52,800,000
IPO Shares	12,000,000	1.00	12,000,000	12,000,000
Bonus Shares-2014 (15%)	9,720,000	1.00	9,720,000	9,720,000
Bonus Shares-2015-16 (15%)	11,178,000	1.00	11,178,000	11,178,000
Bonus Shares-2016-17 (15%)	12,854,700	1.00	12,854,700	12,854,700
Bonus Shares-2017-18 (10%)	9,855,270	1.00	9,855,270	9,855,270
Total	108,407,970		108,407,970	108,407,970

28.00 Cash Received from Customers

Revenue	800,439,920	857,617,439
Add: Other income	1,201,007	1,280,717
Less: Increase in accounts receivable	(41,321,716)	(49,634,622)
Total Cash inflows	760,319,211	809,263,534

29.00 Cash paid to Suppliers

Cost of goods sold	684,820,391	681,240,005
Add: (increase)/decrease in inventory	2,276,280	13,985,466
Add: (increase)/decrease in accounts payable	541,702	14,572,408
Less: Depreciation	(39,904,590)	(31,470,423)
Total Cash outflow	647,733,783	678,327,456

30.00 Cash Payment for Expenses

Administrative, selling & distribution expenses	21,920,913	23,793,071
Add: Marketing expenses	5,850,200	4,844,090
Add: increase in liabilities for expenses	1,536,224	2,158,805
Add: Payment for WPPF	5,415,592	7,024,343
Less: Depreciation	(4,433,843)	(3,112,459)
	30,289,086	34,707,850

Amount in Taka	
June 30, 2019	June 30, 2018

31.00 Cash Payment for Finance Expenses

Bank charge & commission	76,230	146,749
Interest payment on long term loan	2,036,743	4,299,675
Interest payment on short term loan	2,726,225	2,415,284
	4,839,198	6,861,708

32.00 Employees Position (as on 30 June 2019)

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	607.00	23	584

33.00 Bank Guarantee

The company have no Bank Guarantee on the reporting date.

34.00 Capital Commitment

The company have no Capital Commitment at the reporting date.

35.00 Proposed Dividend

The Board of Director of the company in their 74th board meeting held on November 02, 2019 have recommended stock dividend on paid up capital @ 5 % for the period from 01 July 2018 to 30 June 2019.

36.00 Cash Flows from Operating Activities (Indirect Method)

Net Profit After Tax	68,063,903	114,953,252
Depreciation as Non Cash Expenses	44,338,434	34,582,882
Unrealized (gain) or loss in Foreign exchange	(17,074)	-
(Increase)/Decrease of Trade & Other Receivables	(41,321,716)	(49,634,622)
(Increase)/Decrease of Inventories	(2,276,280)	(13,985,466)
(Increase)/Decrease of Advance, Deposits & Prepayments	(34,640,236)	(26,082,033)
Increase/(Decrease) of Liabilities for expenses	(1,536,224)	(2,158,805)
Increase/(Decrease) of Trade & Other Payable	(541,702)	(14,572,408)
Increase/(Decrease) of Provision for Income Tax	1,612,768	13,927,966
Increase/(Decrease) of Deferred Tax Liability	6,539,804	6,508,575
Increase/(Decrease) of Provision for WPPF	(1,404,768)	(254,853)
Increase/(Decrease) of Tax holiday reserve (adjustment)	0	-
Net Cash Flows from Operating Activities	38,816,908	63,284,487

37.00 Net Operating Cash Flows (NOCF) Per Share

Net Cash Flows from Operating Activities during the	38,816,908	63,284,487
Weighted average number of shares (prior year adjusted)	108,407,970	108,407,970
Net Operating Cash Flows (NOCF) Per Share	0.36	0.58

Comparative Net Operating Cash Flows (NOCF) Per Share is adjusted using current year weighted average number of shares.

Amount in Taka	
June 30, 2019	June 30, 2018

38.00 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 IAS-24: Related Party Disclosures.

Particulars	Relationship	Transaction during the year / period	Outstanding as on 30.06.2019	Outstanding as on 30.06.2018
Dainik Desh Bortoman	Sister Concern	30,000	552,260	522,260
Zaheen Polimer	Subsidiary	-	45,000	45,000
Zaheen Green Tech	Sister Concern	-	268,970	268,970
Zaheen Capital Ltd	Sister Concern	-	3,200	3,200
Mrs. Farida Khanam	Chairman	1,400,000	200,000	800,000
Mr. A.M Badruzzaman Khashroo	Ex. Managing Director	1,000,000	-	1,000,000
Mr. Mahmuddur Rahman	Managing Director	4,600,000	1,000,000	2,600,000
Dr. Md. Abbas Ali Khan	Independent Director	-	-	-
Mrs. Nusrat Jahan	Director	420,000	60,000	570,000
Total		7,450,000	2,129,430	5,809,430

Board of Directors of Zaheen Spinning Limited till now have not taken any board meeting attendance fees.

During the period from 01-07-2018 to 30-06-2019, 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. Mahmuddur Rahman	Managing Director	7
Mrs. Nusrat Jahan	Director	7
Md. Mahbubur Rahman	Director	-
Ms. Masuma Khan	Director	-
Dr. Md. Abbas Ali Khan	Independent Director	7

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.	1,260,000
(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

Amount in Taka	
June 30, 2019	June 30, 2018

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	7,420,000
(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	7,450,000
b) the amount of outstanding balance, including commitments	2,129,430
i) their terms & condition, including whether they are secured, and the nature of the consideration to be provided in settlement	Remuneration and Advance
ii) details of any guarantee given or received	Nil
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 related parties	Nil

39.00 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 is no VAT liability by the Company as on June 30, 2019.

(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
2015	2016-2017		Assessment completed
01 Jan 2016	2016-2017		Assessment not yet completed
2017	2017-2018		Assessment not yet completed
2018	2018-2019		Assessment not yet completed
2019	2019-2020		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.

ZAHREEN SPINNING LIMITED
Schedule of Property, Plant and Equipment
As at June 30, 2019

Annexure-A

Sl. No.	Particulars	Cost			Rate %	Depreciation		W.D.V. Balance as at 30.06.2019
		Balance as at 01.07.2018	Addition During the year	Balance as at 30.06.2019		Balance as at 01.07.2018	Charged During the year	
1	Land & Land Development	97,677,095	4,042,900	101,719,995	-	-	-	101,719,995
2	Plant & Machinery	528,986,391	32,235,195	561,221,586	10%	34,932,018	217,284,491	343,937,095
3	Building & Constructions	91,423,683	41,335,064	132,758,747	10%	6,605,367	37,036,645	95,722,102
4	Office Equipment	3,420,605	2,880	3,423,485	15%	240,601	2,058,410	1,365,075
5	Furniture & Fixture	2,630,476	49,480	2,679,956	15%	189,292	1,602,302	1,077,654
6	Generator	2,079,427	28,365,761	30,445,188	15%	1,244,399	1,724,225	28,720,963
7	Vehicles	11,721,300	-	11,721,300	15%	6,281,598	7,097,553	4,623,747
8	Electrical Equipment	12,389,310	19,632,556	32,021,866	10%	3,463,293	4,538,666	27,483,200
	A. Sub-Total	750,328,287	125,663,836	875,992,123		44,338,434	271,342,293	604,649,830
	B. At Revaluation							
1	Land & Land Development	136,926,183	-	136,926,183		-	-	136,926,183
	B. Sub-Total	136,926,183	-	136,926,183		-	-	136,926,183
	Balance as on 30 June 2019 (A+B)	887,254,470	125,663,836	1,012,918,306		44,338,434	271,342,293	741,576,013
	Balance as on 30 June 2018	740,491,661	146,762,809	887,254,470		34,582,882	227,003,859	660,250,611

Allocation of Depreciation:

Note: Depreciation Charged in the following Manner:

Particulars	Rate	Amount
Factory Overhead	90%	39,904,590
Administrative Expenses	10%	4,433,843
Total	100%	44,338,434

ZAHEN SPINNING LIMITED
Schedule of Capital Work in Progress
as at June 30, 2019

		Annexure-A/I									
Sl. No.	Particulars	Cost				Rate %	Depreciation		Balance		
		Balance as at 01.07.2018	Addition During the year	Transferred to Fixed Asset	Balance as at 30.06.2019		Charged During the year	Total Charges 30.06.2019	Balance as at 01.07.2018	Balance as at 30.06.2019	
1	Plant & Machinery	32,235,195	-	32,235,195	-	0%	-	-	-	-	-
2	Generator	28,365,761	-	28,365,761	-	0%	-	-	-	-	-
3	Electrical Equipment	19,172,556	5,590,968	19,172,556	5,590,968	0%	-	-	-	-	5,590,968
4	Building & Constructions	37,455,030	9,163,351	37,455,030	9,163,351	0%	-	-	-	-	9,163,351
	Balance as on 30 June 2019	117,228,542	14,754,319	117,228,542	14,754,319	-	-	-	-	-	14,754,319
	Balance as on 30 June 2018	205,387,034	37,241,508	125,400,000	117,228,542	-	-	-	-	-	117,228,542

ZAHFEN SPINNING LIMITED
Quantity-wise break-up of Inventory
As at June 30 , 2019

Annexure-B

Items Name	Balance as on 01.07.2018		Purchased		Consumed/Used		Balance as on 30.06.2019	
	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount
Sankar-6	763,658	54,001,759	-	-	763,658	54,001,759	-	-
MCU-5	2,510,566	196,355,647	3,030,666	242,453,280	3,397,930	271,834,400	2,143,302	166,974,527
Cameron	-	-	3,023,151	242,577,636	2,420,386	194,211,792	602,765	48,365,845
Australia	-	-	433,748	34,699,840	425,040	34,003,200	8,708	696,640
Loose Cotton	111,582	9,510,183	208,797	15,659,708	194,050	14,553,750	126,329	10,616,141
Sub Total		259,867,589	6,696,362	535,390,464	7,201,064	568,604,901		226,653,153

Finished Goods:

Items Name	Balance as on 01.07.2018		Production		Delivered		Balance as on 30.06.2019	
	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount
50 (Auto) Yarn	102,962	15,159,004	5,849,999	801,449,863	5,554,050	766,458,900	398,911	50,149,967
50 Normal Yarn	18,873	4,419,966	266,354	35,957,822	271,051	36,591,905	14,176	3,785,883
60 Normal Yarn	-	-	-	-	-	-	-	-
Sub Total:		19,578,970	6,116,353	837,407,685		803,050,805		53,935,850

Work in Process:

Items Name	Balance as on 01.07.2018		Production		Delivered		Balance as on 30.06.2019	
	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount
Blow room : Mixing	642	48,135	3,245	243,375	3,498	262,350	389	29,160
Lap	464	34,275	4,576	343,200	5,000	375,015	40	2,460
Carding Lap	1,837	139,275	3,213	240,975	5,015	376,125	35	4,125
Silver	781	58,575	7,564	567,300	8,145	610,875	200	15,000
D/Breaker : Card Silver	5,099	382,425	32,987	2,474,025	31,090	2,331,750	6,996	524,700
B/ Silver	502	37,585	4,590	344,250	5,080	381,000	12	835
D/Finisher: B/ Silver	848	63,615	27,890	2,091,750	28,570	2,142,750	168	12,615
F/Silver	8,561	642,075	60,350	4,526,250	58,480	4,386,000	10,431	782,325
Simplex : F/ Silver	1,347	101,025	38,450	2,883,750	35,900	2,692,500	3,897	292,275
Roving	1,030	77,805	28,098	2,107,350	28,985	2,173,875	143	11,280
Ring : Roving	122	9,150	42,870	3,215,250	40,385	3,028,875	2,607	195,525
Ring Cops	3,129	234,300	25,098	1,882,350	27,805	2,085,375	422	31,275
Finishing : Cone	928	69,600	7,898	592,350	8,501	637,575	325	24,375
Ring Cops	1,130	84,750	8,897	667,275	9,870	740,250	157	11,775
Pneumatic	7,804	583,300	7,345	550,875	2,590	194,250	12,559	941,925
Sub Total:		2,567,890		22,730,325		22,418,565		2,879,650

Wastage Goods:

Items Name	Balance as on 01.07.2018		Production/Production Loss		Delivered		Balance as on 30.06.2019	
	Quantity (Kg)	Amount	Quantity (Kg)	Amount	Quantity (Kg)	Amount	Quantity (Kg)	Amount
Droffing -1	13,208	403,300	7,891	284,076	10,890	392,034	10,209	295,342
Droffing -2	18,002	101,903	10,987	186,779	11,698	198,866	17,291	89,816
Filter - 1	11,328	621,682	11,980	778,700	11,580	752,700	11,728	647,682
Filter - 2	10,346	337,113	9,087	145,392	4,090	65,440	15,343	417,065
Tuckering	9,744	445,904	9,865	295,950	7,090	212,700	12,519	529,154
Sweeping	3,352	213,024	3,590	35,900	3,500	35,000	3,442	213,924
Roving	2,359	267,946	6,489	519,120	6,050	484,000	2,798	303,066
Hardwest	1,508	193,646	1,690	118,300	1,885	131,950	1,313	179,996
Old PP Bag (Pcs.)	137	3,392	612	7,344	650	7,800	99	2,936
Sub Total:		2,587,909		2,371,561		2,280,490		2,678,980
Spare Parts		2,421,997		6,341,129		5,610,124		3,153,002
Total Amount:		287,024,355		1,404,241,164		1,401,964,885		289,300,635

ZAHEEN SPINNING LIMITED
Schedule of Accounts Receivable
As at June 30, 2019

Annexure-C

SL. No.	Name of the Party	Items	Less than 6 Months	Above 6 Months	June 30, 2019		June 30, 2018	
					Total BDT	Total BDT	Total BDT	Total BDT
1	M/s. Provati Yarn Traders	Yarn	76,294,263	23,239,876	99,534,139	90,054,516		
2	M/s. Raya Spinning Mills Ltd	Yarn	12,747,224	7,876,023	20,623,247	17,343,911		
3	M/s. Sakib Traders	Yarn	14,987,609	4,537,690	19,525,299	20,144,453		
4	M/s. Babul Textile	Yarn	15,987,008	7,198,760	23,185,768	19,500,712		
5	M/s. Prime Print Shari	Yarn	19,876,087	9,809,876	29,685,963	28,820,114		
6	M/s. Humayun Textile	Yarn	16,578,906	4,509,876	21,088,782	18,212,477		
7	M/s. Asraful Islam Traders	Yarn	18,765,087	4,098,760	22,863,847	17,640,970		
8	M/s. Shukhi Textile Ltd	Yarn	13,458,970	5,640,987	19,099,957	18,197,140		
9	M/s. Daliya Print Shari	Yarn	15,098,776	6,109,876	21,208,652	20,094,443		
10	M/s. Tahmid Print Shari	Yarn	14,876,909	5,498,760	20,375,669	18,891,715		
11	M/s. Shamiul Textile Ltd	Yarn	11,098,769	4,808,760	15,907,529	18,485,117		
12	M/s. Masud Textile Ltd	Yarn	12,768,090	3,809,865	16,577,955	14,376,843		
13	M/s. Unitex Knitwear Ltd	Yarn	12,098,706	4,051,826	16,150,532	13,747,738		
14	M/s. Yusuf Textile	Yarn	13,467,910	3,098,776	16,566,686	16,107,238		
15	M/s. MK Fashion Ltd	Yarn	23,404,098	2,879,760	26,283,858	15,738,780		
	Total		291,508,412	97,169,471	388,677,883	347,356,167		

ZAHEN SPINNING LIMITED
Deferred Tax Calculation
As at June 30, 2019

Annexure-D

Deferred tax assets/liability recognized in accordance with the provision of IAS's-12, is arrived as follows:

Particulars	Amount in BDT		Particulars	Carrying Amount on Balance Sheet date (Taka)	Tax Base (Taka)	Temporary Differences (Taka)
	June 30, 2019	June 30, 2018				
Opening Balance	15,911,168	9,402,593				
Deferred Tax Liability/(Assets) as on June 30, 2019	22,450,972	15,911,168				
Increase/(Decrease) of Deferred Tax Liability	6,539,804	6,508,575				
At June 30, 2019						
Property, Plant & Equipment (excluding land), Annexure-A			502,929,835	347,891,967		155,037,868
Addition during the period			-	-		-
Temporary difference for lease Assets			-	-		-
Liability to Employees			(5,364,722)	-		(5,364,722)
Net temporary difference			497,565,113	347,891,967		149,673,146
Applicable Tax rate						15%
Deferred Tax Liability/(Asset)						22,450,972
At June 30, 2018						
Fixed Assets (At Cost less Accumulated Depreciation)-Excluding Land			425,647,333	312,803,391		112,843,942
Temporary difference for lease Assets			-	-		-
Liability to Employees			(6,769,490)	-		(6,769,490)
Net temporary difference			418,877,843	312,803,391		106,074,452
Applicable Tax Rate						15%
Deferred Tax Liability/(Asset)						15,911,168

ZAHEEN SPINNING LIMITED
Income Tax Liabilities
As at June 30, 2019

Annexure-E

Particulars	Amount in BDT	
	30 June 2019	30 June 2018
Computation of Total Income		
Accounting Profit before other Income and Tax	79,015,468	134,109,075
Add: Other Inadmissible Allowances		
Accounting Depreciation	44,338,434	34,582,882
WPPF Expenses	4,010,824	6,769,490
Less: Items for Separate Consideration		
Depreciation as per 3rd Schedule	86,532,360	77,718,529
Payment for WPPF (Previous)	5,415,592	7,024,343
Total Taxable Income	35,416,773	90,718,575
Rate	15%	15%
A. Tax on Total Taxable Income	5,312,516	13,607,786
Other Income	1,201,007	1,280,717
Rate	25%	25%
B. Tax from Other Income	300,252	320,179
Total Tax Expenses (A+B)	5,612,768	13,927,966

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES



Ref. No: CM-2019/250

Date of issue : October 3, 2019

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 31st December 2019.




Secretary-General

ZAHEEN SPINNING LIMITED

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

PROXY FORM

I/We _____

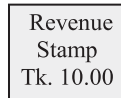
of _____
being a shareholder of Zaheen Spinning Limited do hereby appoint

Mr./Mrs./Miss _____

of _____ as my/ our proxy to attend and vote for me/ us and on my/ our behalf at the 12th Annual General Meeting of the Company to be held on Saturday the 28th December, 2019 at 9.00 a.m. at Sughandha Community Centre, Plot # 75/A, Road # 5/A, Sat Mosjid Road, Dhanmondi, Dhaka-1209 and at any adjournment thereof.

As witness my/ our hand this _____ day of _____ 2019 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

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

ATTENDANCE SLIP

I hereby record my attendance at the 12th Annual General Meeting being held on Saturday the 28th December, 2019 at 9.00 a.m. at Sughandha Community Centre, Plot # 75/A, Road # 5/A, Sat Mosjid Road, Dhanmondi, Dhaka-1209.

Name of Shareholder/ Proxy _____

Register Folio No/B.O _____

Signature _____

Dated _____

- N.B.**
1. Please complete this Attendance Slip and hand it over at the entrance.
 2. Only the Shareholders/ Proxy holders are entitled to attend the AGM



Zaheen Spinning Limited

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