

ANNUAL REPORT 2016

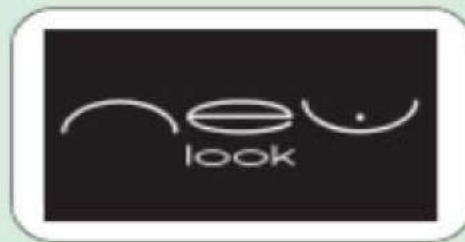


ZAHINTEX INDUSTRIES LTD.

.....Our Achievements
What We Belong to.....



Our Mission



Our Mission

“Our mission is the polestar of our vision for maximization of production of quality products and services strictly on ethical and moral standards at minimum cost to the society ensuring optimum benefits to the customers, the shareholders and other stakeholders”

Our Vision

Our vision is the polestar to our mission that fulfils our objectives with emphasis on the quality of product, process and services blended with good governance that help build the image of the most venerable corporate citizenship at home and abroad.

- Strive for attaining a leadership position in our business sector.
- Provide products and services of high and consistent quality, ensuring value for money to our customers.
- Attain a high level of productivity in all our operations through effective utilization of time and adoption of appropriate technology.
- Ensure superior return on investment through judicious use of resources and efficient operations, utilizing our core competencies.

Our Objectives

- ◆ To protect the interest of all shareholders.
- ◆ To achieve highest standards in quality, delivery and compliance.
- ◆ To achieve high efficiency measures in production units.
- ◆ To work hard to optimize profit through conduction of transparent business operations.
- ◆ To maximize export earnings with minimum imported in-puts

Our Values

- Transparent business
- Fairness
- Highest Compliance Standard
- Customer Focus
- Safety First
- Continuous Improvement

LETTER OF TRANSMITTAL

To
All Shareholders
Bangladesh Securities and Exchange Commission
Register of Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Subject: Annual Report for the year ended June 30, 2016.

Dear Sir (s),

We are pleased to enclose a copy of Annual Report of Zahintex Industries Ltd. together with the Audited Financial Statements for the year ended June 30, 2016, Report of the Board of Directors and Auditor's Report thereon for your kind information and records.

Yours sincerely,



Aminul Islam, FCA
Company Secretary

Dated: December 12, 2016
Dhaka

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Notice of the 14th Annual General Meeting

Notice is hereby given that the 14th Annual General Meeting (AGM) of the shareholders of ZAHINTEX INDUSTRIES LIMITED will be held on Monday the December 28, 2016 at 11:00 A.M. at Old Rehabilitation Center, Bishia, Kuribari, Monipur, Gazipur to transact the following agenda:

Agenda-1	To receive, consider and adopt the Audited Financial Statements for the year ended June 30, 2016 together with Report of the Directors and Auditors' thereon.
Agenda-2	To declare dividend for the year ended June 30, 2016.
Agenda-3	To elect/approve Directors /Independent Director in terms of the relevant provision of the Articles of Association of the Company.
Agenda-4	To appoint the Auditor for the year 2016-17 and fix the remuneration.

By order of the Board,



Aminul Islam, FCA

Company Secretary

Dated: December 12, 2016

Dhaka

Notes:

- i. The record date in lieu of Book-Closure shall be on November 13, 2016.
- ii. The Shareholders' names appearing in the Register of Members of the Company or in the Depository on the Record date will be eligible to receive the dividend.
- iii. The proxy form must be affixed with requisite revenue stamp and must be deposited at the Share Office of the Company not less than 48 hours before the time fixed for the meeting.
- iv. Members are requested to submit to the Company's Share Office on or before December 26, 2016; with their written option to receive dividend. In case of non-submission of such option within the stipulated time, the dividend will be paid off as deemed appropriate by the company.
- v. Admittance to the Meeting Venue will be on production of the Attendance Slip that will be sent with the Notice.

Corporate Management

Board of Directors

Mrs. Masuma Khatun Lipa	(Chairman)
Mr. Khatib Abdul Zahid Mukul	(Managing Director)
Mr. Md. Zahidul Islam	(Independent)
Prof. A.F.M Siddiqur Rahman	(Independent)
Engr. Md. Rustam Ali	(Independent)

Management Committee

Mr. Khatib Abdul Zahid Mukul	Managing Director
Mrs. Masuma Khatun Lipa	Head of HR & Admin
Mr. Khatib Mahboob Akhter Rubel	Head of Operation
Mr. Kazi Mushahidur Rahman	Head of Supply Chain
Mr. Najmul Hossain	Chief Financial Officer
Mr. Md.Tareq Mahmud	Head of Internal Audit

Audit Committee

Mr. Md. Zahidul Islam	Chairman
Mr. Khatib Abdul Zahid Mukul	Member
Mrs. Masuma Khatun Lipa	Member
Mr. Aminul Islam, FCA	Member Secretary

Company Secretary

Mr. Aminul Islam, FCA

Corporate Management

Registered Office

Borkan, Monipur, Gazipur
Web: www.zahintex.com

Corporate Office

House # 06, Road # 13
Sector # 03, Uttara, Dhaka

Share Office

Room # 08, (14th Floor)
HM Plaza, Rajlaxmi, Uttara Dhaka

Listing

1. Dhaka Stock Exchange (DSE)
2. Chittagong Stock Exchange (CSE)

Auditors

Mahfel Huq & Co.
Chartered Accountants
BGIC Tower (4th Floor)
34, Topkhana Road, Dhaka-1000

Bankers

1. AB Bank Limited
2. One Bank Limited
3. Standard Bank Limited

Insurers

1. Islami Commercial Insurance Company Ltd.
2. Prime Insurance Company Ltd.

Factory

Plant- 1: Bokran Monipur, Gazipur

Plant- 2: BISCIC
Joydebpur Industrial Extension Area,
Gazipur

Plant- 3: Arishaprashad, Kowaltia, Gazipur

Plant- 4: Soydana, Board Bazar, Gazipur

Corporate Achievements

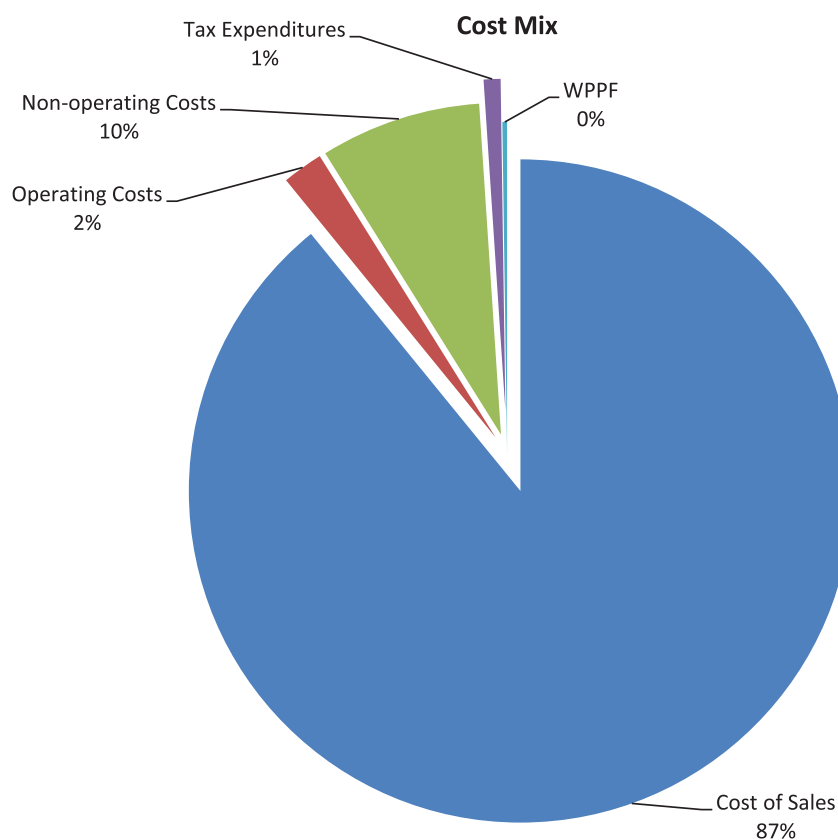


Year of Establishment (Incorporated as a Private Limited Company)	June 11, 2002
Starting of Commercial Operation	December 28, 2002
Converted into Public Limited Company	March 07, 2010
Listing with Dhaka Stock Exchange	November 20, 2011
Listing with Chittagong Stock Exchange	November 24, 2011
Business Lines	Manufacturing flat-knit garments and sweater such as Pullover, Cardigan, Poncho etc. using manual and fully computerized intarsia machines
Major Clients	Li & Fung, Auchan, Walmart, Terranova, Primark, NKD, Wing Fat, Full Fashion, New Look, Padma, K-Mail, Orchestra, Karl & Luppert (K&L), Inditex & Others
Authorized Capital	Tk. 1200.00 million
Paid-up Capital (as on June 30, 2016)	Tk. 688.79 million
Number of Shareholders (as on June 30, 2016)	6,299
Number of Employees (as on June 30, 2016)	7,493

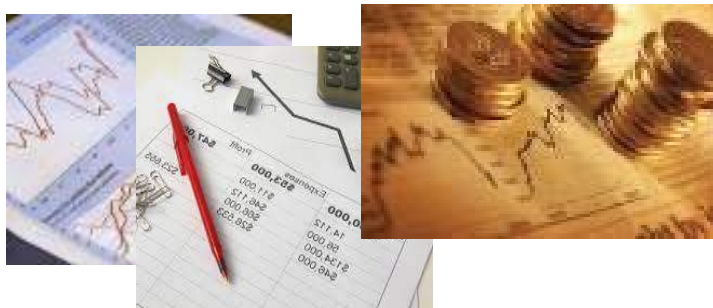
Financial Year – 2016 at a Glance

(Amount in Taka)

Turnover (Net)	1,627,260,930
Gross Profit	292,888,311
Operating Profit	263,575,838
Net Profit before Tax	105,637,037
Net profit after Tax	92,321,806
Earnings Per Share	1.34
Total Assets	3,159,224,467
Total Liabilities	1,201,298,589
Total Shareholders' Equity	1,957,925,878
Net Asset Value Per Share	28.43



Five Years' Comparative Statistics.....



(Amount in Taka, 000)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Turnover	1,627,261	1,549,752	1,785,060	2,024,552	2,103,140
Gross Profit	292,888	279,863	241,740	283,451	289,068
Operating Profit	263,575	252,761	210,456	244,011	248,533
Net Profit before Tax	105,637	94,807	57,674	84,822	111,538
Net Profit after Tax	92,322	75,784	46,796	68,504	94,679
Authorized Capital	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Issued & Paid-up Capital	688,792	626,175	569,250	495,000	450,000
Total Assets	3,159,224	3,087,634	2,940,567	2,906,426	3,022,518
Total Current Assets	2,053,101	1,968,614	1,800,781	1,700,929	1,744,087
Total Fixed Assets	1,106,123	1,119,020	1,139,785	1,205,496	1,278,331
Total Current liabilities	893,868	896,511	1,071,494	1,040,667	1,148,581
Total Non-Current Liabilities	307,430	310,944	64,678	97,161	128,844
Shareholders' Equity	1,957,925	1,880,179	1,804,394	1,768,597	1,745,093
Ordinary Shares Outstanding	68,879	62,617	56,925	49,500	45,000
Face Value Per Share (Taka)	10	10	10	10	10
Earnings Per Share (Taka)	1.34	1.21	0.82	1.38	2.34
NAV Per Share (Taka)	28.43	30.03	31.70	35.73	38.78
Current Ratio (Times)	2.30	2.20	1.68	1.70	1.52
Quick Ratio (Times)	0.64	0.54	0.39	0.40	0.38
Return on Equity (%)	4.72	4.03	2.54	3.87	5.42
Return on Investment (%)	2.92	2.45	1.56	2.35	3.13
Gross Profit Margin (%)	18.00	18.06	13.50	13.86	13.74
Operating Profit Margin (%)	16.22	16.31	11.76	11.88	11.82
Net Profit Margin (%)	5.67	4.89	2.57	2.98	4.50
Number of Shareholders	6,299	10,991	10,780	9,592	12,684

**Message
from the Chairman**

Dear Shareholders,

I feel delighted to welcome you all at the 14th Annual General Meeting (AGM) of Zahintex Industries Ltd. and to place herewith the Annual Report of the Company for the year 2016. It was a further flourishing year for your Company. During 2015-16, the Company had to operate with diverse uncertainties and challenges in front. However, after all these off-putting aspects of local and international economy, I would like to thank all the valuable investors of Zahintex Industries Ltd. who have shown confidence and trust in Zahintex Industries Ltd.



Our performance indicates that the Company was on the right track in the year backed by right strategies and having an able leadership to deliver consistent value for our shareholders. I am pleased to report that the Company's Sales Turnover/Exports for the year 2015-16 is Tk.1,627.26 million out of which after meeting up all costs including Corporate Income Tax The net profit for the year is Tk. 92.32 million which is 5.67% of total Sales Revenue. As a result, Earning Per Share (EPS) has moved up to Tk. 1.34. In consideration of that, the Board of Directors is pleased to recommend 7% cash dividend (except Sponsor/Director Shareholder) and 8% stock dividend for all Shareholders. With that performance at the backdrop, the share price of the Company has been trading in both stock exchanges of the country with stability, good faith and well confidence.

Meanwhile, Bangladesh Securities and Exchange Commission (BSEC) has introduced mandatory Guidelines on Corporate Governance. The Board of Directors of the Company is committed to deliver good Governance and exercise best practices in all respects for us, good governance is about managing the business effectively and responsibly and in a way which is honest, transparent, shows accountability and abiding by the laws of the land. Regarding Governance, the Audit Committee Survey result was in full compliance by your Company in 2016. Apart from the Statutory Audit conducted by Mahfel Huq & Co. Chartered Accountants, the Board has appointed ACNABIN Chartered Accountants, to carry out the Corporate Governance Compliance Audit to be able to certify accordingly in fulfillment of the requirements of BSEC Guidelines.

While concluding, on behalf of management, I would like to thank the all Shareholders, Stake holders, Board of Directors, Regulatory Bodies, Stock Exchanges, Clients, Employees and all the well-wishers for their continued trust, support and cooperation.

With best wishes for all of us.



Masuma Khatun Lipa
Chairman

**Message
from the Managing Director**

Dear Shareholders,

It is the real contentment as Managing Director of Zahintex Industries Ltd. to welcome you to the 14th Annual General Meeting and present the report in the state of the company's affairs the Audited Financial Statement of the company for the year ended on 30th June, 2016.

Day-to-day business faces impediments from the unexpected consequences of and impact from global financial crunch, recession in the developed economies, energy crisis, raise of power and energy, incremental cost of raw materials and so on. Despite having these pitfalls, management of the company tried the level best to carry on the business trend unabated and Board of Directors of the company assured their unsurpassed performance with their capability in order to make the profit expected by the investors for the optimum return of capital invested by the investors. As we look back to the year 2015-16, we do not feel frustrated as the corporate performance of Zahintex Industries Ltd. had succeeded in overcoming the dreaded effects of the continuing recession in the developed countries. However, looking forward, we feel, as apprehended by almost all concerned, the ensuing years may shake us at the root due to both external and internal turmoil. We should, therefore, be prepared to re-define our strategy and consolidate our financial and operational strength with wisdom and tolerance for protecting the interest of the present owners/stakeholders and their cohorts. Here I have to thank the Board of Directors, whole Management, Employees, Workers and all other stakeholders of the company for their team work with heart and soul contribution to these achievements of the company.

In conclusion, we believe that we have the strengths and resources to continue our progress. Our employees are working hard and with dedication year on year for achieving the Company's objectives in a highly challenging and competitive market. Their success and efforts have been rewarded by our performance in 2015-16. Their continued and seamless efforts would propel the Company towards future success. On behalf of the Board, I would like to express my sincere appreciation to you all, our valued Customers, Suppliers, Distributors, Employees of the Company and Government of the Peoples' Republic of Bangladesh for their support and cooperation.

I wish the Company every success in the future.

Khatib Abdul Zahid Mukul
Managing Director

Corporate Governance Statement

At the modern era of business, Corporate Governance is one of the key elements to sustain in competitive environment. Good Corporate Governance is key to successful sustenance. Board of Directors of Zahintex Industries Ltd. is well committed regarding the highest standard of Corporate Governance and disclosure. The Company always gives the highest priority to its shareholders and responsible to the highest standard of disclosures, transparency and accountability to the shareholders. The Company also ensures compliance with the accounting and reporting standards in consonance with the requirements of the Securities and Exchange Commission and applicable laws of the country operates.

Bangladesh Securities and Exchange Commission (BSEC) revised the Notification of Corporate Governance on 7 August 2012. This Notification shall be followed by all the listed companies on 'comply basis' within 31 December 2012 which will further enhance the state of corporate governance in the interest of investors and the capital market. Being a responsible corporate citizen, Zahintex Industries Ltd. is broadly supportive of the BSEC's efforts to encourage more effective narrative reporting which facilitated to enhance further good corporate governance in the country.

The corporate governance framework of Zahintex Industries Ltd. is directed towards achieving the Company's business objectives in a responsible manner. Therefore, in order to comply with laws, regulations, rules; corporate governance codes; articles of association; policies and procedures; the Company constantly exercises good Board practices, effective control processes, transparent disclosures, well-defined shareholders' rights and Board commitments. This statement outlines the adherence to these corporate governance elements as follows:

Board of Directors

The Board is collectively responsible to the Company's shareholders for the success of the Company and for its overall strategic direction, its values and its governance. It provides the leadership necessary for the Company to meet its business objective within the framework of its internal controls, while also discharging the Company's obligations to its shareholders.

Composition of Board

In order to keep pace with the concept of good corporate governance practice and the provisions of Articles of Association, the Board of Directors is liable for overall management relating to the entire affairs of the Company. Here, the Board of Directors holds periodic meetings to ensure the smooth managerial practice in the Company. In Zahintex Industries Ltd. the Board presently consists of 5 (five) Directors including 3 (three) Independent Directors. Mrs. Masuma Khatun Lipa currently occupies the position of Chairman of the Board and Mr. Khatib Abdul Zahid Mukul as its Managing Director. The Board of Directors is reconstituted every year by the Shareholders through retirement or re-election or election of one-third of its members. During the Financial Year 2015-16, the Board held 9 (Nine) meetings in order to transact various agenda.

Farm Duties of Board of Directors

The Board's principal responsibilities include:

- Ensuring that the Company is governed effectively so as to attain its broad objectives.
- Approving the Company business strategy and ensuring that an effective management team and the necessary financial and human resources are in place for the Company to meet its objectives.
- Appropriation of profit and interim dividend declaration and recommendation of final dividend.
- Formulating the Company's governance framework and approving the Standards of Business Conduct and policies of the Company.
- Identifying risk and concern and reviewing the Company's risk management and internal control system.
- Approving the Company's Annual Report and reviewing its periodical financial reports.
- Considering and approving other matters specifically reserved for the attention of the Board.
- Organizing Annual General Meeting with usual agenda for shareholders deliberations.
- Overseeing the conduct of the Company's business to evaluate whether the business is properly managed.
- Ensuring and guiding management to manage external stakeholders.
- Receiving and reviewing reports of Board Committees.
- Establishing various Board Committees including the Audit Committee, the CSR Committee and the Compensation Committee and determining its terms of references.
- Empowering the management's responsibilities through appropriate delegation of authorities for business operation.

Audit Committee

In terms of the BSEC guidelines for good Corporate Governance practices, an Audit Committee consisting of the Independent Director as Chairman and two other Directors as member has been constituted. In compliance with the notification of the SEC dated February 20, 2006, the Board has formed an Audit Committee. The Audit Committee comprises of 3 (three) members with Mr. Md. Zahidul Islam- the Independent Director as Chairman of Committee and Mr. Khatib Abdul Zahid Mukul and Mrs. Masuma Khatun Lipa- 2 (two) other directors.

Internal Audit

Internal Audit assists the Company to reach its goals and objectives through bringing a systematic and disciplined approach to evaluate and improve the effectiveness of its management, control and governance processes. The Board of the Company ensures the entire Internal Audit procedures to keep the company at optimum level of risk factors.

Statutory Audit

Statutory Audit is conducted with the compliance of Companies Act, 1994 of Bangladesh. Guidelines regarding appointment, scope of work and retirement of Auditor are determined by it.

Internal Control

The management is always conscious about the Internal Control procedures. Internal Control is essential to check and validate the expenses and the systems in operation. The Company's internal control system is designed at Board, Management and individual level to provide reasonable assurance regarding the achievement of Company's objectives in respect to effectiveness and efficiency of operations, reliability (completeness and timeliness) of financial reporting and management information, compliance with applicable laws, regulations and the Company's policies. The Company has its own internal auditors who are accountable to the Audit Committee.

Distinctive Role of Chairman and Managing Director

In order to ensure good Corporate Governance practice, two persons separately hold positions and perform their roles as Chairman and Managing Director respectively. Here, the Chairman is liable for all functions of the Board as the head of the Board and the Managing Director performs his roles as the Chief Executive of Management Committee team in the Company.

Management Committee

The Managing Director of the Company is the head of the Management Committee. The team of management committee consists of the senior expert members of the Management Apparatus. The Management Committee operates their functions according to policy and planning strategies set by the top Management. In order to ensure the smooth management procedures the Management Committee has been divided into series of different committees where the functions are classified for each concerned committee.

Legal and Compliances

As like all other listed companies the Company, is accountable to regulatory bodies like BSEC, DSE, CSE, CDBL NBR and BOI etc. The Company has established procedures to ensure compliance with all applicable statutory and regulatory requirements. The concerned officers are responsible for ensuring proper compliance with applicable national laws and regulations.

Transparency in Information Disclosure

The Management prepares financial statements with adequate transparent disclosures in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. In order to prepare the financial statements, the management is responsible for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying accounting policies and making accounting estimates that are reasonable under the circumstances. On a quarterly basis, the Board reviews the financial statements of the Company. The quarterly financial statements, along with notes are published on two daily newspapers as well as the the Company's website. Furthermore, half yearly and annual financial statements are sent to all shareholders in a timely manner.

Board Commitments

The Board is highly committed to its elements of corporate governance in achieving the Company objectives for the interest of the stakeholders. Therefore the Board through its Audit Committee as well as the Management of the Company discusses and reviews the status of governance and takes necessary measures for continuous improvement in Corporate Governance process in line with BSEC's Notification. As such, stakeholders' rights are being protected, the right resources are ensured to be in appropriate places, compliance is being monitored and the policies are being formalized as required for business growth. As a result, the Company's adherence to corporate governance is being recognized by the stakeholders.

Communication with Shareholders

The Shareholders are required to be informed with all material information on the Company's operation quarterly, half-yearly and annually because they are the owner of the Company. The Shareholders are also provided the required routine services from the Company where the Share Office of the Company is dedicated to provide the services required by Shareholders. As per regulations of Securities and Exchange Commission, the Board is accountable to the shareholders for publication of price sensitive information. In need of the Shareholders as well as other Investors can obtain the required information from the web site of the company where the web site provides permissible information, notices, price sensitive information, financial reports and other disclosures for the Shareholders and all other interested Investors. The Managing Director of the Company brings to the notice of the Board any communication received from shareholders. The Company holds the Annual in time where the Board communicates with the Shareholders directly and takes notes the views and suggestions with utmost importance.

ZAHINTEX INDUSTRIES LTD.

Directors' Report to the Shareholders

Dear Shareholders,

As per provisions of Section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Securities and Exchange Commission Rules 1987 and IAS-1 (International Accounting Standards –1) codes as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), it is the pleasure of the Board of Directors to present its Report to the Shareholders for the Year ended June 30, 2016 in the following paragraphs:

Overview

Zahintex Industries Ltd. has been incorporated as a company with the Registrar of Joint Stock Companies & Firms; having registered office at Bokran Monipur, Gazipur Sadar on owned land, BISCIC, Joydebpur Industrial Extension Area, Gazipur on Leasehold land which taken for 99 years, Arishaprashad, Kowlatia, Gazipur on rented space where the Company has a construction for 26 years. Zahintex Industries Ltd. runs the business of manufacturing and exporting of readymade sweaters, pull over and wearing apparels of all kinds out of wool, cotton, synthetic fibers and others. It was incorporated as on 11 June, 2002 and started commercial operation from 28 December, 2002. And in 2011, the Zahintex was listed with two bourses of capital market in Bangladesh- Dhaka Stock Exchange Limited and Chittagong Stock Exchange limited.

Zahintex Industries Ltd. is a 100% export oriented sweater manufacturing Company that exports high fashion flat knit sweater garments to Europe, America and Russia. Dependency on a single product for overall revenue generation creates some product non diversification risk, but its widely diversified customer base and sound relationship maintenance makes this company a successful player in the relevant market. Most importantly their buyer composition remains more or less same over last four years. The prime buyers are Li & Fung, Auchan, Full Fashion, Teddy from Italy, Primark from UK, Aldi in Germany, all of which are renowned brand seller in their respective market.

Investors Summary as on June 30, 2016

As per Listing Regulations 20(2) of Stock Exchange regarding shareholding position of different categories of investors as on June 30, 2016, we are submitting the following information:

Share Holding Status of Different Categories as on June 30, 2016

A. On the Basis of Group

SI No.	Group Name	Number of Share holders	Number of Shares	%
1	Sponsor/Director	7	36,814,247	53.45%
2	All Investors Account	11	7,383,856	10.72%
3	Company	145	8,272,398	12.01%
4	NRB	403	262,453	0.38%
5	General Public	5,733	16,146,296	23.44%
	Total :	6,299	68,879,250	100%

B. On the Basis of Range

Share Holding Range	Number of Share holders	Number of Shares	Percentage
1-499	1,686	374,334	26.77%
500-5000	4,376	4,041,194	69.47%
5001-10000	102	703,956	1.62%
10001-20000	45	665,616	.71%
20001-30000	16	397,173	.25%
30001-40000	10	360,407	.16%
40001-50000	13	546,996	.21%
50001-100000	17	1,301,246	.27%
100001-1000000	27	7,032,208	.43%
1000001-1000000000	7	53,456,120	.11%
Total :	6,299	68,879,250	100.00%

Financial Results

Recently, business competition has increased significantly with new challenges. Although having all these challenges, the business of the company comparatively increase profit margin compared to prior year. Now the Company's operating financial results, as compared to the previous years are summarized as follows:

(Amount in Taka)

ANNEXURE-V

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Sales Turnover	1,627,260,930	1,549,752,166	1,785,060,225	2,024,552,230	2,103,140,226
Cost of Goods Sold	1,334,372,619	1,269,888,861	1,543,320,137	1,741,100,695	1,814,071,299
Gross Profit	292,888,311	279,863,305	241,740,118	283,451,535	289,068,927
Administrative Expenses	12,358,865	11,427,474	11,149,972	11,170,450	10,620,944
Selling and Distribution Expenses	16,953,608	15,674,459	20,134,003	28,269,561	29,914,114
Operating Profit	263,575,838	252,761,373	210,456,143	244,011,524	248,533,869
Non-Operating Income	438,636	131,241	130,179	140,339	28,522,690
Financial Expenses	153,095,585	153,345,632	150,028,011	155,088,673	159,941,520
Contribution to WPPF	52,81,852	4,740,332	2,883,729	4,241,104	5,576,907
Net Profit before Tax	105,637,037	94,806,649	57,674,582	84,822,085	111,538,132
Provision for Income Tax	13,204,630	11,850,831	10,877,750	16,317,800	16,858,745
Provision for Deferred Tax	110,602	7,171,371	N/A	N/A	N/A
Net profit after Tax	92,321,806	75,784,447	46,796,832	68,504,285	94,679,388
Earnings Per Share	1.34	1.21	0.82	1.38	2.34
NAV Per Share	28.43	30.03	31.70	35.73	38.78
Gross Profit Margin (%)	18.00	18.06	13.50	13.86	13.74
Operating Profit Margin (%)	16.22	16.31	11.76	11.88	11.82
Net Profit Margin (%)	5.67	4.89	2.57	2.98	4.50
Return on Equity (%)	4.72	4.03	2.54	3.87	5.42
Return on Investment (%)	2.92	2.45	1.56	2.35	3.13

Cost of Sales and Profit Margins

The major challenge in the area of productivity was the increase wages and other overheads. These resulted in a significant upward pressure on the cost base. However, Zahintex Industries Ltd was able to improve this through the implementation of proactive cost savings in 2015-16. Thus cost of goods sold per unit was mostly held constant on a like to like basis and this enabled gross profit margin a little changed from the previous year.

In addition, Zahintex Industries Ltd. embarked on a company-wide smart cost management program and analyzed all opportunities to reduce costs. This program has helped to optimize the operating expenses of the Company and focused resources on areas that were required to fuel growth and sustainability. As a result of all these efforts, the Company's gross profit margin slightly decreased from 18.06% in 2014-15 to 18.00% in 2015-16 and operating margin has also slightly decreased from 16.31% in 2014-15 to 16.22% in 2015-16; though having adverse economic factors in local and international arena.

Cost of Sales (COS) in Details

	2015-16	2014-15
	Taka	Taka
Opening stock of raw materials	337,715,399	253,223,498
Add: Purchased during the year	760,452,434	810,316,056
	1,098,167,833	1,063,539,554
Less: Closing stock of raw materials	324,524,541	337,715,399
Raw materials consumed	773,643,292	725,824,155
Add: Opening stock of work-in-process	710,565,659	617,325,659
	1,484,208,951	1,343,149,814
Less: Closing stock of work-in-process	699,708,923	710,565,659
	784,500,028	632,584,155
Add: Conversion cost	571,526,155	540,817,237
Cost of goods manufactured	1,356,026,183	1,173,401,392
Add: Opening stock of finished goods	415,102,788	511,590,257
Cost of goods available for sale	1,771,128,971	1,684,991,649
Less: Closing stock of finished goods	436,756,352	415,102,788
Cost of Sales	<u>1,334,372,619</u>	<u>1,269,888,861</u>

Dividend

The Board of Directors are delighted to recommend 7% cash dividend (except Sponsor/Director Shareholder) and 8% stock dividend (for all) i.e 8 shares for 100 shares for the year ended June 30, 2016 to those valuable Shareholders whose name will be appeared in the Depository on the Record Date which is November 13, 2016.

Appropriation of Profit

After the considerations of financial results of the Company during the year and free reserve carried over, the Directors recommended appropriation of net profit as follows:

	(Amount in Taka)		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Un-appropriated Profit from previous Year	291,161,130	254,340,965	272,615,074
Less: Prior Year Adjustment	77,192,502	56,925,000	85,250,000
Adjusted Un-appropriated Profit from previous Year	213,968,628	197,415,965	187,365,074
Add: Net Profit after Tax for the Year	92,321,806	75,784,447	46,796,832
Add: Realization through use of Assets (Depreciation)	16,014,489	17,960,718	20,179,059
Total Available for Appropriation (a)	322,304,923	291,161,130	254,340,965
Appropriation Proposed			
Proposed Dividend:			
Cash Dividend (7% other than Sponsors/Directors)	-	14,575,002	-
Stock Dividend (8 % for All)		6,26,17,500	56,925,000
Total Dividend (b)	-	77,192,502	56,925,000
Balance Carried Forward (a-b)	<u>322,304,923</u>	<u>213,968,628</u>	<u>197,415,965</u>

Related party disclosures

During the period, the company carried out a number of transactions with related parties in the normal course of business and on an arms' length basis. The name of these related parties, nature of these transactions and their total value have been set out in accordance with the provisions of BAS 24: Related Party Disclosure.

Name of the party	Nature of transactions	Nature of relationship	Transactions value (Taka)	
			01 July 2015 to 30 June 2016	01 July 2014 to 30 June 2015
Givensee Spinning C & F	Clearing & forwarding service	Sister concern	23,45,345	2,178,890
Givensee Garments Accessories Ltd.	Accessories & packing materials supply	-do-	31,707,566	29,813,319
Givensee Spinning Mills Ltd.	Raw yarn supply	-do-	8,877,655	9,588,506
Masuma Khatun Textile Industries Ltd.	Died yarn supply	-do-	137,787,355	151,082,217

ii) Particulars of Directors of Zahintex Industries Ltd. as at 30 June 2016

Name of Directors	BOD of Zahintex Industries Ltd.	Entities where they have interests
Mr. Khatib Abdul Zahid Mukul	Managing Director	Givensee Spinning Mills Ltd. Hotapara Garments Ltd. Masuma Khatun Textile Industries Ltd. Givensee Garments Ltd. Givensee Garments Accessories Ltd. Givensee Real Estate Ltd. Givensee Foods & Essentials Ltd. Givensee Group of Industries Ltd.
Mrs. Masuma Khatun Lipa	Chairman & Director	Givensee Spinning Mills Ltd. Hotapara Garments Ltd. Masuma Khatun Textile Industries Ltd. Givensee Garments Ltd. Givensee Garments Accessories Ltd. Givensee Real Estate Ltd. Givensee Foods & Essentials Ltd. Givensee Group of Industries Ltd.
Mr. Md. Zahidul Islam	Independent Director	-
Prof. A.F.M Siddiquir Rahman	Independent Director	-
Engr. Md. Rustam Ali	Independent Director	-

Election of Directors

Mr. Khatib Abdul Zahid Mukul, Shareholder Director of the Company, will retire as per Article 123, 124 & 125 of Articles of Association and being eligible offer herself for reelection.

Board Meetings

The composition of the Board Committee as at 30 June 2016 and the attendance of the Directors at the Board and the Committee meetings held in 2015-16 are as follows:

Name of Director	Position	No. of Meetings Attended
Mrs. Masuma khatun Lipa	Chairman	9
Mr. Khatib Abdul Zahid Mukul	Managing Director	9
Mr. Md. Zahidul Islam	Independent Director	3
Prof A.F.M Siddiquir Rahman	Independent Director	2
Engr. Md. Rustam Ali	Independent Director	1
Mr. Md. Mahtab Uddin	Independent Director	6
Engr. Golam Rasul	Independent Director	7
Engr. Afzal Hossain	Independent Director	8

Managing director remuneration

	Amount in Taka	
	2015-16	2014-15
Remuneration	350,000	350,000
House rent benefit	420,000	420,000
	770,000	770,000

Appointment of Auditors

M/s Mahfel Huq & Co. Chartered Accountants Firm is going to get appointment for the first consecutive financial year 2015-2016 as Statutory Auditor and the Board will recommend their appointment in the 13th AGM of the Company.

Going Concern

The Directors are of the opinion that the Company is a going concern. Accordingly, Financial Statements are prepared on a going concern basis.

The System of Internal Control

The Board of Directors assures the Shareholders that the Company has a robust risk management process to ensure that the system of internal control is sound in design and has been effectively implemented and monitored. Although it is possible that all risks to the business are not known at present, the Company takes reasonable steps to identify material risks that may hamper business results and systematically reviews these risks in light of the changing internal and external environment in order to assess that the controls in place are adequate to address these risks.

Risk Management

The Risk Management Committee (RMC) of Zahintex Industries Ltd. at management level consists of knowledgeable cross functional managers including internal auditors who drive an effective risk management framework in the Company. The risk controllers periodically review the departmental risks and report to RMC. The RMC reviews twice a year the functional risks, identifies the Company's key risks and ensure adequate action plans are in place to mitigate the risks. The key risks of the Company are then endorsed by the Executive Committee and then ratified in Audit Committee as far as effective risk management is concerned. In order to ensure effective risk management in the Company, the RMC is responsible for reviewing risks, maintaining an appropriate level of awareness throughout the Company, ensuring effectiveness of the risk management process. The Company maintains a risk register where all the associated risks as well as action plans are mentioned.

Corporate Governance

As part of its imperative policy, Zahintex Industries Ltd. always strives to maximize its shareholder's value and wealth. In doing so, the Company has long been committed to maintaining high standards of Corporate Governance. The Company's Corporate Governance framework is directed towards achieving its business objectives in a manner which is responsible and in accordance with its high standards of honesty, transparency and accountability. The principal characteristics that define effective corporate governance are outlined in the Corporate Governance Statement which is appended in the Annual Report. The statement further expands on the broad practices in Zahintex Industries Ltd. All the employees are expected to live up to these principles and guidance on them which are communicated regularly throughout the Company through various training and awareness programs.

We have the pleasure to confirm herewith that the Company has meanwhile complied with all the necessary guidelines under BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012. The compliance report along with the necessary remarks/disclosures is appended in the Directors' Report of the Company for the year 2015-16. Further, a Certificate of Compliance required under the said Guidelines, as provided by ACNABIN Chartered Accountants, is also annexed to this report.

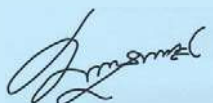
Management Recognition, Appreciation and Complements

The Board of Directors extends cordial recognition, deep appreciation and heart-felt congratulations for the business performance of the management, the all levels of officers, employees and workers whose relentless effort helped to increase the productivity as well profitability despite having adverse factors of production and marketing. At conclusion, on behalf of the Company, the Board would like to thank the all Shareholders, Board of Directors, Regulatory Bodies, Stock Exchanges, Clients, Employees and all the well wishers for their cooperation and unflinching support.

We also extend to the Management and Employees our warmest greetings and felicitation for being the essential part of Zahintex Industries Ltd. during the year. It was your unrelenting commitment, dedication and diligence throughout the year that led to the Company achieving the awards and accolades in 2015-16.

We are proud of you all and look forward to your continued support as we march ahead to take Zahintex Industries Ltd. further forward as a leading player within the Bangladesh Business Community.

On behalf of the Board of Directors,



Masuma Khatun Lipa
Chairman

Declaration as to Financial Statements

As part of preparation and presentation of the financial statements, the Directors also report that:

- i) The Financial Statements prepared by the Management of the Company present a true and fair view of Company's state of affairs, result of its operation, cash flows and changes in equity.
- ii) Proper books of accounts as required by law have been maintained.
- iii) Appropriate accounting policies have been followed in formulating the Financial Statements and Accounting estimates are reasonable and prudent.
- iv) The Financial Statements were prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS).
- v) The Managing Director and CFO have certified to the Board that they have reviewed the financial statements and believe that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- vi) The Managing Director and CFO have certified to the Board that they have reviewed the financial statements and believe that 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.
- vii) The Managing Director and CFO have further certified to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the company's codes of conduct.

Statutory Information

In compliance with the BSEC guidelines' condition no. 1.4 the Board of Directors confirms that:

- a) The system of internal control is sound in design and has been effectively implemented and monitored.
- b) There are no significant doubts upon the Company's ability to continue as a going concern.
- c) Significant deviations from last year in operating results of the Company have been highlighted in the Report and reasons thereof have been explained.
- d) Short resume of Directors is in ANNEXURE-I.
- e) The patterns of Shareholding as on June 30, 2016 is in ANNEXURE-II.
- f) Status of Compliance with the conditions imposed by Securities and Exchange Commission along with Corporate Governance Certificate issued by ACNABIN Chartered Accountants is enclosed as ANNEXURE-III.
- g) Audit Committee Report has been presented in ANNEXURE-IV.
- h) Key operating and financial data of last five years have been presented in summarized form in ANNEXURE-V.

ANNEXURE – I**Short Bio-Data of Shareholder Directors****Masuma Khatun Lipa, Chairman**

Masuma Khatun Lipa, aged 47 years, is the Chairman of the company. She is Masters in Science from the University of Dhaka. She joined in her family business in 1990. She is also Director of 8(eight) other industrial units mostly pertaining to textile sectors viz. Givensee Spinning Mills Ltd., Masuma Khatun Textile Industries Ltd., Hotapara Garments Ltd., Givensee Garments Ltd., Givensee Garments Accessories Ltd., Givensee Foods & Essentials Ltd., Givensee Real Estate Ltd. and Givensee Group of Industries Ltd. During her long business experience of 26 years she has gathered vast knowledge in modern method and technology in production, marketing and management of textile industries. She has traveled many countries of the world, such as America Japan, China, India, German, UK, Australia, Saudi Arab, Hong Kong, Singapore, Canada, Spain, France, South Africa and many other countries for business purpose. She is associated with and donors of a number of different social welfare organizations. She is directly involved in rendering social services by holding the portfolio of General Secretary of Old Rehabilitation Centre established and run by the Managing Director of the company.

Khatib Abdul Zahid Mukul, Managing Director

Khatib Abdul Zahid Mukul, aged 59, is the Managing Director of the company. He obtained B.A degree from Dhaka University and started his business career in 1984. He started Readymade Garments export business through establishment of a 100% export oriented Knit Garments Industry in 1984 and gradually captivated own position in export market of Bangladesh. He became a successful business man within short time of his business career by dint of his sincerity, honesty, hard labor, conceptual and practical problem solving potentiality/aptitude. He gradually established a number of export oriented large industries in textile sector one by one and continued contribution in the development process of country through earning of valuable foreign currency. He is selected thrice as CIP (Commercial Important Person) by the Government of the People's Republic of Bangladesh for remarkable contribution in boosting up the export earnings of the country. He is also Director of 8(eight) other industrial units mostly pertaining to textile sectors viz. Givensee Spinning Mills Ltd., Masuma Khatun Textile Industries Ltd., Hotapara Garments Ltd., Givensee Garments Ltd., Givensee Garments Accessories Ltd., Givensee Foods & Essentials Ltd., Givensee Real Estate Ltd. and Givensee Group of Industries Ltd. As a whole, he is a successful entrepreneur. He has gathered vast knowledge and got business experience of long 32 years. He has established School and College in his native village in the district of Pabna. He is also associated with and donors of a number of Schools, Colleges, madrasa, mosque and different social welfare organization. Besides, he is directly involved in social works. As a part of discharging of social responsibilities he established Old Rehabilitation Center in 1987 in rented premise in own initiative and own finance with a view to mitigate painful sufferings of helpless old people of 60 years and above, who have no support other than the Almighty Allah. In 1994 the center was shifted to its own land located at Gazipur He is well acquainted with international business scenario because of his frequent business tours in many countries including USA, UK, Japan, China, India, German, Australia, Saudi Arab, Hong Kong, Singapore, Canada, Spain, France, South Africa and many other countries.

ANNEXURE – II

As per BSEC guideline condition no. 1.4, Pattern of Shareholding as on June 30, 2016:

Particulars	Nos. of Shareholding	Percentage	Remark
Parent Company	-	-	No Existence
Associate Companies:	-	-	No Existence
Other Related Parties:	-	-	No other related parties
Directors:			
Mr. Khatib Abdul Zahid Mukul	21,991,750	31.93%	Also Managing Director of Company
Mrs. Masuma Khatun Lipa	13,674,512	19.85%	Also Chairman of Company
Sponsors:			
Mr. Khatib Mahboob Akhter Rubel	765,325	1.11%	
Mr. Aminul Islam	95,665	0.14%	
Mr. Kazi Mushahidur Rahman	95,665	0.14%	
Mr. Mamunur Rashid	95,665	0.14%	
Mr. Khatib Md. Abu Saleh	95,665	0.14%	
Independent Directors:			
Mr. Md. Zahidul Islam	-	-	
Mr. Prof. AFM Siddiqur Rahman	-	-	
Engr. Md. Rustam Ali	-	-	
Executives (Top five salaried person other than CEO,CFO and CS)	-	-	No share held by such executives
Shareholders holding 10% or more voting right:	-	-	No holding 10% or more

ANNEXURE – II

**ACNABIN**
Chartered Accountants

BDBL Bhaban (Level-13 & 14)
12 Kawran Bazar Commercial Area
Dhaka-1215, Bangladesh.

Telephone: (88 02) 8144347 to 52
(88 02) 8189428 to 29
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e-mail: <acnabin@bangla.net>
Web: www.acnabin.com

Certificate on Compliance of Corporate Governance Guidelines

(Issued under condition #7(i) Corporate Governance Guidelines of BSEC Vide Notification No.
SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012)

I have reviewed the compliance of the conditions of the Corporate Governance Guidelines by Zahintex Industries Limited ("the Company") for the year ended 30 June 2016. These conditions of corporate Governance were issued by Bangladesh Securities & Exchange Commission (BSEC) vide their notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012. The compliance with the said conditions of Corporate Governance and reporting the status thereof is the responsibility of the management of the company. My responsibility is to provide a certificate about whether the Company is in compliance with the said conditions of Corporate Governance based on my examination.

My examination for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the company for ensuring the compliance of the conditions of Corporate Governance and correct reporting of the status of the compliance on the attached statement on the basis of evidence gathered and representation received. It is neither an audit nor an expression of opinion on the financial statements of the company.

To the best of my information and according to the explanations given to me by the Company I hereby certify that Zahintex Industries Limited has, except condition @ 1.5 (i), 1.5 (x) and 1.5 (xvii) as reported on the attached status of compliance statement (annexure A), complied with the conditions of Corporate Governance stipulated in the above mentioned BSEC's notification dated 07 August 2012.

M. Moniruzzaman, FCA
Partner
ACNABIN, Chartered Accountants
ICAB Enrollment # 787

Dhaka,
30 November 2016

Annexure-A

Status of Compliance with the conditions imposed by Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/Admin/44 dated August 07, 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

Condition No	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors (BOD)			
1.1	Board size (number of Board members - minimum 5 and Maximum 20)	✓		
1.2	Independent Directors			
1.2 (i)	At least one fifth (1/5) of the total number of Directors shall be Independent Directors	✓		
1.2 (ii)	Independent Director means a Director-	✓		
1.2 (ii)(a)	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 (ii) (b)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company	✓		
1.2 (ii) (c)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	✓		
1.2 (ii) (d)	who is not a member, director or officer of any stock exchange	✓		
1.2 (ii) (e)	who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market	✓		
1.2 (ii) (f)	who is not a partner or executive or was not a partner or an executive during the preceding 3 (three) years of the company's statutory audit firm	✓		
1.2 (ii) (g)	who shall not be an independent director in more than 3 (three) listed companies	✓		
1.2 (ii) (h)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI)	✓		
1.2 (ii) (i)	who has not been convicted for a criminal offence involving moral turpitude	✓		
1.2 (iii)	Independent Director(s) shall be appointed by BoD approved by the shareholders in the Annual General Meeting (AGM)	✓		
1.2 (iv)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days	✓		
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded	✓		
1.2 (vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only	✓		

Condition No	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.3	Qualification of Independent Director (ID)			
1.3 (i)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business	✓		
1.3 (ii)	Independent Director should be a Business Leader/Corporate leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, and Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences	✓		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of Commission	N/A		
1.4	The Chairman of the Board and the Chief Executive Officer (CEO) shall be different individuals. The Chairman shall be elected from among the directors. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the CEO	✓		
1.5	The Director's Report shall include the following additional statements:			
1.5 (i)	Industry outlook and possible future developments in the industry		✓	
1.5 (ii)	Segment-wise or product-wise performance	✓		
1.5 (iii)	Risks and concerns	✓		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	✓		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	N/A		
1.5 (vi)	Basis for related party transactions - a statement of all related party transactions should be disclosed in the annual report	✓		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any other instrument	N/A		
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for None Initial Public Offering (IPO)	N/A		
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance	N/A		
1.5 (x)	Remuneration to directors including independent directors		✓	Not included in directors report but disclosed under notes to the financial statements
1.5 (xi)	The financial statements present fairly its state of affairs, the result of its operations, cash flows and changes in equity	✓		

Condition No	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.5 (xii)	Proper books of account have been maintained	✓		
1.5 (xiii)	Adaptation of appropriate accounting policies & estimates	✓		
1.5 (xiv)	IAS/BAS/IFRS/BFRS, as applicable in Bangladesh, have been followed and adequate disclosure for any departure	✓		
1.5 (xv)	The system of Internal control is sound in design and has been effectively implemented and monitored	✓		
1.5 (xvi)	Going Concern (ability to continue as going concern)	✓		
1.5 (xvii)	Highlight and explain significant deviations from the last year's operating results	✓		
1.5 (xviii)	Key operating and financial data of at least preceding 5(five) years shall be summarized	✓		
1.5 (xix)	Reason for non-declaration of Dividend	N/A		
1.5 (xx)	The number of Board meetings held during the year and attendance by each director	✓		
1.5 (xxi)	Pattern of shareholding and name wise details (disclosing aggregate number of shares):			
1.5 (xxi) (a)	Parent/Subsidiary/Associated Companies and other related parties	✓		
1.5 (xxi) (b)	Directors, Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), Head of Internal Audit (HIA) and their spouses and minor children	✓		
1.5 (xxi) (c)	Executives	✓		
1.5 (xxi) (d)	Shareholders holding ten percent (10%) or more voting interest in the company	✓		
1.5 (xxii)	In case of the appointment/re-appointment of a director, disclose:			
1.5 (xxii) (a)	a brief resume of the director	✓		
1.5 (xxii) (b)	nature of his/her expertise in specific functional areas	✓		
1.5 (xxii) (c)	names of companies in which the person also held the directorship and the membership of committees of the board	✓		
2.0	Chief Financial Officer, Head of Internal Audit & Company Secretary			
2.1	Appointment of CFO, HIA and CS and defining their respective roles, responsibilities & duties	✓		
2.2	The CFO and the CS shall attend the meeting of the Board of Directors	✓		

Status of Compliance with the conditions imposed by Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-185/Admin/44 dated August 07, 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

Condition No	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.0	Audit Committee			
3 (i)	The Audit Committee shall be the sub-committee of the BoD	✓		
3 (ii)	The Audit Committee shall assist the BoD 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.	✓		
3 (iii)	The Audit Committee shall be responsible to the BoD. The duties of the Audit Committee shall be clearly set forth in writing	✓		
3.1	Constitution of the Audit Committee			
3.1 (i)	The Audit Committee shall be composed of at least 3 members	✓		
3.1 (ii)	The BoD shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) Independent Director	✓		
3.1 (iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience	✓		
3.1 (iv)	Expiration of the term of service of Audit Committee members making the number lower than 3 (three) and fill up the vacancy (ies) by the Board not later than 1 (one) month from the date of vacancy(ies)	N/A		
3.1 (v)	The Company Secretary shall act as the secretary of the Audit Committee	✓		
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director	✓		
3.2	Chairman of the Audit Committee			
3.2 (i)	The BoD shall select the Chairman of the Audit Committee, who shall be an Independent Director	✓		
3.2 (ii)	Chairman of the audit committee shall remain present in the AGM	✓		

Status of Compliance with the conditions imposed by Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-185/Admin/44 dated August 07, 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

Condition No	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.3	Role of Audit Committee			
3.3 (i)	Oversee the financial reporting process	√		
3.3 (ii)	Monitor choice of accounting policies and principles	√		
3.3 (iii)	Monitor Internal Control Risk Management process	√		
3.3 (iv)	Oversee hiring and performance of external auditors	√		
3.3 (v)	Review the annual financial statements before submission to the board for approval	√		
3.3 (vi)	Review the quarterly and half yearly financial statements before submission to the board for approval	√		
3.3 (vii)	Review the adequacy of internal audit function	√		
3.3 (viii)	Review statement of significant related party transactions submitted by the management	√		
3.3 (ix)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors	√		
3.3 (x)	Disclosure to the Audit Committee about the uses/applications of IPO funds 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. Further, on an annual basis, shall prepare a statement of funds utilized for the purposes other than those stated in the prospectus	N/A		

Status of Compliance with the conditions imposed by Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-185/Admin/44 dated August 07, 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

Condition No	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.4	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors			
3.4.1 (i)	Reporting to BOD on the activities of the Audit Committee	✓		
3.4.1 (ii) (a)	Reporting to BOD on conflicts of interests	✓		
3.4.1 (ii) (b)	Reporting to BOD on any fraud or irregularity or material defect in the internal control system	✓		
3.4.1 (ii) (c)	Reporting to BOD on suspected infringement of laws	✓		
3.4.1 (ii) (d)	Reporting to BOD on any other matter	✓		
3.4.2	Reporting to BSEC (if any material impact on the financial condition & results of operation, unreasonably ignored by the management)	✓		
3.5	Reporting to the Shareholders of Audit Committee activities, which shall be signed by the Chairman and disclosed in the Annual Report	✓		
4	External / Statutory Auditors			
4 (i)	Non-engagement in appraisal or valuation services or fairness opinions	✓		
4 (ii)	Non-engagement in designing and implementation of Financial Information System	✓		
4 (iii)	Non-engagement in Book Keeping or other services related to the accounting records or financial statements	✓		
4 (iv)	Non-engagement in Broker-dealer services	✓		
4 (v)	Non-engagement in actuarial services	✓		
4 (vi)	Non-engagement in internal audit services	✓		
4 (vii)	Non-engagement in any other services that the Audit Committee determines	✓		
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company during the tenure of their assignment	✓		
4 (ix)	Audit/certification services on the compliance of corporate governance as required under clause (i)	✓		

Status of Compliance with the conditions imposed by Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-185/Admin/44 dated August 07, 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

Condition No	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5	Subsidiary Company			
5 (i)	Provisions relating to the composition of the BOD of the holding company shall be made applicable to the composition of the BOD of the subsidiary company	N/A		
5 (ii)	At least 1(one) Independent Director on the BOD of the holding company shall be a director on the BOD of the subsidiary company	N/A		
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	N/A		
5 (iv)	The minutes of the respective Board Meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	N/A		
5 (v)	The Audit committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	N/A		
6	Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
6 (i)	The 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:	✓		
6 (i) (a)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	✓		
6 (i) (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	✓		
6 (ii)	there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct	✓		

Status of Compliance with the conditions imposed by Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-185/Admin/44 dated August 07, 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

Condition No	Title	Compliance Status (Put <input checked="" type="checkbox"/> in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
7	Reporting and Compliance of Corporate Governance			
7 (i)	Obtaining certificate from a practicing Professional Accountant/Secretary regarding compliance of conditions of Corporate Governance Guidelines of the BSEC and include in the Annual Report	<input checked="" type="checkbox"/>		
7 (ii)	Directors statement in the directors' report whether the company has complied with these conditions	<input checked="" type="checkbox"/>		

ANNEXURE-IV

Audit Committee Report

For the Year 2015-16

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

The Audit Committee consists of the following persons:

Mr. Zahidul Islam	-	Chairman
Mrs. Masuma Khatun Lipa	-	Member
Mr. Khatib Abdul Zahid Mukul	-	Member
Mr. Aminul Islam, FCA	-	Member Secretary

The scope of Audit Committee was defined as under:

- Review and recommend to the Board to approve the quarterly, half-yearly and annual financial statements prepared for statutory purpose;
- Review statement of significant related party transactions submitted by the management;
- Monitor and oversee choice of accounting policies and principles, internal control risk management process, auditing matter, hiring and performance of external auditors;
- Carry on a supervision role to safeguard the systems of governance and independence of statutory auditors; and
- Review and consider the report of internal auditors and statutory auditors' observations on internal control.

Authority

The Audit Committee is authorized by the main Board to review any activity within the business as per its terms of reference. It is authorized to seek any information it requires from, and require the attendance at any of its meetings of, any director or member of management, and all employees are expected to co-operate with any request made by the Committee. The Committee is also authorized to have information and advice from the Company Legal Advisor, Tax Consultant and Statutory Auditor if required. The terms of reference of the Audit Committee may be amended from time to time as required for the business in line with BSEC notifications subject to approval by the Board.

Meeting Attendance

The Audit Committee met five times during the year 2015-16. All the members were present in all meetings of the Committee. The details of attendance of each member at the Audit Committee meetings during 2015-16 are as follows:

	Designation	Total Meetings Held	No. of Meetings Attended
Md. Zahidul Islam	Chairman	05	02
Mr. Mahtab Uddin	Chairman (Retired)	05	03
Mrs. Masuma Khatun lipa	Member	05	05
Mr. Khatib Abdul Zahid Mukul	Member	05	05

Summary of Activities in 2015-16

In 2015-16, the Audit Committee reviewed its terms of reference in line with requirements of BSEC notification on corporate governance. The Committee carried out its duties in accordance with the terms of reference of the Audit Committee. Moreover, an Audit Committee effectiveness survey had been carried out for the year 2015-16 which reflected full compliance to the effectiveness Guidelines. The Committee reviewed the integrity of the quarterly and annual financial statement and recommended to the Board for consideration. The Committee had overseen, reviewed and approved the procedure and task of the internal audit, financial report preparation and the external audit reports. The Committee found adequate arrangement to present a true and fair view of the activities and the financial status of the company and didn't find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting. The Committee also reviewed and recommended to the Board steps to improve the Company's internal control systems derived from the findings of the internal and external auditors.



Md. Zahidul Islam
Chairman

Date: 23 October, 2016

Audited Financial Statements



Independent Auditor's Report To the Shareholders of Zahintex Industries Ltd.

Introduction

We have audited the accompanying financial statements of “**Zahintex Industries Ltd.**” which comprise the Statements of Financial Position as at 30 June 2016, Statement of comprehensive income, Statements of Cash Flow and Statement of Changes in equity for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statement that we free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Opinion:

We have conducted the audit in accordance with Bangladesh standard on Auditing (BSA) and accordingly we have obtained reasonable assurance about whether the Financial Statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall presentation of the financial statements.

We believe that our audit provides reasonable basis of our opinion

Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting standards (BASs), Bangladesh Financial Reporting Standards, as stated in note 1.06 give a true and fair view of the state of the companies affairs as at **June 30, 2016** and of the result of its operations and its cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

Further to our opinion in the paragraph, we state that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) in our opinion, proper books of account as required by law have been kept by the organization so far as it appeared from our examination of these books;
- iii) The company's statement of Financial Position, statement of comprehensive income, statement of cash flow and statement of changes in equity dealt with by the report are in agreement with the books of account and returns; and
- iv) The expenditure incurred was for the purpose of the company's business.

Dated: Dhaka,
23 October 2016



Mahfel Huq & Co.
Chartered Accountants

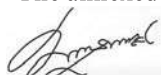
Zahintex Industries Ltd.

Statement of Financial Position

As at 30 June 2016

Particulars	Note	Amount in Taka	
		30.06.2016	30.06.2015
ASSETS			
Non-current Assets		1,106,122,871	1,119,020,337
Property, plant and equipment	4	1,106,022,871	1,118,920,337
Investment in shares	5	100,000	100,000
Current Assets		2,053,101,596	1,968,613,699
Inventories	6	1,478,590,028	1,480,246,430
Bills receivable	7	483,645,847	438,644,925
Advances and deposits	8	16,686,080	15,375,701
Advance income tax		5,057,952	4,118,797
Cash and cash equivalents	9	69,121,689	30,227,846
TOTAL ASSETS		3,159,224,467	3,087,634,036
SHARE HOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity		1,957,925,878	1,880,179,074
Share capital	10	688,792,500	626,175,000
Share premium	11	291,000,000	291,000,000
Revaluation reserve		655,828,454	671,842,943
Retained earnings	12	322,304,924	291,161,131
LIABILITIES			
Non-current Liabilities		307,430,532	312,862,489
Long term loan net of current maturity	13	300,148,559	305,691,118
Deferred Tax Liability	14	7,281,973	7,171,371
Finance Lease Obligation	15	-	-
Current Liabilities		893,868,058	894,592,473
Trade creditors	16	6,985,903	4,646,458
Current portion of long term loan	17	162,400,000	161,012,880
Liabilities for Workers Profit Participation Fund (WPPF)		5,818,077	5,252,475
Current portion of finance lease obligation	15.01	-	3,903,024
Short term loan	18	639,699,441	662,786,401
Provision for income tax	19	13,204,630	11,850,831
Liabilities for expenses	20	36,807,764	25,135,536
Bills payable	21	24,626,844	15,746,075
Subscription money payable		4,325,399	4,258,794
TOTAL LIABILITIES		1,201,298,590	1,207,454,963
TOTAL SHARE HOLDER'S EQUITY AND LIABILITIES		3,159,224,468	3,087,634,036
Net Asset Value (NAV) per share	29	28.43	30.03
Net Asset Value (NAV) per share (Restated)	29.1	28.43	27.30

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



Chairman



Managing Director



Chief Financial Officer



Company Secretary

This is the statement of financial position referred to in our separate report of even date.

Dhaka,
23 October 2016


Mahfel Huq & Co.
Chartered accountants

Zahintex Industries Ltd.**Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2016**

Particulars	Note	Amount in Taka	
		2015-2016	2014-2015
Sales	22	1,627,260,930	1,549,752,166
Less: Cost of Sales	23	(1,334,372,619)	(1,269,888,861)
Gross profit		292,888,311	279,863,305
Administrative expenses	24	(12,358,865)	(11,427,474)
Selling and distribution expenses	25	(16,953,608)	(15,674,459)
Operating profit		263,575,838	252,761,373
Non-operating income	26	438,636	131,241
Financial expenses	27	(153,095,585)	(153,345,632)
Profit before WPPF & Income Tax		110,918,889	99,546,982
Workers' Profit Participation Fund (WPPF)		(5,281,852)	(4,740,332)
Profit before income tax		105,637,037	94,806,649
Less: Provision for income tax	19	(13,204,630)	(11,850,831)
Less: Provision for Deferred Tax	14	(110,602)	(7,171,371)
Net profit after tax for the year		92,321,806	75,784,447
Earning Per Share (EPS)	28	1.34	1.21
Earning Per Share (Restated)	28.1	1.34	1.10

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



Chairman



Managing Director



Chief Financial Officer



Company Secretary

This is the statement of Profit or Loss and Other Comprehensive Income referred to in our separate report of even date.

Dhaka,
23 October 2016


Mahfel Huq & Co.
Chartered accountants

Zahintex Industries Ltd.

Statement of Changes in Equity For the year ended 30 June 2016

(Amount in Taka)

Particulars	Share Capital Capital	Share Premium	Retained Earnings	Revaluation Reserve	Total Equity
Balance as on 01 July 2015	626,175,000	291,000,000	291,161,130	671,842,943	1,880,179,073
Value realised by use of revalued assets (depreciation)	-	-	16,014,489	(16,014,489)	-
Net profit after tax for the year	-	-	92,321,806	-	92,321,806
Bonus shares issued-10%	62,617,500	-	(62,617,500)	-	-
Cash dividend paid	-	-	(14,575,002)	-	(14,575,002)
Total as on 30 June 2016	688,792,500	291,000,000	322,304,923	655,828,454	1,957,925,877
Balance as on 01 July 2014	569,250,000	291,000,000	254,340,965	689,803,661	1,804,394,626
Value realised by use of revalued assets (depreciation)	-	-	17,960,718	(17,960,718)	-
Net profit after tax for the year	-	-	75,784,447	-	75,784,447
Bonus shares issued-10%	56,925,000	-	(56,925,000)	-	-
Total as on 30 June 2015	626,175,000	291,000,000	291,161,130	671,842,943	1,880,179,073

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


Chairman


Managing Director

Chief Financial Officer

Company Secretary

This is the Statement of Changed in Equity referred to in our separate report of even date.

Dhaka,
23 October 2016



Mahfel Huq & Co.

Chartered accountants

Zahintex Industries Ltd.

Statement of Cash Flows For the year ended 30 June 2016

Particulars	Amount in Taka	
	2015-2016	2014-2015
A. Cash flow from operating activities		
Cash received from customers	1,582,260,008	1,465,666,780
Cash paid to suppliers	(749,969,848)	(841,210,759)
Cash paid for conversion cost	(495,620,028)	(505,311,794)
Cash paid for operating expenses	(29,249,397)	(33,634,618)
Cash paid for financial expenses	(153,095,585)	(153,345,632)
Cash received from non-operating income	438,636	131,241
Cash paid for WPPF	(4,716,250)	-
Income tax paid	(12,789,986)	(4,135,071)
Net cash flow from/(used in) operating activities	137,257,551	(71,839,852)
B. Cash Flow from Investing Activities		
Acquisition of property, plant and equipment	(52,709,887)	(46,873,065)
Net cash used in investing activities	(52,709,887)	(46,873,065)
C. Cash Flow from Financing Activities		
(Repayment)/received of Short term loan	(23,086,960)	(247,442,492)
Payment of finance lease obligation	(3,903,024)	(2,604,350)
Increase/(Decrease) in Long term loan	(4,155,439)	374,582,127
Increase in subscription money	66,605	56,290
Dividend Paid	(14,575,002)	-
Net cash (used in)/flow from financing activities	(45,653,820)	124,591,575
D. Net (deficit)/surplus in cash and bank balances during the year (A+B+C)	38,893,843	5,878,658
E. Cash and bank balances at beginning of the year	30,227,846	24,349,188
F. Cash and bank balances at end of the year	69,121,689	30,227,846
Net Operating Cash Flow Per Share (NOCFPS) (Note: 30)	1.99	(1.15)
Net Operating Cash Flow Per Share (Restated)	1.99	(1.04)

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



Chairman



Managing Director



Chief Financial Officer



Company Secretary

This is the Statement of Cash Flows referred to in our separate report of even date.

Dhaka,
23 October 2016



Mahfel Huq & Co.
Chartered accountants

Zahintex Industries Ltd.

Notes to the Financial Statements
For the year ended 30 June 2016

1. Incorporation and Business Activities

Zahintex Industries Ltd. (hereafter referred as "the company"/ "Zahintex") was incorporated under the Companies Act 1994 on 11 June 2002 bearing registration number C-46052 (2525)/02. The **Company's** registered office is situated at Bokran, Monipur, Gazipur. The Company was initially registered as a private limited company and subsequently converted into a public limited company in 2011. During 2011, Zahintex listed its shares with both Dhaka and Chittagong Stock Exchanges.

Zahintex Industries Ltd. is involved in manufacturing and exporting of readymade sweaters, pull over and wearing apparels of all kinds being made out of wool, cotton, synthetic, fibers and others.

2.0 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations in Bangladesh.

These financial statements have been authorised for issue by the Board of Directors of the company on 24 October 2016.

2.2 Basis of measurement

These financial statements have been prepared on historical cost basis except for the following items in the statement of financial position:

- (a) Land and land development is measured at revalued amount.
- (b) Lease obligation is measured at present value of minimum lease payments.

2.3 Functional and presentation currency

These financial statements are presented in Bangladesh Taka which is also the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest Taka.

2.4 Use of estimates and judgments

The preparation of financial statements requires management to make and apply consistent judgments, estimates and assumptions for records and balances that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 14:	Property, plant and equipment (useful life of depreciable assets)
Note 14:	Finance lease obligation (classification and measurement)
Note 18:	Provision for income tax

2.5 Reporting period

The financial reporting period of the company covers one year from 01 July to 30 June and is followed consistently.

3. Significant Accounting Policies

Accounting policies set out below have been applied consistently to all periods presented in these financial statements. Certain comparative amounts have been rearranged to conform with the current year's presentation.

3.1 Foreign currency transactions

The financial statements are presented in Taka/Tk./BDT, which is company's functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Assets and liabilities outstanding at 30 June 2016 denominated in foreign currencies have been shown in Taka at the rate in terms of foreign currencies ruling on the statement of financial position date. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in statement of profit or loss and other comprehensive income as per BAS 21: The Effects of Changes in Foreign Exchange Rates.

3.2 Property, plant and equipment

Property, plant and equipment comprise mainly land & land development, factory building, plant & machinery, electrical installation, office decoration, office equipment and vehicles as per BAS 16: Property, Plant and Equipment. Land is shown at revalued amount based on valuations by external independent valuer. All other property plant and equipment are shown cost less accumulated depreciation. Subsequent costs are included in the **asset's** carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All repairs and maintenance expenses are charged to the Statement of Comprehensive Income during the year when these are incurred.

Revaluation of Property, Plant & Equipment (PPE)

PPE have been revalued in accordance with BAS: 16 Property, Plant & Equipment.

- i) Effective date of revaluation to the financial Statements 30.06.2009.
- ii) Land & Land Developments, Buildings and other constructions, and Plant & Machinery has been revalued by an independent valuer, S.F. Ahmed & CO. Chartered Accountants.
- iii) Revaluation surplus of Tk. 339,319,890 has been transferred to Revaluation Reserve and distribution of such surplus to the shareholders is restricted.

3.3 Depreciation of property, plant and equipment

Depreciation on all property, plant and equipment other than land has been charged on reducing balance method considering the economic and useful lives of such assets. Full year depreciation is charged on assets during the period of acquisition irrespective of their date of acquisition and no depreciation will be charged on assets in the year of disposal. Depreciation method, useful lives and residual values are reviewed at each year-end and adjusted if appropriate. The estimated depreciation rate of the items of property, plant and equipment for the current and comparative periods are as follows:

<u>Name of Assets</u>	Depreciation Rate	
	2015-16	2014-15
Building	7.5%	7.5%
Plant and machinery	15%	15%
Vehicle	20%	20%
Electric Installation	15%	15%
Office Decoration	10%	10%
Office Equipments	10%	10%
Furniture & Fixture	10%	10%

3.4 Valuation of inventory

Inventories consisting of raw materials, work-in-progress, finished goods, stock in transit and store & spares are in accordance with Bangladesh Accounting Standards-2: Inventories i.e. at lower of cost and net realizable value. Costs of inventories include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost of inventories is determined by using the weighted average cost formula. Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realizable value. Net realizable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories consisting of raw materials, work-in-progress, finished goods, stock in transit and store & spares are in accordance with Bangladesh Accounting Standards-2: Inventories i.e. at lower of cost and net realizable value. Costs of inventories include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost of inventories is determined by using the weighted average cost formula. Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realizable value. Net realizable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.5 Workers Profit Participation Fund (WPPF)

The company recognizes provision and expenses for Workers Profit Participation Fund @ 5% (after charging) of net profit as per law.

3.6 Advances, deposits, loans and prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions or adjustments. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to the statement of comprehensive income. Loans are measured at net of current portion.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and cash at bank which are held and available for use by the company without any restriction.

3.8 Bills receivables

Bills receivables from foreign currency transactions are recognized into Bangladeshi Taka using exchange rates prevailing on the closing date of the accounts in accordance with BAS-21: The Effects of Changes in Foreign Exchange Rates. Uncollectible receivables are charged to statement of comprehensive income as bad debts.

3.9 Trade and other payables

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

3.10 Revenue

Revenue represents the invoice value of goods supplied to customers during the years. Revenue from sale of goods is recognized in the Statement of Profit or Loss and Other Comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. Sales are recognized when delivery certificate is raised against confirmed orders.

3.11 Financial expenses

Financial expenses comprise of interest expense on long term loan, short term loan, finance lease, L/C commission, bank charges etc. All such costs are recognized in the statement of comprehensive income except those are capitalized in accordance with BAS-23: Borrowing Costs.

3.12 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception date: whether fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement. Leases are classified as finance leases whenever the terms of lease transfer substantially all the risk and rewards of ownership to the lessee.

3.13 Taxation

Current tax has been calculated on the basis of sixth schedule para 28 of Income Tax act 1984 as ammendment of Finance Act 2016 as per schedule an amount equal to fifty per cent. of the income of an assessee, other than a company not registered in Bangladesh, derived from the business of export butit shall not apply in case of an assessee, who is enjoying exemption of tax or reduction in rate of tax by any notification made under this **Ordinance.Explanation.**– For the purpose of this **paragraph,–(a)** sale of locally manufactured machinery, equipments and other finished products within the country to any agency against its procurement program in foreign exchange quota; and(b) supply of locally manufactured raw materials and other inputs to export oriented industry under internal back-to-back letter of credit, shall also be included in the definition of “business of export.”

(b) Deferred tax

Deferred tax arises due to temporary difference deductible or taxable for the events or transaction which is recognized in the income statement. A temporary difference is the difference between the tax base of an asset or liability and its carrying amount/reported amount in the balance sheet. Deferred tax assets or liability is the amount of income tax recoverable or payable in future period(s) recognized in the current period. During the year 2015-16 management has decided to assess under normal assessment instead of 82 (C) on income tax act due to this reason this year temporary differences arises which is consider as deferred tax as per BAS-12.

3.14 Earning Per Share (EPS)

The company presents basic and diluted (when dilution is applicable) earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period, adjusted for the effect of change in number of shares for bonus issue, share split and reverse split. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant periods.

3.15 Statement of cash flows

Statement of cash flows is prepared principally in accordance with BAS-7: Cash Flow Statement and the cash flows from operating activities have been presented under direct method.

3.16 Events after the reporting period

Events after the reporting period that provide additional information about the company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

3.17 Provision

A provision is recognized on the date of financial position if, as a result of past events, the company has a present legal obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.18 Contingent liabilities and assets

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company. In accordance with BAS 37, they are disclosed in the notes to the financial statements.

3.19 General

- i. Figures have been rounded off to the nearest Taka.
- ii. Previous year's figures have been rearranged wherever considered necessary to conform to the current year's presentation.

3.20 Compliance with Financial Reporting Standards as applicable in Bangladesh

Sl. No.	BAS No.	BAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Complied
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and	Complied
5	10	Events after the Reporting Period	Complied
6	11	Construction Contracts	Not applicable
7	12	Income Taxes	Complied
8	16	Property, Plant & Equipment	Complied
9	17	Leases	Complied
10	18	Revenue	Complied
11	19	Employee Benefits	Complied
12	20	Accounting for Government Grants and Disclosure of Government	Not applicable
13	21	The Effects of Changes in Foreign Exchange Rates	Complied
14	23	Borrowing Costs	Complied
15	24	Related Party Disclosures	Complied
16	26	Accounting and Reporting by Retirement Benefit Plans	Not applicable
17	27	Separate Financial Statements	Not applicable
18	28	Investments in Associates	Not applicable
19	31	Interest in Joint Ventures	Not applicable
20	32	Financial Instruments: Presentation	Complied
21	33	Earnings per Share	Complied
22	34	Interim Financial Reporting	Complied
23	36	Impairment of Assets	Complied
24	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
26	39	Financial Instruments: Recognition and Measurement	Complied
27	40	Investment Property	Not applicable
28	41	Agriculture	Not applicable

Sl. No.	BFRS No.	BFRS Title	Compliance Status
1	1	First-time adoption of International Financial Reporting	Not applicable
2	2	Share-based Payment	Not applicable
3	3	Business Combinations	Not applicable
4	4	Insurance Contracts	Not applicable
5	5	Non-current Assets Held for Sale and Discontinued Operations	Not applicable
6	6	Exploration for and Evaluation of Mineral Resources	Not applicable
7	7	Financial Instruments: Disclosures	Complied
8	8	Operating Segments	Not applicable
9	9	Financial Instruments	Not yet adopted in BD
10	10	Consolidated Financial Statements	Not yet adopted in BD
11	11	Joint Arrangements	Not yet adopted in BD
12	12	Disclosure of Interests in other Entities	Not yet adopted in BD
13	13	Fair Value Measurement	Not yet adopted in BD
14	14	Regulatory Deferral Accounts	Not yet adopted in BD
15	15	Revenue from contracts with customers	Not yet adopted in BD

3.21 Contribution to Workers Profit Participation Funds:

This represents 5% of net profit before tax after charging the contribution and such contribution is provided as per provisions of the Bangladesh Labour Law, 2006 and is payable to workers as defined in the said Law.

4. Property, plant and equipment**A. Cost****i) Freehold assets**

Opening balance 1,741,723,896 1,694,850,831
 Add: Purchased during the year 52,709,887 46,873,065

1,794,433,783 1,741,723,896

ii) Leasehold assets

Opening balance 15,164,677 15,164,677
 Add: Addition during the year - -
 Total cost 15,164,677 15,164,677
 Total (A) 1,809,598,460 1,756,888,573

15,164,677 15,164,677
 - -
 15,164,677 15,164,677
 1,809,598,460 1,756,888,573

B. Accumulated depreciation**i) Freehold assets**

Opening balance 629,791,442 563,899,921
 Add: Charged during the year 64,209,777 65,891,521

629,791,442 563,899,921
 64,209,777 65,891,521
 694,001,219 629,791,442

ii) Leasehold assets

Opening balance 8,176,794 6,429,824
 Add: Charged during the year 1,397,577 1,746,971

8,176,794 6,429,824
 1,397,577 1,746,971
 9,574,371 8,176,794

Total (B)

703,575,590 637,968,236

C. Written down value (A-B)

1,106,022,871 1,118,920,337

A schedule of property, plant & equipment is given in Annexure-A.

5. Investment in shares

100,000 100,000

Investment in shares represents purchase value of 1,000 shares @ Tk.100 from Givensee Group of Industries Ltd. in the year 2007.

6. Inventories

	Quantity				
Raw materials (Yarn)	lbs	1,606,557	(Note: 6.1)	324,524,541	337,715,399
Work-in-progress	pcs	2,429,545	(Note: 6.2)	699,708,923	710,565,659
Finished goods	pcs	1,196,593	(Note: 6.3)	436,756,352	415,102,788
Stock in transit	lbs	55,232	(Note: 6.4)	11,271,046	10,845,796
Stores & spares			(Note: 6.5)	6,329,166	6,016,788
				1,478,590,028	1,480,246,430

6.1 Raw materials (Yarn)

Opening balance	337,715,399	253,223,498
Add: Purchase during the year	760,452,434	810,316,056
	1,098,167,833	1,063,539,554
Less: Consumption during the year	(773,643,292)	(725,824,155)
	324,524,541	337,715,399

6.2 Work-in-progress

Opening balance	710,565,659	617,325,659
Add: Materials used for the year	773,643,292	725,824,155
	1,484,208,951	1,343,149,814
Less: Transferred to cost of goods sold during the year	(784,500,028)	(632,584,155)
	699,708,923	710,565,659

		Amount in Taka	
		30.06.2016	30.06.2015
6.3 Finished goods			
Opening balance		415,102,788	511,590,257
Add: Cost of goods manufactured during the year	(Note: 23)	1,356,026,183	1,173,401,392
		1,771,128,971	1,684,991,649
Less: Cost of goods sold for the year	(Note: 23)	(1,334,372,619)	(1,269,888,861)
		436,756,352	415,102,788
6.4 Stock in transit			
Opening balance		10,845,796	10,405,333
Add: Addition during the year		8,767,564	7,876,450
		19,613,360	18,281,783
Less: Received during the year		(8,342,314)	(7,435,987)
		11,271,046	10,845,796
6.4.1 Stock in transit			
	Quantity		
Yarn	lbs 50,232	9,403,503	9,859,364
Accessories		1,867,543	986,432
		11,271,046	10,845,796
6.5 Stores & spares			
Opening balance		6,016,788	5,410,363
Add: Addition during the year		9,876,756	9,546,750
		15,893,544	14,957,113
Less: Consumed during the year		(9,564,378)	(8,940,325)
		6,329,166	6,016,788
7. Bills receivable			
Opening balance		438,644,925	354,829,245
Add: Addition during the year		1,627,260,930	1,648,739,104
		2,065,905,855	2,003,568,349
Less: Received during the year		(1,582,260,008)	(1,564,923,424)
Closing Balance		483,645,847	438,644,925

7.1 Bills receivable

Bills receivable have been stated at their nominal value. Bills receivable are accrued in the ordinary course of business. All receivables have been considered as good and realizable.

Aging of the above receivables is given below:

Particulars	Upto 1 Month	1-3 Month	3-6 Month	Above 6 Month
Buyer	-	435,281,262	48,364,585	-

A schedule of bills receivable is given in Annexure-B.

8. Advances and deposits

Advances	(Note: 8.1)	6,041,339	5,488,966
Deposits	(Note: 8.2)	2,666,178	2,666,178
Other advances	(Note: 8.3)	7,978,563	7,220,557
		16,686,080	15,375,701

8.1 Advances

Advance against salary
Advance against goods supply
Advance against rent

8.2 Deposits

Security Deposit against:

Telephone (BTCL)
Electricity (REB)
Gas (Titas Gas)

8.3 Other advances

Zemo Sweater
JL Fashion
Mohammodi Sweater
YK Sweater
Asif Apparels
Other advances

9. Cash & cash equivalents

Cash in hand
Cash at bank

(Note:9.1)

9.1 Cash at bank

Amount in Taka			30.06.2016	30.06.2015
Bank Name	Branch Name	A/C #		
One Bank Ltd.	Uttara Branch	0183121 235	84,876	83,788
One Bank Ltd.	Uttara Branch	0183121 014	305,019	6,561,479
One Bank Ltd.	Uttara Branch	0184722-054	63,453	912,451
One Bank Ltd.	Uttara Branch	65184722005	3,387,725	3,312,370
One Bank Ltd.	Uttara Branch	60184722038	109,540	128,870
One Bank Ltd.	Uttara Branch	6184722011	31,791	31,421
One Bank Ltd.	Uttara Branch	6184722003	796,343	786,133
One Bank Ltd.	Uttara Branch	60183121006	28,150,433	-
AB Bank Ltd.	Uttara Branch	4020-757375-254	26,531	3,708,423
AB Bank Ltd.	Uttara Branch	4020-757375-430	28,696	13,352
AB Bank Ltd.	Uttara Branch	4020-757375-047	38,188	31,191
AB Bank Ltd.	Uttara Branch	4020-757375-431	2,256,135	34,525
AB Bank Ltd.	Uttara Branch	4020-783411-430	48,161	9,153
IBBL	Uttara Branch	20502070100404500	2,413	7,021
Standard Bank Limited	Uttara Branch	01533003920	67,966	9,225
Standard Bank Limited	Uttara Branch	01547000027	20,048,954	-
			55,446,224	15,629,402

Amount in Taka	
2015-16	2014-15

10. Share capital

10.1 Authorized capital

120,000,000 ordinary shares of Tk.10 each.

1,200,000,000 **1,200,000,000**

10.2 Issued, subscribed and paid-up capital

68,879,250 Ordinary Shares of Tk.10 each fully paid

688,792,500 **626,175,000**

The company increased its paid up share capital from Tk. 626,175,000 to Tk. 688,792,505 by issuing 6,261,750 bonus shares to the shareholders as approved in the 13th Annual General Meeting on 28 December 2015.

Details of the share holdings are as under:

Sl. #	Particulars	% of Holdings	2016	2015	2016	2015
			No. of shares	No. of shares	Value in Taka	Value in Taka
1.	Mr. Khatib Abdul Zahid Mukul	31.93	21,991,750	19,992,500	219,917,500	199,925,000
2.	Ms. Masuma Khatun Lipa	19.85	13,674,513	12,431,375	136,745,125	124,313,750
3.	Mr. Khatib Mahboob Akhter	1.11	765,325	695,750	7,653,250	6,957,500
4.	Mr. Aminul Islam	0.14	95,665	86,968	956,650	869,680
5.	Mr. Kazi Mushahidur Rahman	0.14	95,665	86,968	956,650	869,680
6.	Mr. Mamunur Rashid	0.14	95,665	86,968	956,650	869,680
7.	Mr. Khatib Md. Abu Saleh	0.14	95,665	86,968	956,650	869,680
8.	General Public	23.44	16,146,296	22,343,481	161,462,960	223,434,810
9.	NRB	0.38	262,453	269,255	2,624,530	2,692,550
10.	Institutional Investors	10.72	7,383,856	6,192,870	73,838,560	61,928,700
11.	Other Investors (Mutual Fund)	12.01	8,272,398	344,397	82,723,980	3,443,970
Total		100.00	68,879,250	62,617,500	688,792,500	626,175,000

10.3. Classification of shareholders by range of number of shares held

The distribution schedule showing the number of shareholders and their share holdings in percentage has been disclosed below as a requirement of the "Listing Regulations of Dhaka and Chittagong Stock Exchanges".

Shareholding range in number of shares	Number of shareholders		Number of share		% of shareholding	
	2016	2015	2016	2015	2016	2015
1 to 499	1,686	1,131	374,334	2,533,895	26.77%	10.29%
500 to 5,000	4,376	9,129	4,041,194	9,667,527	69.47%	83.06%
5,001 to 10,000	102	344	703,956	2,421,176	1.62%	3.13%
10,001 to 20,000	45	232	665,616	1,745,621	0.71%	2.11%
20,001 to 30,000	16	61	397,173	757,671	0.25%	0.55%
30,001 to 40,000	10	25	360,407	958,047	0.16%	0.23%
40,001 to 50,000	13	8	546,996	970,570	0.21%	0.07%
50,001 to 100,000	17	28	1,301,246	1,458,987	0.27%	0.25%
100,001 to 1,000,000	27	30	7,032,208	7,745,784	0.43%	0.27%
over 1,000,000	7	3	53,456,120	34,358,222	0.11%	0.03%
Total	6,299	10,991	68,879,250	62,617,500	100%	100%

11. Share premium

291,000,000 **291,000,000**

In 2011-2012, total amount of Tk.300,000,000 was received as share premium in respect of shares issued to shareholders. Income tax on share premium of Tk.9,000,000 was set off against share premium as per BAS 32: Financial Instruments: Presentation.

12. Retained earnings

Opening balance
 Add: Net profit/income after tax for the year
 Add: Transferred from revaluation reserve
 Less: Dividend paid as bonus share
 Closing Balance

Amount in Taka	
2015-16	2014-15
291,161,131	254,340,965
92,321,806	75,784,447
383,482,937	330,125,412
16,014,489	17,960,718
399,497,426	348,086,131
(77,192,502)	56,925,000
322,304,924	291,161,131
462,548,559	466,703,998
(162,400,000)	161,012,880
300,148,559	305,691,118
462,548,559	466,703,998
462,548,559	466,703,998

13. Long term loan net of current maturity

Term loan-AB Bank (Note: 13.1)
 Less: Current portion of long term loan-AB Bank (Note: 17.1)

13.1 Term loan**AB Bank Limited**

Term loan, A/C -469

Particulars of the above term loans are given below:

Bank	Loan Account	Particulars
AB Bank	A/C -469	Limit amount: Tk.468,700,000 Purpose: Construction of factory building . Interest rate: 12% Tenor: Five years

14.00 Deferred Tax

Balance as 01.07.2015
 Add: Deferred Tax on assets
 Balance as 30.06.2016 (Note 3.13-B)

7,171,371	-
110,602	7,171,371
7,281,973	7,171,371

This represents tax liability in future due to taxable temporary differences

15.00 Finance lease obligation

Zahintex Industries Limited entered into lease agreement with United Leasing Company Limited in the year 2011-12 for the right to use vehicles. Zahintex Industries Limited paid off its all finance lease obligation and as on the date the balance is nil.

Opening balance
 Add: Addition during the year

Less: Paid during the year

Less: Current portion of lease obligation (Note 15.1)

-	6,507,374
-	-
-	6,507,374
-	2,604,350
-	3,903,024
-	(3,903,024)
-	-

15.1 Current portion of finance lease obligation

Amount in Taka	
2015-16	2014-15

Current portion of finance lease obligation represents the principal amount of lease obligation included in the minimum lease payments falling due within 12 months from the end of the reporting period. Accordingly current portion of finance lease obligation is Tk.3,903,024 for 2014-15 subsequently the amount finally paid in July 2015 which has been reflected in the year 2014-15 and as on this date the balance is nil.

16.00 Trade creditors

Opening balance	4,646,458	5,131,243
Add: Addition during the year	27,425,192	13,598,277
	32,071,650	18,729,521
Less: Paid during the year	(25,085,747)	(14,083,063)
Closing Balance	6,985,903	4,646,458

16.1 Trade creditors

Aging of the above trade payables is given below:

Particulars	Up to 1 Month	1-3 Month	3-6 month	6 months	Total
Suppliers	-	4,959,991	2,025,912	-	6,985,903

A schedule of trade creditors is given in Annexure-C.

17.00 Current portion of long term loan

Term loan - AB Bank Limited	(Note: 17.1)	162,400,000	161,012,880
		162,400,000	161,012,880

17.1 Current portion of term loan - AB Bank Limited

A/C 469		162,400,000	161,012,880
		162,400,000	161,012,880

18.00 Short term loan

Time loan:	One Bank Ltd.	(Note: 18.1)	382,959,135	396,926,620
	AB Bank Ltd.		51,675,032	197,526,652
Overdraft:	One Bank Ltd., A/c 183121-006		-	349
	AB Bank Ltd., A/c 757375-000		30,697,951	31,019,485
Demand loan:	One Bank Ltd.	(Note: 18.2)	76,796,166	37,313,295
SOD (Export)	Standard Bank	(Note: 18.3)	87,545,878	-
Packing Credit	Standard Bank	(Note: 18.4)	10,025,279	-
			639,699,441	662,786,401

18.1 Time loan

One Bank Limited

	Amount in Taka	
	2015-16	2014-15
Time Loan A/CTM11140620001	-	13,842,036
Time loan, A/c TM11140930001	-	30,657,570
Time loan, A/c TM11141030001	-	7,320,828
Time loan, A/c TM11141110001	-	1,822,763
Time loan, A/c TM11141250001	-	12,873,916
Time loan, A/c TM11141260001	25,089,336	21,646,579
Time loan, A/c TM11141270003	8,777,015	7,572,634
Time loan, A/c TM11141550002	34,699,025	29,937,627
Time loan, A/c TM11141560002	14,592,382	12,590,017
Time loan, A/c TM11141620001	5,763,332	4,972,488
Time loan, A/c TM11141630002	1,097,236	946,674
Time loan, A/c TM11141680001	1,504,972	1,298,460
Time loan, A/c TM11141700001	2,596,915	2,240,566
Time loan, A/c TM11141810001	32,658,142	28,176,794
Time loan, A/c TM11141810003	37,685,437	32,514,244
Time loan, A/c TM11141810004	18,646,027	16,087,420
Time loan, A/c TM11141810006	75,666,234	65,283,318
Time loan, A/c TM11141810007	55,488,497	47,874,369
Time loan, A/c TM11141810009	15,830,358	13,658,117
Time loan, A/c TM11141810013	16,019,045	13,820,912
Time loan, A/c TM11141810015	13,782,857	11,891,574
Time loan, A/c TM11141810016	23,062,324	19,897,714
	382,959,135	396,926,620
<u>AB Bank Ltd.</u>		
Time loan, A/c 757375-021	-	17,716,238
Time loan, A/c 757375-022	-	17,625,385
Time loan, A/c 757375-023	-	6,309,201
Time loan, A/c 757375-024	-	17,544,627
Time loan, A/c 757375-025	-	50,430,555
Time loan, A/c 757375-026	-	15,906,846
Time loan, A/c 757375-586	-	356,397
Time loan, A/c 757375-587	-	18,077,260
Time loan, A/c 757375-588	-	17,925,774
Time loan, A/c 757375-589	-	17,867,658
Time loan, A/c 757375-598	-	17,766,711
Time loan, A/c 757375-037	8,384,320	-
Time loan, A/c 757375-038	8,739,817	-
Time loan, A/c 757375-039	1,559,821	-
Time loan, A/c 757375-040	4,408,096	-
Time loan, A/c 757375-041	6,990,802	-
Time loan, A/c 757375-043	1,843,920	-
Time loan, A/c 757375-044	7,824,840	-
Time loan, A/c 757375-510	248,002	-
Time loan, A/c 757375-511	5,908,116	-
Time loan, A/c 757375-512	1,730,234	-
Time loan, A/c 757375-513	2,201,080	-
Time loan, A/c 757375-514	105,215	-
Time loan, A/c 757375-515	891,939	-
Time loan, A/c 757375-516	838,830	-
	51,675,032	197,526,652
Total Time Loan	434,634,167	594,453,272

Particulars of the above time loans are given below:

Bank	Loan Account	Particulars
One Bank Ltd.	Time Loan A/CTM11140620001	Limit amount: 50,00,00,000
	Time loan, A/c TM11140930001	Purpose: Working capital expenses
	Time loan, A/c TM11141030001	Interest rate: 13%
	Time loan, A/c TM11141110001	Tenor: 1 year
	Time loan, A/c TM11141250001	Nature: Revolving
	Time loan, A/c TM11141260001	
	Time loan, A/c TM11141270003	
	Time loan, A/c TM11141550002	
	Time loan, A/c TM11141560002	
	Time loan, A/c TM11141620001	
	Time loan, A/c TM11141630002	
	Time loan, A/c TM11141680001	
	Time loan, A/c TM11141700001	
	Time loan, A/c TM11141810001	
	Time loan, A/c TM11141810003	
	Time loan, A/c TM11141810004	
	Time loan, A/c TM11141810006	
	Time loan, A/c TM11141810007	
	Time loan, A/c TM11141810009	
	Time loan, A/c TM11141810013	
	Time loan, A/c TM11141810015	
	Time loan, A/c TM11141810016	
AB Bank Ltd.	Time loan, A/c 757375-021	Limit amount: 50,00,00,000
	Time loan, A/c 757375-022	Purpose: Working capital expenses
	Time loan, A/c 757375-023	Interest rate: 12%
	Time loan, A/c 757375-024	Tenor: 1 year
	Time loan, A/c 757375-025	Nature: Revolving
	Time loan, A/c 757375-026	
	Time loan, A/c 757375-586	
	Time loan, A/c 757375-587	
	Time loan, A/c 757375-588	
	Time loan, A/c 757375-589	
	Time loan, A/c 757375-598	
	Time loan, A/c 757375-037	
	Time loan, A/c 757375-038	
	Time loan, A/c 757375-039	
	Time loan, A/c 757375-040	
	Time loan, A/c 757375-041	
	Time loan, A/c 757375-043	
	Time loan, A/c 757375-044	
	Time loan, A/c 757375-510	
	Time loan, A/c 757375-511	
	Time loan, A/c 757375-512	
	Time loan, A/c 757375-513	
	Time loan, A/c 757375-514	
	Time loan, A/c 757375-515	
	Time loan, A/c 757375-516	

18.2 Demand loan

One Bank Ltd.

Amount in Taka	
2015-16	2014-15

006TM13150430001	4,104,928	8,595,834
006TM13150490001	3,765,450	3,208,145
006TM13150570001	5,773,392	4,918,902
006TM13150680003	9,660,077	8,230,339
006TM13150710001	6,688,330	5,698,424
006TM13150710002	-	821,927
006TM13150750001	-	1,066,621
006TM13150750002	-	199,650
006TM13151810001	5,367,933	4,573,453
006TM13151810002	41,436,056	-
Total demand loan	76,796,166	37,313,295

18.3 SOD (Export & Gen)

Standard Bank Ltd.

SOD (Export) A/C-002	4,619,132	-
SOD (Export) A/C-004	1,478,496	-
SOD (Gen) A/C-008	81,448,251	-
	87,545,878	-

18.4 Packing Credit

Standard Bank Ltd.

PC Loan A/C-1727	1,507,000	-
PC Loan A/C-1728	1,507,000	-
PC Loan A/C-1729	1,507,000	-
PC Loan A/C-1730	502,333	-
PC Loan A/C-1734	3,001,167	-
PC Loan A/C-1735	1,000,389	-
PC Loan A/C-1736	1,000,390	-
	10,025,279	-

19.00 Provision for income tax

Opening balance	11,850,831	10,877,750
Add: Provision made during the year	13,204,630	11,850,831
	25,055,461	22,728,581
Less: Adjustment/payment during the year	11,850,831	10,877,750
	13,204,630	11,850,831

20. Liabilities for expenses

Salary & allowances	987,465	528,520
Wages & allowances	20,327,331	16,180,398
Rent	48,442	24,300
Gas bill	10,073,521	4,541,134
Telephone bill	368,383	53,325
Electricity bill	1,792,379	204,779
Audit fee	287,500	287,500
Withholding tax payable	2,419,988	2,507,218
Other liabilities	502,755	808,362
	36,807,764	25,135,536

21. Bills payable

Opening balance	15,746,075	43,567,072
Add: Addition during the year	304,869,134	297,683,346
	320,615,209	341,250,418
Less: Paid during the year	(295,988,365)	(325,504,343)
Closing Balance	24,626,844	15,746,075

A schedule of bills payable is given in Annexure-D.

22. Sales**23. Cost of Sales**

Opening stock of raw materials	
Add: Purchased during the year	
Less: Closing stock of raw materials	
Raw materials consumed	
Add: Opening stock of work-in-process	
Less: Closing stock of work-in-process	
Add: Conversion cost (Note: 23.1)	
Cost of goods manufactured	
Add: Opening stock of finished goods	
Cost of goods available for sale	
Less: Closing stock of finished goods	

23.1 Conversion cost

Wages	
Gas bills	
Electric bill	
Telephone/mobile bill	
Factory maintenance	
Vehicle maintenance	
Factory rent	
Space rent	
Fuel & lubricant	
Printing	
Holiday allowances	
Insurance premium	
Stationery	
Conveyance	
Medical expenses	
Tiffin expenses	
Depreciation	

Amount in Taka	
2015-16	2014-15
1,627,260,930	1,549,752,166
337,715,399	253,223,498
760,452,434	810,316,056
1,098,167,833	1,063,539,554
(324,524,541)	(337,715,399)
773,643,292	725,824,155
710,565,659	617,325,659
1,484,208,951	1,343,149,814
(699,708,923)	(710,565,659)
784,500,028	632,584,155
571,526,155	540,817,237
1,356,026,183	1,173,401,392
415,102,788	511,590,257
1,771,128,971	1,684,991,649
(436,756,352)	(415,102,788)
1,334,372,619	1,269,888,861
463,148,452	437,334,425
16,534,099	9,759,726
4,239,270	3,427,180
867,543	721,345
3,852,756	4,603,379
1,324,321	1,123,450
5,385,560	5,385,560
1,020,816	1,020,816
4,647,750	5,934,540
190,605	187,016
1,215,432	1,104,568
2,136,457	966,840
288,765	280,524
867,543	780,890
120,545	115,674
1,452,342	1,345,670
64,233,899	66,725,634
571,526,155	540,817,237

24. Administrative expenses

Salary & allowance	
MD's remuneration	(Note: 32.4)
Director remuneration	
Stationery	
Conveyance	
Office rent	
Entertainment	
Office maintenance	
Fuel for vehicle	
Electricity bill	
Telephone /mobile bill	
Postage & courier	
Audit fees	
Renewal & registration	
Miscellaneous expenses	
Depreciation	

Amount in Taka	
2015-16	2014-15
6,746,534	6,324,870
770,000	770,000
196,000	196,000
336,352	333,567
155,435	153,345
579,444	579,444
181,940	178,246
175,635	122,348
305,645	288,650
495,601	505,750
124,678	133,560
204,536	187,456
287,500	287,500
258,220	255,430
167,890	198,450
1,373,455	912,858
12,358,865	11,427,474

25. Selling & distribution expenses

Salary & allowance	
Freight charges	
B/L charges	
Buying commission	
Traveling & conveyance	
Vehicle maintenance	
Clearing & forwarding	
Fuel for vehicle	
Sampling expenses	
Postage & courier	
Carriage outward	
Fees & forms	
Business promotion	

5,995,999	5,633,280
453,652	338,754
2,145,342	1,913,650
1,987,654	2,015,636
128,890	123,987
221,542	123,564
3,254,768	3,178,890
307,872	205,670
309,273	313,450
298,763	313,246
1,316,534	1,111,197
278,967	252,485
254,352	150,650
16,953,608	15,674,459

26. Non-operating income

Interest Income-IPO A/C	
Foreign Currency Gain	

121,183	131,241
317,453	-
438,636	131,241

27. Financial expense

Bank charge & commission	
Interest on finance lease obligation	
Interest on others (WPPF)	
Bank interest	

8,954,356	8,700,882
-	866,504
897,687	777,182
143,243,542	143,001,064
153,095,585	153,345,632

28. Earnings Per Share

Net profit after tax (A)	
Weighted average number of ordinary shares	
Earning Per Share (A/B)	

92,321,806	75,784,447
68,879,250	62,617,500
1.34	1.21

28.1 Restated:

Profit after tax for the year (A)
 Weighted average number of ordinary shares (B)
 Earning Per Share (A/B)

Amount in Taka	
2015-16	2014-15

92,321,806	75,784,447
68,879,250	68,879,250
1.34	1.10

29. Net asset value (NAV) per share

Total assets
 Less: Liabilities
 Net Asset Value (NAV) (A)
 Number of ordinary shares outstanding (B)
 Net asset value (NAV) per share (A/B)

3,159,224,467	3,087,634,036
(1,201,298,590)	(1,207,454,963)
1,957,925,877	1,880,179,073
68,879,250	62,617,500
28.43	30.03

29.1 Restated:

Net assets (Total assets- Liabilities) (A)
 Number of ordinary shares outstanding (B)
 Net asset value (NAV) per share (A/B)

1,957,925,877	1,880,179,073
68,879,250	68,879,250
28.43	27.30

30 Net operating cash flow per share (NOCFPS)

Net operating cash flows (A)
 Weighted average number of ordinary shares (B)
 Net operating cash flows per shares (A/B)

137,257,551	(71,839,852)
68,879,250	62,617,500
1.99	(1.15)

30.1 Restated :

Net operating cash flows
 Number of ordinary share

137,257,551	(71,839,852)
68,879,250	68,879,250
1.99	(1.04)

31. Financial risk management

The management of the company has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies have been established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risks from its use of financial instruments.

- * Credit risk
- * Liquidity risk
- * Market risk

31.1 Credit risk

Credit risk is the risk of a financial loss to the company if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables.

Amount in Taka	
2015-16	2014-15

As the company is involved in 100% export oriented business, all the sales are made against Letter of Credit (L/C). L/Cs provide guarantee against credit sales and minimise the credit risk to an acceptable level. Bills receivable arises due to the time difference between submission of bills to the bank for collection of proceeds and actual realisation of the proceeds.

(a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Financial assets (HTM) - Inve:	(Note 5)	100,000	100,000
Bills receivables	(Note 7)	483,645,847	438,644,925
Cash and cash equivalents	(Note 9)	69,121,689	30,227,846
		552,867,536	468,972,771

The maximum exposure to credit risk for trade and other receivables as at the statement of financial position date by geographic regions was:

Domestic	-	-
Foreign	483,645,847	438,644,925
	483,645,847	438,644,925

b) Aging of bills receivables

The aging of gross trade receivables as at the statement of financial position date was:

Past due 0-90 days	478,278,059	394,780,433
Past due 91-180 days	53,142,007	43,864,493
Past due 181 -365 days	-	-
Past due more than 365 days	-	-
	531,420,066	438,644,925

c) Impairment losses

No impairment loss on the above receivables was recognised as management of the company assumed that no impairment occurred during the period.

31.2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they falls due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

The following are the contractual maturities of financial liabilities of the company:

As at 30 June 2016

	Contractual cash flows (Taka)	1 year or less Taka	More than 1 year Taka
Long term loan	300,148,559	198,768,798	101,379,761
Liabilities for Workers Profit Participation Fund (WPPF)	5,818,077	3,102,974	2,715,103
Finance Lease obligation	-	-	-
Trade creditors	6,985,903	6,985,903	-
Short term loan	639,699,441	639,699,441	-
Provision for income tax (net of AIT)	8,146,678	8,146,678	-
Liabilities for expenses	36,807,764	36,807,764	-
Bills payable	24,626,844	24,626,844	-
Subscription money payable	4,325,399	2,162,700	2,162,700
	1,026,558,665	920,301,102	106,257,563

As at 30 June 2015

	Contractual cash flows (Taka)	1 year or less Taka	More than 1 year Taka
Long term loan	305,691,118	189,749,515	115,941,603
Liabilities for Workers Profit Participation Fund (WPPF)	5,252,475	2,801,320	2,451,155
Finance Lease obligation	5,125,652	3,903,024	1,222,628
Trade creditors	4,646,458	4,646,458	-
Short term loan	662,786,401	662,786,401	-
Provision for income tax (net of AIT)	7,732,034	7,732,034	-
Liabilities for expenses	25,135,536	25,135,536	-
Bills payable	15,746,075	15,746,075	-
Subscription money payable	4,258,794	2,129,397	2,129,397
	1,036,374,542	914,629,760	121,744,783

31.3 Market risk

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

a) Currency risk

The company is exposed to currency risk on receiving of sales proceeds and payments made for raw materials purchase as well. All of the company's foreign currency transactions are denominated in USD.

i) Exposure to currency risk

	30.06.2016 Taka	30.06.2015 Taka
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The company's exposure to foreign currency risk was as follows based on notional amounts:

Foreign currency denominated assets:

Bills receivable (US Dollar)	483,645,847	438,644,925
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Foreign currency denominated liabilities:

	Amount in Taka	
	2015-16	2014-15
Bills payable	(23,395,502)	(14,958,771)
Subscription money payable :	(937,674)	(946,500)
USD	(796,343)	(786,170)
GBP	(109,540)	(128,880)
EURO	(31,791)	(31,450)
Net exposure	459,312,671	422,739,654
The following rate has been applied:	Taka	Taka
USD	77.00	77.00
GBP	120.00	120.00
EURO	85.00	85.00

ii) Foreign exchange rate sensitivity analysis for foreign currency expenditures

A strengthening (weakening) of the USD, GBP and EURO against BDT at June 2016 would affect the measurement of financial instruments denominated in foreign currency and increased (decreased) in equity and profit or loss by the amount shown below. This analysis is based on foreign currency exchange rate variance that the company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any forecasted sales and purchase.

2015-2016	Profit or loss		Equity	
	Increase	Decrease	Increase	Decrease
USD(10% movement)	(1,034)	1,034	(1,034)	(1,034)
GBP (8% movement)	73	(73)	73	(73)
EURO (9% movement)	34	(34)	34	(34)
2014-2015				
USD(10% movement)	1,021	(1,021)	1,021	(1,021)
GBP (8% movement)	86	(86)	86	(86)
EURO (9% movement)	33	(33)	33	(33)

b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. The company is exposed to fluctuation in interest rates as it has floating interest rate bearing financial liabilities (demand loan and short term loan) but did not enter into any type of derivative instrument in order to hedge interest rate risk as at 30 June 2016.

Profile

As at 30 June 2016, the interest rate profile of the company's interest bearing financial instruments was:

	Carrying amount as at	
	30.06.2016 Taka	30.06.2015 Taka
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	897,182,726	(896,594,375)
	897,182,726	(896,594,375)

Variable rate instruments

Financial assets

Financial liabilities

Amount in Taka	
2015-16	2014-15
-	-
205,065,274	(84,224,512)
205,065,274	(84,224,512)

Fair value of financial assets and liabilities of the company together with carrying amount shown in the statement of financial position are as follows:

As at 30 June 2016		As at 30 June 2015	
Carrying amount	Fair value	Carrying amount	Fair value
Taka	Taka	Taka	Taka

Financial assets

Assets carried at fair value through profit or loss

Held to maturity assets

Investment in shares

Loans and receivables

Bills receivable

Available for sale financial

-	-	-	-
100,000	100,000	100,000	100,000
483,645,847	483,645,847	438,644,925	438,644,925
-	-	-	-
483,745,847	483,745,847	438,744,925	438,744,925

Financial liabilities

Liabilities carried at fair value through profit or loss

Long term loan

Liabilities for workers profit participation fund (WPPF)

Finance lease obligation

Trade creditors

Short term loan

Provision for income tax (net of AIT)

Liabilities for expenses

Bills payable

Subscription money payable

-	-	-	-
300,148,559	N/A*	305,691,118	
5,818,077	N/A*	5,252,475	
-	-	5,125,652	
6,985,903	N/A*	4,646,458	
639,699,441	N/A*	662,786,401	
8,146,678	N/A*	7,732,034	
36,807,764	N/A*	25,135,536	
24,626,844	N/A*	15,746,075	
4,325,399	N/A*	4,258,794	
1,026,558,665	-	1,036,374,542	

* Determination of fair value is not required as per the requirements of BFRS 7 : Financial Instruments: Disclosures (ref: Para 29). However, fair value of such instruments is not likely to be significantly different from the carrying amounts of such instruments.

32. Other commitments, contingencies and relevant information

32.1 Quantity wise schedule as required under Para 3, Schedule XI, Part II of the Companies Act 1994

Quantity wise schedules of sales, raw material consumed and opening and closing stock of finished goods relating to the financial statements for the year ended 30 June 2016 as required under Para 3, Schedule XI, Part II of the Companies Act

a. Sales:

Particulars	01.07.2015 to 30.06.2016		01.07.2014 to 30.06.2015	
	Quantity (Pcs)	Amount in Taka	Quantity (Pcs)	Amount in Taka
Domestic sales	-	-	-	-
Export sales	4,786,062	1,627,260,930	4,692,664	1,549,752,166
Total	4,786,062	1,627,260,930	4,692,664	1,549,752,166

b. Raw materials consumed in quantities:

Particulars	01.07.2015 to 30.06.2016	01.07.2014 to 30.06.2015	01.07.2013 to 30.06.2014
	Yarn (Lbs)	Yarn (Lbs)	Yarn (Lbs)
Opening stock	1,521,241	1,140,646	822,359
Add: Purchase	3,587,040	3,822,246	5,260,653
Raw material available for consumption	5,108,281	4,962,892	6,083,012
Less: Closing stock	1,606,557	1,521,241	1,140,646
Raw material consumed	3,501,724	3,441,651	4,942,366

c. Particulars in respect of opening stock, sales and closing stock of finished goods:

Period	Opening stock		Closing stock		Sales	
	Quantity (in Pcs)	Value in Taka	Quantity (in Pcs)	Value Taka	Quantity (in Pcs)	Value in Taka
July 14 to June. 2015	1,401,617	511,590,257	1,137,268	415,102,788	4,692,664	1,549,752,166
July 15 to June. 2016	1,137,268	415,102,788	1,196,593	436,756,352	4,786,062	1,627,260,930

32.2 Information as per requirement of Para 8, Schedule XI, Part II, of the Companies Act 1994

Disclosure under Para 8, Schedule XI, Part II of the Companies Act, 1994 are as under:

Raw materials:

Items	Purchase in Taka			Consumption in Taka	% of consumption of total purchase
	Import	Local	Total		
Yarn	686,308,322	-	686,308,322	1,040,116,498	152%
Accessories & packing mater.	69,353,262	4,790,850	74,144,112	107,914,957	146%
Total	755,661,584	4,790,850	760,452,434	1,148,031,455	

The value of imported raw materials is calculated on CIF basis.

Foreign exchange earning USD 20,907,461.85 equivalent to Tk.1,609,874,563 in respect of export (July-2015 to June-2016) has been calculated on F.O.B basis.

32.3 Number of employees

The company had 2,203 permanent employees and 5,290 employees on contract basis as at 30 June 2016 (2015-2016). All permanent employees receive salary & allowances in excess of Tk.52,290 per employee per annum.

32.4 Managing director remuneration

Remuneration
House rent benefit

Amount in Taka	
2015-16	2014-15
350,000	350,000
420,000	420,000
770,000	770,000

32.5 Capacity utilization

Total production capacity in Pcs (A)
Capacity utilized in Pcs for the year (B)
Capacity utilized for the year (A/B)
Production capacity of the company is 9,600,000 Pcs per year.

Quantity in Pcs	
2015-16	2014-15
9,600,000	9,600,000
4,821,647	5,242,765
50.23%	54.61%

32.6 Capital expenditure commitment

There was no capital expenditure commitment or contract at 30 June 2015. There was no material capital expenditure authorized by the Board but not contracted for at 30 June 2016.

32.7 Directors' interest in contracts with the company

There was no transaction resulting in Directors' interest with the company and no leasing facilities have been made available to the Directors.

32.8 Foreign remittances

No remittances was made in foreign currency on account of dividend, royalty, technical experts, professional advisor fees, interest, etc.

32.9 Related party disclosures**Related party transactions**

During the period, the company carried out a number of transactions with related parties in the normal course of business and on an arms' length basis. The name of these related parties, nature of these transactions and their total value have been set out in accordance with the provisions of BAS 24: Related Party Disclosure.

Name of the party	Nature of transactions	Nature of relationship	Transactions value (Taka)	
			01 July 2015 to 30 June 2016	01 July 2014 to 30 June 2015
Giveensee Spinning C & F	Clearing & forwarding service	Sister concern	2,345,345	2,178,890
Giveensee Garments Accessories Ltd.	Accessories & packing materials supply	-do-	31,707,566	29,813,319
Giveensee Spinning Mills Ltd.	Raw yarn supply	-do-	8,877,655	9,588,506
Masuma Khatun Textile Industries Ltd.	Died yarn supply	-do-	137,787,355	151,082,217

ii) Particulars of Directors of Zahintex Industries Ltd. as at 30 June 2016:

Name of Directors	BOD of Zahintex Industries Ltd.	Entities where they have interests
Mr. Khatib Abdul Zahid Mukul	Managing Director	Giveensee Spinning Mills Ltd. Hotapara Garments Ltd. Masuma Khatun Textile Industries Ltd. Giveensee Garments Ltd. Giveensee Garments Accessories Ltd. Giveensee Real Estate Ltd. Giveensee Foods & Essentials Ltd. Giveensee Group of Industries Ltd.
Mrs. Masuma Khatun Lipa	Chairperson & Director	Giveensee Spinning Mills Ltd. Hotapara Garments Ltd. Masuma Khatun Textile Industries Ltd. Giveensee Garments Ltd. Giveensee Garments Accessories Ltd. Giveensee Real Estate Ltd. Giveensee Foods & Essentials Ltd. Giveensee Group of Industries Ltd.
Mr. Md. Zahidul Islam	Independent Director	-
Prof. AFM Siddiqur Rahman	Independent Director	-
Engr. Md. Rustam Ali	Independent Director	-

32.10 Events after the reporting period

The Board of Directors of Zahintex Industries Ltd., at its 114th meeting held on 23 October 2016, proposed cash dividend 07% except sponsor / directors and stock dividend 08% for all shareholders of the paid-up capital for the year 2015-16. These dividends are subject to final approval by the shareholders at the forthcoming Annual General Meeting (AGM) of the company.

Dhaka,
23 October 2016



Chairman



Managing Director



Company Secretary

Zahintex Industries Ltd.
Schedule of Property, Plant & Equipment
As of 30 June 2016

Name of assets	Cost			Depreciation			Amount in Taka	
	Balance as on 01.07.2015	Addition during the year	Balance as on 30.06.2016	Rate %	Balance as on 01.07.2015	Charged during the year	Balance as on 30.06.2016	Written down value as on 30.06.2016
a. Freehold assets								
Factory								
Land & Land Development	50,416,510	6,547,653	56,964,163	0%	-	-	-	56,964,163
Building Factory	361,023,874	6,755,326	367,779,200	7.5%	145,540,902	16,667,872	162,208,775	205,570,425
Plant & Machinery	467,295,161	24,435,625	491,730,786	15.0%	314,820,165	26,536,593	341,356,758	150,374,028
Vehicle	13,271,452	-	13,271,452	20.0%	9,779,403	698,410	10,477,813	2,793,639
Electrical Installation	16,466,247	9,452,454	25,918,701	15.0%	6,458,982	2,918,958	9,377,940	16,540,761
	908,473,244	47,191,058	955,664,302		476,599,453	46,821,833	523,421,286	432,243,016
Administrative								
Office Decoration	5,527,617	1,876,578	7,404,195	10.0%	2,048,669	535,553	2,584,221	4,819,974
Office Equipment	4,957,238	2,345,678	7,302,916	10.0%	1,928,430	537,449	2,465,879	4,837,037
Furniture & Fixtures	2,807,695	1,296,573	4,104,268	10.0%	1,099,731	300,454	1,400,185	2,704,083
	13,292,550	5,518,829	18,811,379		5,076,830	1,373,455	6,450,285	12,361,094
Sub-Total	921,765,794	52,709,887	974,475,681		481,676,282	48,195,288	529,871,570	444,604,111
b. Revalued assets								
Land & Land Development	503,587,425	-	503,587,425	0.0%	-	-	-	503,587,425
Building Factory	196,336,042	-	196,336,042	7.5%	73,351,528	9,223,839	82,575,367	113,760,675
Plant & Machinery	120,034,635	-	120,034,635	15.0%	74,763,631	6,790,651	81,554,281	38,480,354
Sub-Total	819,958,102	-	819,958,102		148,115,159	16,014,489	164,129,648	655,828,454
Total Freehold Assets	1,741,723,896	52,709,887	1,794,433,783		629,791,441	64,209,777	694,001,219	1,100,432,564
c. Leased Asset								
Vehicle	15,164,677	-	15,164,677	20.0%	8,176,794	1,397,577	9,574,370	5,590,307
Total as on 30 June 2016	1,756,888,573	52,709,887	1,809,598,460		637,968,235	65,607,354	703,575,589	1,106,022,871
Total as on 30 June 2015	1,710,015,508	46,873,065	1,756,888,573		570,329,744	67,638,491	637,968,235	1,118,920,337
Allocation of Depreciation :	Amount in Taka							
Factory 97.90655%	64,233,899							
Administration 2.09344%	1,373,455							
	<u>65,607,354</u>							

Zahintex Industries Ltd.

Schedule of bills receivable As at 30 June 2016

(Amount in Taka)

Particulars	Balance as on 01.07.2015	Addition during the year	Realized during the year	Balance as on 30.06.2016
AGORA	13,172,466	-	6,765,408	6,407,058
ALDI	25,984,334	37,655,325	47,655,325	15,984,334
C & A	42,537,114	-	-	42,537,114
AUCHAN	8,195,852	173,117,046	161,222,170	20,090,728
BERSHKA	25,770,635	163,447,614	169,731,998	19,486,251
Bristol		16,259,387	15,236,910	1,022,477
GOLDEN PENNING	32,439,000	22,488,404	36,488,404	18,439,000
GDS		20,561,262	14,811,281	5,749,981
Glister Tex		9,311,439	9,311,439	-
Inticom		11,256,488	11,256,488	-
K & L	1,308,910	-	1,025,863	283,047
K - MAIL	20,627,467	48,173,313	36,957,561	31,843,219
Legendtex	-	26,795,670	22,988,288	3,807,382
Next Retail		5,074,312	5,074,312	-
Orchestra		48,986,045	44,451,494	4,534,551
Padma		75,809,893	43,256,241	32,553,652
Primark		2,022,903	2,022,903	-
Pull & Bear		12,323,850	12,323,850	-
Reliance		5,793,424	5,793,424	-
Societe Rio		17,336,410	9,842,948	7,493,462
System U		15,501,325	7,230,361	8,270,964
SRG	13,713,992	-	6,756,423	6,957,569
Top Grade	30,872,855	25,340,409	29,765,476	26,447,788
TERRANOVA	21,075,668	93,585,738	87,790,848	26,870,558
TEDDY	42,661,721	17,886,648	44,155,701	16,392,668
New Look	13,877,926	60,565,183	53,925,730	20,517,379
HAR	8,243,536	-	-	8,243,536
Full Fashion	16,721,426	61,636,855	63,941,465	14,416,816
WING FAT	36,327,702	195,587,871	188,627,379	43,288,194
LAGEN	33,567,953	3,928,024	4,280,446	33,215,531
LI & FUNG	33,428,541	359,638,235	360,772,016	32,294,760
Zebra		22,720,470		22,720,470
Zemo		4,965,246	4,965,246	-
ZEEMAN	12,483,830	-	-	12,483,830
Others	5,633,997	69,492,141	73,832,610	1,293,528
Total as on 30 June 2016	438,644,925	1,627,260,930	1,582,260,008	483,645,847
Total as on 30 June 2015	354,829,245	1,648,739,104	1,564,923,424	438,644,925

Annexure-C

Zahintex Industries Ltd.**Schedule of trade creditors****As at 30 June 2016****(Amount in Taka)**

Particulars	Balance as on 01.07.15	Addition during the year	Paid during the year	Balance as on 30.06.2016
Atique Enterprise	-	1,952,540	1,175,120	777,420
Garland Traders	-	227,500		227,500
Gentech International		2,984,500	1,597,190	1,387,310
Overseas Marketting Corp.		288,000		288,000
Resal Jacquard Solution		240,500		240,500
Energypac Power Generaration	740,489	1,405,441	1,612,692	533,238
Lucky Iron Store	-	-	-	-
Givensee Spinning C & F	1,253,456	2,345,345	3,067,564	531,237
Protiva Corporation	805,532	1,678,508	2,468,920	15,120
Bengal Plastic Ltd.	414,793	-	54,160	360,633
Jaroma CNG & Filling Station	3,177	2,468,458	1,150,000	1,321,635
Fedex Express	290,013	707,813	697,111	300,715
FM Accessories	372,524	1,871,945	1,871,945	372,524
Hamko Corporation Ltd.	275,677	-		275,677
Bibidha Banijsa Shangstha	211	2,258,989	2,217,367	41,833
Impression Design	85,236	115,000	135,000	65,236
Talukder Filling Station	159,111	8,636,214	8,550,000	245,325
BIOS Techonology	1,800	-	1,800	-
New Age	161,000	161,000	320,000	2,000
Olympia Fire Protection	28,500	28,500	57,000	-
Shova International (Pvt) Ltd.	19,569	19,569	39,138	-
M. Sultan & Sons	35,370	35,370	70,740	-
Total as on 30 June 2016	4,646,458	27,425,192	25,085,747	6,985,903
Total as on 30 June 2015	5,131,243	13,598,277	14,083,063	4,646,458

Annexure-D

Zahintex Industries Ltd.**Schedule of bills payable****As at 30 June 2016****(Amount in Taka)**

Particulars	Balance as on 01.07.2015	Addition during the year	Paid during the year	Balance as on 30.06.2016
ATOZ	353,261	-	255,677	97,584
Dayee Bangladesh	-	2,872,619	2,477,658	394,962
Givensee Garments Accessories Ltd	1,526,520	31,707,566	32,341,567	892,519
Givensee Spinning Mills Ltd	2,240,391	8,877,655	8,976,578	2,141,468
Peak Engineering Corporation	28,800	-	20,000	8,800
D.H.Euro Hi.Teach	252,567	68,430,737	56,691,460	11,991,844
Masuma Tex	369,400	137,787,355	137,926,531	230,224
Unilory Paper & Packing Ltd.	445,846	562,097	562,097	445,846
Jiaxing Layo	10,136	-	10,136	-
SM Light House	5,250	-	5,250	-
Bonito Button Accessories	73,535	-	73,535	-
Hun Hsin Tex	172,375	9,593,140	9,745,339	20,176
JIANGSU	1,449,400	33,777,613	35,084,650	142,363
YKK	420,580	-	420,580	-
Business International	48,852	1,886,187	1,534,755	400,284
Pride Corporation	3,033,034	3,714,155	3,480,000	3,267,189
Delawar Paint & Hardware	15,600	-	15,600	-
International Office Solution	3,500	-	3,500	-
J.N Machinery	64,000	228,000	256,000	36,000
Infotel Technologies	3,000	-	3,000	-
RFL Group	22,800	-	22,800	-
Ring Shing	3,259,483	5,432,010	5,678,544	3,012,949
Check Point	1,947,746	-	403,108	1,544,638
Total as on 30 June 2016	15,746,075	304,869,134	295,988,365	24,626,845
Total as on 30 June 2015	43,567,072	297,683,346	325,504,343	15,746,075

ZAHINTEX INDUSTRIES LIMITED

Registered Office: Borkan Monipur, Gazipur
Share Office: H M Plaza, Plot # 34, Road # 02, Sector # 03, Uttara, Dhaka-1230

PROXY FORM

Shareholders BO A/C No.	No. of Shares Held

I/We
of (Address).....being shareholder(s) of Zahintex Industries Ltd. hereby
appoint Mr. /Mrs.
..... of
(Address)..... as my/our proxy to attend and vote for me/us
and on my/ our behalf at the 14th Annual General Meeting to be held on December 28, 2016 at 11:00 A.M at
old rehabilitation center, Bishia, Kuribri, Monipur, Gazipur and at any adjournment there of and the
poll may be taken in consequence there of.
As witness my/our hand this..... day of2016.

Revenue Stamp
Tk. 10.00

..... (Signature of Shareholder)
(Signature of Proxy) BO A/C No.....

Note: The proxy from duly completed must be deposited at the Company's Share Office not later than 48 hours before the time fixed for the meeting, otherwise the proxy form will not be accepted.

.....
authorized Signature
Zahintex Industries Ltd.

.....
Signature Verified

ZAHINTEX INDUSTRIES LIMITED**SHAREHOLDERS' ATTENDANCE SLIP**

I/We hereby record me/our presence at the 14th Annual General Meeting to be held on December 12, 2016 at 11:00 A.M. at old Rehabilitation Center, Bisha, Kuribari, Monipur, Gazipur, Name of BO A/C No. holding of ordinary Shares of Zahintex Industries Ltd.

.....
Signature of Shareholder/Proxy

Notes:

1. AGM can only be attended by the honorable shareholder or properly constituted proxy.
2. Please present the slip at the reception desk.





ZAHINTEX INDUSTRIES LTD.

Corporate Office: House # 6 Road # 13 Sector # 3 Uttara Model Town, Dhaka-1230

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