



Zahintex Industries Ltd.

Corporate Office: House # 06, Road # 13

Sector # 03, Uttara Model Town, Dhaka-1230

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E-mail: info@givenseegroup.com, Web: www.zahintex.com

ANNUAL REPORT

2021



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, 2021.

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, 2021, Report of the Board of Directors and Auditor's Report thereon for your kind information and records.

Yours sincerely,



Liakat Ali Bakhtiar
Company Secretary

Dated: December 08, 2021
Dhaka

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Proxy Form

Notice of the 19th Annual General Meeting

Notice is hereby given that the 19th Annual General Meeting (AGM) of the shareholders of ZAHINTEX INDUSTRIES LIMITED will be held on Sunday the December 26, 2021 at 9:00 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, 2021 together with Report of the Directors and Auditors' thereon.
- Agenda-2:** To declare dividend for the year ended June 30, 2021.
- Agenda-3:** To elect/approve Directors in terms of the relevant provision of the Articles of Association of the Company.
- Agenda-4:** To appoint Compliance Auditors for the year 2021-2022 and fix their remuneration.
- Agenda-5:** To appoint the Auditor for the year 2021-2022 and fix their remuneration. By order of the Board.



Mr. Liakat Ali Bakhtiar

Company Secretary

Dated: December 08, 2021

Dhaka

Notes:

- i. The record date in lieu of Book-Closure shall be on November 18, 2021.
- ii. 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.
- iii. 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 Khatune Lipa	(Chairman)
Mr. Khatib Abdul Zahid Mukul	(Managing Director)
Mr. Khatib Mahboob Akhter Rubel	(Independent Director)
Engr. (Rtd.) Golam Rasul	(Independent Director)
Mohammad Siraj Uddin	(Independent Director)

Management Committee

Mr. Khatib Abdul Zahid Mukul	Managing Director
Sheikh Mohammad Abul Kalam Azad	Head of HR & Admin
F.A chowdhury Ripon	Head of Operation
Mr. Kazi Abu Sanraz	Head of Supply Chain
Md.Momtazul Islam	Chief Financial Officer
Mr. Md. Abdur Rahim	Head of Internal Audit

Audit Committee

Mr. Khatib Mahboob Akhter Rubel	Chairman (Independent Director)
Engr. (Rtd.) Golam Rasul	(Independent Director)
Mr. Khatib Abdul Zahid Mukul	Member
Mr. Liakat Ali Bakhtiar	Member Secretary

Nomination and Remuneration Committee

Mohammad Siraj Uddin Chairman	(Independent Director)
Engr. (Rtd.) Golam Rasul	(Independent Director)
Mr. Khatib Abdul Zahid Mukul	Member

Company Secretary

Mr. Liakat Ali Bakhtiar

Corporate Management

Registered Office

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

Corporate Office

House # 06, Road # 13
Sector # 03, Uttara, Dhaka-1230

Share Office

87, BNS Center,(8th floor)
Sector # 07, Uttara Dhaka-1230

Auditors

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
Rupayan Karim Tower, Level-7
Suite # 7A,80, Kakrail, Dhaka-1000

Bankers

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

Listing

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

Insurers

1. Sonar Bangla 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, 2021)

Tk. 818.28 million

Number of Shareholders (as on June 30, 2021)

7,651

Number of Employees (as on June 30, 2021)

848

Five Years' Comparative Statistics



(Amount in Taka, 000)

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
Turnover	309,485	324,922	359,887	801,730	1,216,838
Gross Profit	2,400	(10,762)	48,269	196,517	254,744
Operating Profit	(33,721)	(36,810)	32,150	180,338	226,876
Net Profit before Tax	(246,056)	(305,935)	(176,850)	56,818	62,029
Net Profit after Tax	(246,534)	(308,351)	(182,948)	48,793	54,177
Authorized Capital	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Issued & Paid-up Capital	818,285	818,285	818,285	818,285	743,895
Total Assets	3,451,096	3,489,167	3,606,185	3,811,260	3,419,613
Total Current Assets	2,052,968	2,005,359	2,022,457	2,302,308	1,985,719
Total Fixed Assets	1,398,128	1,483,808	1,583,728	1,508,951	1,433,894
Total Current liabilities	1,913,430	1,369,963	855,765	805,161	640,874
Total Non Current Liabilities	252,531	587,535	910,399	967,647	789,082
Shareholders' Equity	1,285,134	1,531,668	1,840,020	2,038,451	1,989,657
Ordinary Shares Outstanding	81,828	81,828	81,828	81,828	74,389
Face Value Per Share (Taka)	10	10	10	10	10
Earnings Per Share (Taka)	(3.01)	(3.77)	(2.24)	0.60	0.73
NAV Per Share (Taka)	15.71	18.72	22.49	24.91	26.75
Current Ratio (Times)	1.07	1.46	2.36	2.86	3.10
Quick Ratio (Times)	0.22	0.28	0.47	0.75	0.83
Return on Equity (%)	(19.18)	(20.13)	(9.94)	2.39	2.72
Return on Investment (%)	(7.14)	(8.84)	(5.07)	1.28	1.58
Gross Profit Margin (%)	0.78	(3.31)	13.41	24.51	20.93
Operating Profit Margin (%)	(10.90)	(11.33)	8.93	22.49	18.64
Net Profit Margin (%)	(79.66)	(94.90)	(50.83)	6.09	4.45
Number of Shareholders	7,651	7,547	7,446	6,886	6,808

Message from the Chairman



Dear Shareholders,

I feel delighted to welcome you all at the 19th Annual General Meeting (AGM) of Zahintex Industries Ltd. and to place herewith the Annual Report of the Company for the year 2021. It was yet another flourishing year for your Company. During 2020-21, the Company had to operate with diverse uncertainties and critical challenges. 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 has gone through a rough year backed by proper strategies and having resilient and determined leadership to deliver best value for our shareholders. I wish to report that the Company's Sales Turnover/Exports for the year 2020-21 is Tk. 309.48 million out of which after meeting up all costs including Corporate Income Tax. The Net Profit for the year is Tk.(246.53) million. As a result, Earning Per Share (EPS) Tk.(3.01). In consideration of that, the Board of Directors was unable to grant cash dividend to Shareholders. Dear shareholder, we have been able to offer dividends over the past years but this year is an exception. We have taken up various strategic plans to improve the profitability of our business. We are confident to make a better business in near future to continue offering dividends in following year.

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 implement 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 2021. Apart from the Statutory Audit conducted by M/S K.M Alam & Co. Chartered Accountants, the Board has appointed Mahfel Huq & Co. Chartered Accountants, to carry out the Corporate Governance Compliance Audit to be able to certify accordingly in fulfillment of the requirements of BSEC Guidelines.

During the past year, we have upgraded our compliance standard to better equip ourselves for future high-end customers.

While concluding, on behalf of management, I would like to thank the all Shareholders, 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 Khatune Lipa

Chairman

Message from the Managing Director



Dear Shareholders,

It is a real pleasure as Managing Director of Zahintex Industries Ltd. to welcome you to the 19th 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, 2021.

Day-to-day business faces impediments from unexpected consequences and other impacts from global financial crunch, recession in the developed economies, energy crisis, high fuel prices, incremental cost of raw materials and so on. Despite having these pitfalls, the Management of the company tried their best to carry on the business trend unabated and the Board of Directors of the company assured their unparalleled 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 2020-21, 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. I would like to thank the Board of Directors, the whole Management, Employees, Workers and all other stakeholders of the company for their team work with heart and soul contribution for these achievements of the company.

However, the production of the company was temporarily hampered due to COVID-19 pandemic and also our North American and European buyers cancel our maximum order. In this crisis situation some of our North American and European buyers submitted again order which is very much helpful for our company. As a result, we are very hopeful that the export order of the company will significantly increase in subsequent periods and accordingly, positively affect the earnings 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 2020-21. 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 3 June 2018. This Notification shall be followed by all the listed companies on 'comply basis' within 31 December 2018 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. Ms. Masuma Khatune 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 2020-21, the Board held 9 (Eight) 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. Khatib Mahboob Akhter Rubel- the Independent Director as Chairman of Committee and Mr. Khatib Abdul Zahid Mukul and Engr.(Rtd.) Golam Rasul- 2 (two) other directors.

Nomination and Remuneration Committee

The Board of Directors has constituted a Nomination and Remuneration Committee (NRC) consisting of three Directors. The present Members of Nomination and Remuneration Committee (NRC) are as follows: (1) Mohammad Siraj Uddin, Independent Director, Chairman, (2) Khatib Abdul Zahid Mukul, Managing Director- Member and (3) Engr.(Rtd.) Golam Rasul Member. The Nomination and Remuneration Committee (NRC) held 1 (one) meeting during the year 2020-2021

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 and CDBL NRB 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 International Accounting Standards (IAS), International Financial Reporting Standards (IFRS), 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.

Director's 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, 2021 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, Zoydebpur 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 31 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, 2021

As per Listing Regulations 20(2) of Stock Exchange regarding share holding position of different categories of investors as on June 30, 2021, we are submitting the following information:

Share Holding Status of Different Categories as on June 30, 2021

A. On the Basis of Group

SI No.	Group Name	Number of Share holders	Number of Shares	%
1	All Investors A/C	14	8,481,438	10.36%
2	Company	147	9,813,191	11.99%
3	General Public	7,249	33,099,648	40.45%
4	NRB	236	212,754	0.26%
5	Sponsor / Director	5	30,221,518	36.94%
Total :		7,651	81,828,549	100%

B. On the Basis of Group

Share Holding Range	Number of Share holders	Number of Shares	Percentage
1-499	2,246	499,154	0.61%
500-5000	4,977	4,844,250	5.92%
5001-10000	236	851,017	1.04%
10001-20000	49	720,091	0.88%
20001-30000	29	515,520	0.63%
30001-40000	14	473,606	0.58%
40001-50000	16	540,068	0.66%
50001-100000	40	1,571,108	1.92%
100001-1000000	31	8,404,792	10.27%
1000001-1000000000	13	63,408,943	77.49%
Total :	7,651	81,828,549	100.00%

Financial Results

Recently, business competition has increased significantly with new challenges. . Now the Company's operating financial results, as compared to the previous years are summarized as follow:

(Amount in Taka, 000)

ANNEXURE-VII

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
Turnover	309,485	324,922	359,887	801,730	1,216,838
Gross Profit	2,400	(10,762)	48,269	196,517	254,744
Operating Profit	(33,721)	(36,810)	32,150	180,338	226,876
Net Profit before Tax	(246,056)	(305,935)	(176,850)	56,818	62,029
Net Profit after Tax	(246,534)	(308,351)	(182,948)	48,793	54,177
Authorized Capital	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
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Total Current liabilities	1,913,430	1,369,963	855,765	805,161	640,874
Total Non Current Liabilities	252,531	587,535	910,399	967,647	789,082
Shareholders' Equity	1,285,134	1,531,668	1,840,020	2,038,451	1,989,657
Ordinary Shares Outstanding	81,828	81,828	81,828	81,828	74,389
Face Value Per Share (Taka)	10	10	10	10	10
Earnings Per Share (Taka)	(3.01)	(3.77)	(2.24)	0.60	0.73
NAV Per Share (Taka)	15.71	18.72	22.49	24.91	26.75
Current Ratio (Times)	1.07	1.46	2.36	2.86	3.10
Quick Ratio (Times)	0.22	0.28	0.47	0.75	0.83
Return onEquity (%)	(19.18)	(20.13)	(9.94)	2.39	2.72
Return on Investment (%)	(7.14)	(8.84)	(5.07)	1.28	1.58
Gross Profit Margin (%)	0.78	(3.31)	13.41	24.51	20.93
Operating Profit Margin (%)	(10.90)	(11.33)	8.93	22.49	18.64
Net Profit Margin (%)	(79.66)	(94.90)	(50.83)	6.09	4.45
Number of Shareholders	7,651	7,547	7,446	6,886	6,808

Cost of Goods Sold 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 2020-2021.

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.

Cost of Goods Sold (COGS) in Details

	2020-21	2019-20
	Taka	Taka
Opening stock of raw materials	599,951,026	609,412,313
Add: Purchased during the year	44,809,383	79,996,778
	644,760,409	689,409,091
Less: Closing stock of raw materials	599,752,607	599,951,026
Raw materials consumed	45,007,802	89,458,065
Add: Opening stock of work-in-process	609,762,470	593,131,941
	654,770,272	682,590,006
Less: Closing stock of work-in-process	599,488,320	609,762,470
	55,281,952	72,827,536
Add: Conversion cost	241,314,345	229,632,561
Cost of goods manufactured	296,596,297	302,460,097
Add: Opening stock of finished goods	369,143,426	402,368,227
Cost of goods available for sale	665,739,723	704,828,324
Less: Closing stock of finished goods	358,654,792	369,143,426
Cost of Goods Sold	307,084,931	335,684,898

Dividend

The Board of Directors are delighted to recommend No dividend for the year ended June 30, 2021

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)

	2021	2020	2019
Un-appropriated Profit from previous Year	(184,574,527)	113,479,814	300,439,556
Less: Prior Year Adjustment	-	-	15,482,109
Adjusted Un-appropriated Profit from previous Year	(184,574,527)	113,479,814	284,957,447
Add: Net Profit after Tax for the Year	(246,534,764)	(308,351,821)	(182,948,178)
Add: Realization through use of Assets (Depreciation)	9,259,312	10,297,480	11,470,544
Total Available for Appropriation (a)	(421,849,979)	(184,574,527)	113,479,814
Appropriation Proposed			
Proposed Dividend:			
Cash Dividend	-	-	-
Stock Dividend	-	-	-
Total Dividend (b)	-	-	-
Balance Carried Forward (a-b)	(421,849,979)	(184,574,527)	113,479,814

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 IAS 24: Related Party Disclosure.

Name of the party	Nature of transactions	Nature of relationship	Transactions value (Taka)	
			01 July 2020 to 30 June 20 21	01 July 2019 to 30 June 2020
Givensee Spinning C & F	Clearing & forwarding service	Sister concern	264,521	1,273,702
Givensee Garments Accessories Ltd.	Accessories & packing materials supply	-do-	218,700	324,918
Givensee Spinning Mills Ltd.	Raw yarn supply	-do-	185,640	264,387
Masuma Khatun Textile Industries Ltd.	Died yarn supply	-do-	31,946,689	14,228,985
Masuma Khatune Lipa	Remuneration	Chairman	1,96,000	1,96,000
Khatib Abdul Zahid Mukul	Remuneration	MD	770,000	770,000

ii) Particulars of Directors of Zahintex Industries Ltd. as at 30 June 2021:

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. MasumaKhatun 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 Khatune Lipa	Chairman & Director	Givensee Spinning Mills Ltd. Hotapara Garments Ltd. MasumaKhatun Textile Industries Ltd. Givensee Garments Ltd. Givensee Garments Accessories Ltd. Givensee Real Estate Ltd. Givensee Foods & Essentials Ltd. Givensee Group of Industries Ltd.
Khatib MahboobA kther Rubel	Independent Director	-
ENG.(Rtd) Golam Rasul	Independent Director	-
Mohammad Siraj Uddin	Independent Director	-

Election of Directors

Mrs. Masuma Khatune Lipa Shareholder Director of the Company, will retire as per Article 123, 124 & 125 of Articles of Association and being eligible offer himself for reelection.

Board Meetings

The composition of the Board Committee as at 30 June 2021 and the attendance of the Directors at the Board and the Committee meetings held in 2020-21 are as follows:

Name of Director	Position	No. of Meetings Attended
Mrs. Masuma khatune Lipa	Chairman	9
Mr. Khatib Abdul Zahid Mukul	Managing Director	9
Engr.(Rtd) Golam Rasul	Independent Director	9
Khatib Mahboob Akther Rubel	Independent Director	9
Mohammad Siraj Uddin	Independent Director	5

Managing director remuneration

Remuneration
House rent benefit

Amount in Taka	
2020-2021	2019-20
350,000	350,000
420,000	420,000
770,000	770,000

Appointment of Auditors

Existing Auditors M/S Zoha Zaman Kabir Rashid & Co. Chartered Accountants has carried out the Audit of Accounts of the Company for the year 2020-2021 and completed 3rd year of Audit.

Among the proposal received from the Chartered Accountants firms in recommendation of the Audit committee ,the Board proposed the appointment of M/S K.M Alam & Co. Chartered Accountants for the first consecutive financial year 2021-2022 as Statutory Auditor and the Board will recommend their appointment in the 19th 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.

Continuity of Extraordinary gain or loss

There was no any extraordinary gain or loss in the Financial Statements.

Remuneration to Directors including Independent Directors

Remuneration of Directors has been shown in Note-24 in the notes to the financial statements. No such remuneration is given to the Independent Directors.

Fair presentation of Financial Statement

The financial statements prepared by the management of the Company present fairly its state of affairs, result of its operations, cash flows, and changes in equity.

Maintenance of proper books of account

Proper books of account of the Company have been maintained.

Adoption of appropriate accounting policies and estimates

Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.

IAS and IFRS in preparation of Financial Statements

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

Minority shareholder interest

As being the Company's has no any subsidiary or associate so that there has no activities to protect the interest of minority shareholders.

Interim Dividend

No bonus or stock dividend was declared during the period under review as interim dividend.

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. BEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018. The compliance report along with the necessary remarks/disclosures is appended in the Directors' Report of the Company for the year 2020-2021. Further, a Certificate of Compliance required under the said Guidelines, as provided by Mahfel Huq & Co. 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 2018-19.

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 Khatune Lipa
Chairman

Financial Results

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 International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS).
- 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) Declaration of Financial Statement for the year ended 30 June 2021 in ANNEXURE-I.
- e) Nomination & Remuneration Committee (NRC) Report in ANNEXURE-II.
- f) Short resume of Directors is in ANNEXURE-III
- g) The patterns of Shareholding as on June 30, 2021 is in ANNEXURE-IV
- h) Status of Compliance with the conditions imposed by Securities and Exchange Commission along with Corporate Governance Certificate issued by MahfelHuq & Co. Chartered Accountants is enclosed as ANNEXURE-V
- i) Audit Committee Report has been presented in ANNEXURE-VI
- j) Key operating and financial data of last five years have been presented in summarized form in ANNEXURE-VII

ANNEXURE-I

Declaration or certification by the managing Director (MD) or Chief Executive officer (CEO) and Chief Financial Officer (CFO)

Date: 21 October, 2021
The Board of Directors
Zahintex Industries Limited
House-06, Road-13, Sector-03,
Uttara Dhaka-1230

Subject: Declaration on Financial Statements for the year ended on 30 June 2021

Dear Sirs,

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

- 1) The financial statements of Zahintex industries Limited for the year ended on 30 June 2021 have been prepared in compliance with international Accounting standards (IAS) or international financial reporting standards (IFRS) , as applicable in the Bangladesh and any departure there from has been adequately disclosed.
- 2) The estimates and judgments related to the financial statement were made on a prudent and reasonable basis. In order for the financial statements to reveal a true and far view;
- 3) The form and substance of transactions and the company's state of affairs have been reasonably and fairly presented in its financial statements;
- 4) To ensure above, the company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- 5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the company were consistently followed; and
- 6) The management's use of the going concern basis of accounting in preparing the financial statement is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

In this regard we also certify that:

Sincerely yours.
SD/
(Khatib Abdul Zahid Mukul)
Managing Director

SD/
(Md. Momtazul Islam)
Chief Financial Officer

CONSTITUTION OF NOMINATION & REMUNERATION COMMITTEE (NRC)

FOR THE YEAR ENDED 30 JUNE 2021

The NRC Committee of Zahintex Industries Ltd comprises of the following Members;

1. Mohammad Siraj Uddin Chairman
2. Engr. (Rtd.) Golam Rasul Member
3. Mr. Khatib Abdul Zahid Mukul Member

Company Secretary acts as the Member Secretary to the Committee to the. NRC had its 3rd meeting on 09 June, 2021.

ROLE OF THE NRC

- a. NRC shall be independent and responsible or accountable to the Board and to the shareholders.
- b. NRC shall oversee, among others, the following matters and make report with recommendation to the board:
 - formulating the criteria for determining qualification, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level execution, considering the following:
 - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
 - (b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short-and long-term performance objectives appropriate to the working of the company and its goals;
 - (i) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
 - (ii) identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
 - (iii) Formulating the criteria for evaluation of performance of independent directors and the Board;
 - (iv) identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
 - (v) developing, recommending and reviewing annually the company's human resources and training policies;

Activity report: Committee submitted an assessment report to the board for future guidance.

3rd Meeting of the Committee focused on the review of the specific areas of existing status, policies and processes with regard to the following and agreeing on the likely actions-

Independent director	Eligibility, qualification, experience etc	Performance review perspective
Directors and top-level	Executives	Remuneration policy, basis etc
Diversity of the Board	Need for devising a policy	
Members of the Board	Qualification, Eligibility, experience etc	
Employment	Selection, transfer, replacement, evaluation and promoting policy	
Training	Training policy	

SD/
Mohammad Siraj Uddin
 Chairman

ANNEXURE - III

Short Bio-Data of Shareholder Directors

Masuma Khatune Lipa, Chairman

Masuma Khatune Lipa, aged 52 years, is the Chairperson 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 31 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 64, 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 labour, 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 37 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 - IV

As per BSEC guideline condition no. 1.4, Pattern of Shareholding as on June 30, 2021:

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	20,026,199	24.47%	Also Managing Director of The Company
Mrs. Masuma Khatune Lipa	10,195,319	12.46%	Also Chairman of The Company
Independent Directors:			
Mr. Khatib Mahboob Akhter Rubel	-	-	
Engr. (Rtd.) Golam Rasul	-	-	
Mohammad Siraj Uddin	-	-	
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-V

Report to the Shareholders of Zahintex Industries Ltd.**on compliance on the Corporate Governance Code**

[Certificate as per condition No. 1 (5) (xxvii) of BSEC Notification no. SEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June, 2018]

We have examined the compliance status to the Corporate Governance Code by Zahintex Industries Ltd. for the year ended on 30th June 2021. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

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

Dhaka

Dated: 28 November 2021



Md. Abu Kaiser, FCA

Enrollment No: 626

Mahfel Huq & Co.

Chartered Accountants

Reporting and Compliance of Corporate Governance

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put in the Appropriate column)		Remarks (If any)
		Complied	Not Complied	
1	Board of Directors:			
1.1	Size of the Board of the Directors: The total number of members of a Company’s Board of Directors (hereinafter referred to as “Board”) shall not be less than 5 (five)and more than 20 (twenty);	✓		Board Comprise 5 Members Including 3 Independent Directors
1(2)	Independent Directors:			
1.2(a)	At least one-fifth (1/5) of the total number of Directors in the company’s Board shall be Independent Directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		
1.2(b)	Independent Director means a Director:			
1.2(b) (i)	who either does not hold any share in the company or holds not less than one percent (1%) shares of the total paid-up shares of the Company;	✓		
1.2(b) (ii)	Who is not a sponsor of the company or is not connected with the Company’s any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company:Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		
1.2(b) (iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1.2(b) (iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		

1.2(b) (v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
1.2(b) (vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
1.2(b) (vii)	Who is not a partner or executive or was not a partner or an executive during the preceding 3 (three) years of the concerned Company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this code;	✓		
1.2(b) (viii)	Who shall not independent director in more than 5 (Five) listed companies;	✓		
1.2(b) (ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or Non-Bank Financial Institution (NBFI); and			N/A
1.2(b) (x)	Who has not been convicted for a criminal offence involving moral turpitude;			N/A
1.2 (c)	The independent director(s) shall be appointed by the board and approved by the shareholders in the Annual General Meeting (AGM);	✓		(i)Mr. KhatibMahboobAkhterRubel(ii)Eng. (Rtd) GolamRasul&(iii) Mohammad SirajUddinIndependent Director have been appointed on 07 October 2020 & 08 November 2020 by the board of directors and approved in the 18th AGM
1.2 (d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		No Such event occur
1.2 (e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.	✓		

1.3	Qualification of Independent Director:			
1.3(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to business;	✓		
1.3 (b)	Independent director shall have following qualifications:			
1.3(b)(i)	Business Leader who is or was a promoter or director of an unlisted Company having minimum paid-up capital of Tk.100.00 million or any listed Company or a member of any national or international chamber of commerce or business association; or			N/A
1.3(b)(ii)	Corporate Leader who is or was a top-level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or	✓		
1.3(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or Business Studies or Law; or	✓		
1.3(b)(iv)	University teacher who has educational background in Economics or Commerce or Business Studies or Law; or			N/A
1.3(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓		
1.3(c)	The independent director shall have at least 10 (ten) years of experience in any filed mentioned in clause (b);	✓		
1.3(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			No such incident arose
1.4	Duality of Chairperson of the Board of Directors and Managing Directors or Chief Executive Officer:			

1.4(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1.4(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1.4 (c)	The Chairperson of the Board shall be elected from among the non-executivedirectors of the company;	✓		
1.4 (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1.4 (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such incident arose
1.5	The Directors' Report to Shareholders:			
1.5(i)	An industry outlook & possible future development in the industry;	✓		
1.5(ii)	The segment-wise or product-wise performance;	✓		
1.5(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1.5(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		
1.5(v)	A discussion on continuity of any extraordinary activities and their implication (gain or loss);			N/A
1.5(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1.5(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			N/A
1.5(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing etc.;			N/A

1.5(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;			N/A
1.5(x)	A statement of Remuneration paid to directors including independent directors;	✓		
1.5(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1.5(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1.5(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1.5(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		Notes to Accounts 2.01
1.5(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1.5(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1.5(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		
1.5(xviii)	An explanation that significant deviations from the last year's operating results of the issuer Company shall be highlighted and the reasons thereof shall be explained;	✓		

1.5(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1.5(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			N/A
1.5(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			N/A
1.5(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1.5(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along name-wise details where stated below) held by:			
1.5(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (Name wise details);			N/A
1.5(xxiii)(b)	Directors, Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and their spouses and minor children (Name wise details);	✓		
1.5(xxiii)(c)	Executives; and	✓		
1.5(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (Name wise details);	✓		
1.5(xxiv)(a)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders: A brief resume of the Director;	✓		
1.5(xxiv)(b)	Nature of his or her expertise in specific functional areas; and	✓		
1.5(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of that Board;	✓		
1.5(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1.5(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	✓		
1.5(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;			N/A
1.5(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	✓		

1.5(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1.5(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	✓		
1.5(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
1.5(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1.5(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		
1.5(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		
1.6	Meetings of the Board of Directors: The company shall conduct its Board meeting and record the minutes of the meeting as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code;	✓		
1.7	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:			
1.7(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the Company;	✓		
1.7(b)	The code of conduct as determined by the NRC shall be posted on the website of the Company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency;	✓		

2	Governance of Board of Directors of Subsidiary Company:			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			N/A
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			N/A
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			N/A
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):			
3.1	Appointment:			
3.1(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Chief Financial Officer (CFO), a Head of Internal Audit and Compliance (HIAC) and a Company Secretary (CS);	✓		
3.1 (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3.1 (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3.1 (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3.1 (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and Stock Exchange(s);	✓		

3.2	Requirement to attend Board of Directors' Meetings: The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):			
3.3(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief;	✓		
3.3(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3.3(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3.3 (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board or its members;	✓		
3.3 (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	Board of Directors' Committee:			
4.(i)	For ensuring good governance in the company, the Board shall have at least following sub-committees: Audit Committee; and	✓		
4.(ii)	Nomination and Remuneration Committee.	✓		
5	Audit Committee:			
5.1	Responsibility to the Board of Directors:			
5.1(a)	The Company shall have an Audit Committee as a subcommittee of the Board;	✓		
5.1(b)	The Audit Committee shall assist the 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;	✓		
5.1(c)	The Audit Committee shall responsible to the Board: The duties of the Audit Committee shall be clearly set forth in writing.	✓		

5.2	Constitution of the Audit Committee:			
5.2(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5.2(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company exception Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5.2(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5.2(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		
5.2(e)	The Company Secretary shall act as the Secretary of the Audit Committee;	✓		
5.2(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director;	✓		
5.3	Chairperson of the Audit Committee:			
5.3 (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5.3 (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			N/A

5.3 (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM;	✓		
5.4	Meeting of the Audit Committee:			
5.4(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		
5.4(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5.5	Role of Audit Committee (the Audit Committee shall):			
5.5(a)	Oversee the financial reporting process;	✓		
5.5(b)	Monitor choice of accounting policies and principles;	✓		
5.5(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance plan and review of the Internal Audit and Compliance Report;	✓		
5.5(d)	Oversee hiring and performance of external auditors;	✓		
5.5(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5.5(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5.5(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		

5.5(h)	Review the adequacy of internal audit function;	✓		
5.5(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5.5(j)	Review statement of all related party transactions submitted by the management;	✓		
5.5(k)	Review Management Letters or Letter of Internal Control Weakness issued by statutory auditors;	✓		
5.5(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5.5(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.			N/A
5.6	Reporting of the Audit Committee:			
5.6(a)	Reporting to the Board of Directors:			
5.6 (a) (i)	The Audit Committee shall report on its activities to the Board;	✓		
5.6(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:			
5.6 (a) (ii)(a)	Report on conflicts of interests;			N/A
5.6 (a) (ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			N/A

5.6 (a) (ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			N/A
5.6 (a) (ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			N/A
5.6.(b)	Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6(six) months from the date of first reporting to the Board, whichever is earlier;			No such reportable incident arose
5.7	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
6	Nomination and Remuneration Committee (NRC):			
6.1	Responsibility to the Board of Directors:			
6.1(a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		
6.1(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6.1(c)	The Terms of Reference (TOR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5) (b).	✓		

6.2	Constitution of the NRC:			
6.2(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6.2(b)	All members of the Committee shall be non-executive directors;	✓		
6.2(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6.2(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6.2(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			No such incident arose
6.2(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			No such incident arose
6.2(g)	The Company Secretary shall act as the secretary of the Committee;	✓		
6.2(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6.2(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company;	✓		
6.3	Chairperson of the NRC:			
6.3(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6.3(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			No such incident arose
6.3(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	✓		

6.4	Meeting of the NRC:			
6.4(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6.4(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			No such incident arose
6.4(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6.4(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
6.5	Role of the NRC:			
6.5(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6.5(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6.5(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	✓		
6.5(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the Company success fully;	✓		
6.5(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		
6.5(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;	✓		

6.5(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6.5(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6.5(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6.5(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	✓		
6.5(b)(vi)	Developing, recommending and reviewing annually the Company's human resources and training policies;	✓		
6.5(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		Will be disclosed
7.	External / Statutory Auditors:			
7.1	The issuer Company shall not engage its external or statutory auditors to perform the following services of the Company, namely:			
7.1(i)	Appraisal or valuation services or fairness opinions;	✓		
7.1(ii)	Financial information systems design and implementation;	✓		
7.1(iii)	Book-keeping or other services related to the accounting records or financial statements;	✓		
7.1(iv)	Broker-dealer services;	✓		
7.1(v)	Actuarial services;	✓		
7.1(vi)	Internal audit services or special audit services;	✓		
7.1(vii)	Any service that the Audit Committee determines;	✓		
7.1(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1);	✓		
7.1(ix)	Any other service that creates conflict of interest.	✓		
7.2	No partner or employees of the external audit firms shall possess any share of the Company they audit at least during the tenure of their audit assignment of that Company; his or her family members also shall not hold any shares in the said Company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and shall be considered as family members;	✓		

7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders;	✓		Shall be invited to remain present
8	Maintaining a website by the Company:			
8.1	The Company shall have an official website linked with the website of the stock exchange;	✓		
8.2	The company shall keep the website functional from the date of listing;	✓		
8.3	The Company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchanges;	✓		
9	Reporting and Compliance of Corporate Governance:			
9.1	The Company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report;	✓		
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the Annual General Meeting.	✓		
9.3	The directors of the Company shall state, in accordance with the Annexure-C attached, in the directors' report whether the Company has complied with these conditions or not.	✓		

Audit Committee Report For the Year 2020-21

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. Khatib Mahboob Akhter Rubel	- Chairman
Engr. (Rtd.) Golam Rasul	- Member
Mr. Khatib Abdul Zahid Mukul	- Member
Mr. Liakat Ali Bakhtiar	- 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 auditor's 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 2020-21. All the members were present in all meetings of the Committee. The details of attendance of each member at the Audit Committee meetings during 2020-21 are as follows:

	Designation	Total Meetings Held	No. of Meetings Attended
Mr. Khatib Mahboob Akhter Rubel	Chairman	05	05
Engr. (Rtd.) Golam Rasul	Member	05	05
Mr. Khatib Abdul Zahid Mukul	Member	05	05

Summary of Activities in 2020-21

In 2020-21, 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 2020-21 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.



Mr. Khatib Mahboob Akhter Rubel
Chairman

Date: 25 October, 2021

Audited Financial Statements



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Zahintex Industries Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Zahintex Industries Ltd. (the company), which comprise the statement of financial position as at June 30, 2021 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statement, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the company as at June 30, 2021 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs)

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standard Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

I. The Company has inventory of Tk. 1,631,889,634 as on 30th June 2021 which is five times higher than turnover that has an indication of having more storage cost, getting more obsolete inventories for a time being and finally showing lack of production capacity.

II. According to Bangladesh Labour Act 2006, Bangladesh Labour Act (Amended) 2018, Bangladesh Labour Rules 2015, the company yet to introduce employees benefit scheme i.e. Employees Provident Fund, Gratuity Fund and Employees Welfare Fund.

III. The company has maintained Workers Profit Participation Fund (WPPF). However, it has not maintained any separate bank account for the maintenance of the fund. All the transactions of the fund conducted through company's bank account.

IV. The tool to measure company performance Earning Per Share (EPS) is negative Tk. 3.01

V. The company has a declaration of stock dividend in number of shares, 7,438,959 in the year 2017 but did not submit the return of allotment to the Registrar of Joint Stock Companies and Firms (RJSC) u/s 151, of the Companies Act 1994. Subsequently, the company submitted petition to high court for permission to file the return of allotment and now the matter is under the jurisdiction of the honourable high court.

Key audit matter

Risk	Our response to the risk
Valuation of inventory Inventory is carried in the statement of financial position at the lower of cost and net realizable value. Sales in the manufacturing industry can be extremely volatile based on significant changes in consumer demand. As a result, there is a risk that the carrying value of	We have tested the maintaining effectiveness of the inventories held by the Company. Additionally, we performed the following: <ul style="list-style-type: none"> Corroborating on a sample basis that items of the stock were classified in the appropriate ageing bracket.

<p>result, there is a risk that the carrying value of inventory exceeds its net realizable value. Moreover, the process of estimating provision for inventories is judgmental and complex. Due to high level of judgment involved and use of some manual process in estimating the provision and net realizable value of inventories, we consider this to be a key audit matter</p>	<p>the appropriate ageing bracket;</p> <ul style="list-style-type: none"> ● Considering the historical accuracy of provisioning and using the information obtained as evidence for evaluating the appropriateness of the assumptions made in the current period; and ● We have also considered the adequacy of the company's disclosures in respect of the levels of provisions against inventory.
<p>Note no. 06 to the financial statements</p>	
<p>Tax provisioning and recognition of deferred tax asset</p> <p>The company reported total income tax expense of BDT 477,953 with tax provision Tk. 1,526,795 as per Provision of minimum tax and deferred tax income 1,048,842 note no. 21 & 14. The Company has recognized deferred Tax Liability for deductible temporary differences that it believes are payable. The recoverability of recognized deferred tax liability is in part dependent on the company's ability to generate future taxable profits sufficient to utilized deductible temporary difference.</p>	<ul style="list-style-type: none"> ● Use of our own tax specialists to assess the company's tax computation. Our tax specialist were also used to evaluate tax strategies the company expect will hardly enable the successful recovery of the recognized deferred tax liability taking into account the company's tax position and our knowledge and experience of the application of relevant tax legislation. ● To analyses and challenge the assumptions used to determine tax provisions based on our knowledge and experiences of the application of the local legislation; ● Evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions, judgments and sensitivities related to tax and deferred tax. ● Assess the tax provision calculation with reference to ITO 1984 under section 82C and Financial Act 2020.
<p>Note no. 21 & 14 to the financial statements</p>	
<p>Recoverability assessment of bill receivables</p> <p>The company has a net bill receivable. of Tk. 245,498,494 as at 30 June 2021. Bill receivables of the company comprise mainly receivables in relation to the trading</p>	<ul style="list-style-type: none"> ● Tested the accuracy of aging of trade receivables at year end on a sample basis; ● Obtained a list of outstanding receivables and identified any debtors with financial difficulty through discussion with management as well as conducting market research on the Textile sector;

<p>business regarding the export of readymade sweater, which is secured by Letter of Credit (L/C).</p> <p>The recoverable amount was estimated by management based on their specific recoverability assessment on debtor with reference to the aging profile, historical payment pattern and the past record of default of the customer.</p>	<ul style="list-style-type: none"> Assessed the recoverability of the unsettled receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers, publicly available information and latest correspondence with customers and to consider if any additional provision should be made; and Tested subsequent settlement of trade receivables after the balance sheet date on a sample basis, if any
Note no. 07 to the financial statements	
<p>Advance, Deposit and Prepayments:</p> <p>Advance, deposit and prepayments Tk. 86,643,662 for advance against goods supply, security deposit, office Rent, staff salary and others advance.</p>	<p>We have tested the maintaining effectiveness of the advance, deposit and assets position held by the company. Additionally, we performed the following:</p> <ul style="list-style-type: none"> Obtain office, rent agreement and went through the terms and conditions of the agreement and verify the amount of advances. Obtain salary statements and pay slips. Obtain vendor list to ascertain the advance against goods supply.
Note no. 08 to the financial statements	
<p>Property, Plant and Equipment:</p> <p>The company has represented total Property Plant and Equipment (WDV) BDT 1,398,028,129 during the financial year 30 June 2021 which recovers 40.51% of total assets. The company represents addition for property, plant and equipment BDT 17,418,000 and charges depreciation during the financial year BDT 103,098,284.</p> <p>This was an area of focus for our audit and significant audit effort.</p>	<p>We tested the design and operating effectiveness of key control focusing on the following:</p> <ul style="list-style-type: none"> We verified the existence and legal ownership of Property, plant and equipment. Calculate and verify the depreciation property, plant and equipment. Evaluating the adequacy of disclosure to financial statements. <p>Finally assessed the appropriateness and presentation of disclosures against property plant and equipment.</p>
Note no. 04 to the financial statements	

<p>Revenue Recognition:</p> <p>At Year end the Zahintex Industries Ltd. reported total revenue (net sales) of BDT 309,485,326.</p> <p>Revenue is recognized when the performance obligation is satisfied by transferring goods or services to a customer, either at a point in time or over time. Goods or services are "transferred" when the customer obtains control of it. It is a matter of consideration whether revenue may be misstated due to recognition of sales transaction before performance obligation being satisfied.</p> <p>This was an area of focus for our audit and significant audit effort to rectify the export income.</p>	<p>We tested the design and operating effectiveness of key control focusing on the following:</p> <ul style="list-style-type: none"> ● We have taken into consideration the complexity of the situation and gained an understanding of the company's disclosures of the volume of sales incurred during the period by obtaining sufficient audit work, audit evidence and resource is required. ● Verified sales transactions for compliance with the company accounting principles. ● Evaluated the company's work to implement IFRS 15 and assessed whether accounting principles comply with the new accounting standard. ● In addition, we performed substantive analytical to understand how the revenue has trended over the year among other parameters, we performed a detailed testing on transactions revenues were recognised in the correct accounting period. ● Tested the internal controls over financial reporting, we also assessed the existence and accuracy of the sales recorded, based among other things on inspection of sales contracts, final acceptances, and the allocation of variable consideration to the various elements in the contracts. ● Obtain and confirm pro-forma invoice and other related documents and calculate sales balances.
Note no. 22 to the financial statements	

Other information

Management is responsible for the other information. The other information comprises the Management is responsible for the other information. The other information comprises the information included in the annual report, separate financial statement and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

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

Responsibilities of Management and those charged with governance for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the companies Act 1994, the Securities and Exchange Rules 1987 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- ☐ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ☐ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- ☐ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ☐ Evaluate the overall presentation, structure and content of the financial statements, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on other legal and regulatory requirements

In accordance with the companies Act 1994 and the securities and Exchange rule 1987, we also report the following;

- 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 company so far as they appeared from our examination of these books;
- iii) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- iv) the expenditure incurred was for the purposes of the company's business.

Dhaka.

Thursday, October 28, 2021



Zoha Zaman Kabir Rashed & Co.
Chartered Accountants

Md. Iqbal Hossain FCA
Senior Partner

Enrolments No. 596 (ICAB)
Zoha Aaman Kabir Rashid & Co.
Chartered Accountants

Zahintex Industries Ltd.
Statement of Financial Position
As at 30 June 2021

Particulars	Note	Amount in Taka	
		30.06.2021	30.06.2020
ASSETS			
Non-current Assets		1,398,128,129	1,483,808,412
Property, plant and equipment	4	1,398,028,129	1,483,708,412
Investment in shares	5	100,000	100,000
Current Assets		2,052,968,206	2,005,359,175
Inventories	6	1,631,889,634	1,620,843,158
Bills receivable	7	245,498,494	217,348,702
Advances, deposits and prepayments	8	86,643,662	89,208,281
Advance income tax		1,526,795	980,770
Cash and cash equivalents	9	87,409,621	76,978,264
TOTAL ASSETS		3,451,096,335	3,489,167,588
SHARE HOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity		1,285,134,133	1,531,668,897
Share capital	10	818,285,490	818,285,490
Share premium	11	291,000,000	291,000,000
Revaluation reserve		597,698,622	606,957,934
Retained earnings	12	(421,849,979)	(184,574,527)
LIABILITIES			
Non-current Liabilities		252,531,998	587,535,569
Long term loan net of current maturity	13	242,415,178	576,369,907
Deferred Tax Liability	14	10,116,820	11,165,662
Current Liabilities		1,913,430,204	1,369,963,121
Trade creditors	15	1,792,033	1,964,268
Bills payable	16	6,040,030	6,762,242
Short term loan	17	352,408,716	318,643,696
Current portion of long term loan	18	1,532,630,239	1,021,753,492
Workers Profit Participation Fund (WPPF)	19	2,958,179	3,841,791
Liabilities for expenses	20	3,900,406	3,848,468
Subscription money payable		280,036	274,622
Provision for income tax	21	13,420,565	12,874,541
TOTAL LIABILITIES		2,165,962,202	1,957,498,690
TOTAL SHARE HOLDER'S EQUITY AND LIABILITIES		3,451,096,335	3,489,167,588
Net Asset Value (NAV) Per Share	30	15.71	18.72

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







Chairman Managing Director Independent Director Chief Financial Officer Company Secretary

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

Dhaka,
Thursday, October 28, 2021


Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
Md. Iqbal Hossain FCA
Sr. Partner, Enrolment No. 596 (ICAB)

Zahintex Industries Ltd.
Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2021

Particulars	Note	Amount in Taka	
		30.06.2021	30.06.2020
Sales	22	309,485,326	324,922,872
Less: Cost of Sales	23	(307,084,931)	(335,684,898)
Gross profit/loss		2,400,395	(10,762,026)
Administrative expenses	24	(8,346,365)	(7,944,766)
Selling and distribution expenses	25	(27,775,289)	(18,103,234)
Operating profit/loss		(33,721,259)	(36,810,027)
Non-operating income	26	191,346	205,220
Financial expenses	27	(212,526,899)	(269,330,426)
Profit before WPPF & Income Tax		(246,056,811)	(305,935,233)
Workers' Profit Participation Fund (WPPF)		-	-
Profit before income tax		(246,056,811)	(305,935,233)
Income tax expense		(477,953)	(2,416,588)
Current tax	21	(1,526,795)	(1,949,537)
Deferred Tax	14	1,048,842	(467,051)
Net profit/loss after tax for the year		(246,534,764)	(308,351,821)
Basic Earning Per Share (EPS)	28	(3.01)	(3.77)
Diluted Earnings Per Share (EPS)	29	(3.01)	(3.77)

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








Chairman Managing Director Independent Director Chief Financial Officer Company Secretary

Signed in terms of our separate report of even date annexed

Dhaka,
Thursday, October 28, 2021


Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
Md. Iqbal Hossain FCA
Sr. Partner, Enrolment No. 596 (ICAB)

Zahintex Industries Ltd.**Statement of Changes in Equity
For the year ended 30 June 2021**

(Amount in Taka)

Particulars	Share Capital Capital	Share Premium	Retained Earnings	Revaluation Reserve	Total Equity
Balance as on 01 July 2020	818,285,490	291,000,000	(184,574,527)	606,957,934	1,531,668,897
Value realised by use of revalued assets (depreciation)	-	-	9,259,312	(9,259,312)	-
Net profit/loss after tax for the year	-	-	(246,534,764)	-	(246,534,764)
Total as on 30 June 2021	818,285,490	291,000,000	(421,849,979)	597,698,622	1,285,134,133

**Statement of Changes in Equity
For the year ended 30 June 2020**

Balance as on 01 July 2019	818,285,490	291,000,000	113,479,813	617,255,414	1,840,020,717
Value realised by use of revalued assets (depreciation)	-	-	10,297,480	(10,297,480)	-
Net profit/loss after tax for the year	-	-	(308,351,821)	-	(308,351,821)
					-
Total as on 30 June 2020	818,285,490	291,000,000	(184,574,527)	606,957,934	1,531,668,897

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

**Chairman****Managing Director****Independent Director****Chief Financial Officer****Company Secretary**

Signed in terms of our separate report of even date annexed

Dhaka,
Thursday, October 28, 2021**Zoha Zaman Kabir Rashid & Co.**

Chartered Accountants

Md. Iqbal Hossain FCA

Sr. Partner, Enrolment No. 596 (ICAB)

Zahintex Industries Ltd.
Statement of Cash Flows
for the year ended 30 June 2021

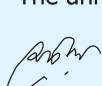
for the year ended 30 June 2021

Particulars	Note	Amount in Taka	
		30.06.2021	30.06.2020
A. Cash flow from operating activities			
Cash received from customers	32.01	281,335,534	346,614,062
Cash paid to suppliers	32.02	(75,146,890)	(117,309,200)
Cash paid for conversion cost	32.03	(140,351,391)	(119,332,201)
Cash paid for operating expenses	32.04	(33,934,386)	(24,452,591)
Cash paid for financial expenses	32.05	(127,484,488)	(213,330,426)
Cash received from non-operating income	26.00	191,346	205,220
Cash paid for WPPF		(883,612)	(1,147,548)
Income tax paid		(1,526,795)	(980,770)
Net cash flow from/(used in) operating activities		(97,800,682)	(129,733,455)
B. Cash Flow from Investing Activities			
Acquisition of property, plant and equipment		(17,418,000)	(16,756,219)
Net cash used in investing activities		(17,418,000)	(16,756,219)
C. Cash Flow from Financing Activities			
Short term loan	32.06	5,140,844	5,085,026
Long term loan	32.07	120,503,783	141,772,902
Decrease in subscription money		5,414	7,477
Net cash (used in)/flow from financing activities		125,650,041	146,865,405
D. Net (deficit)/surplus in cash and bank balances during the year (A+B+C)		10,431,359	375,732
E. Cash and bank balances at beginning of the year		76,978,264	76,602,532
F. Cash and bank balances at end of the year		87,409,621	76,978,264
Net Operating Cash Flow Per Share (NOCFPS)	31.00	(1.20)	(1.59)

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



Chairman



Managing Director



Independent Director




Chief Financial Officer



Company Secretary

Signed in terms of our separate report of even date annexed

Dhaka
Thursday, October 28, 2021


Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
Md. Iqbal Hossain FCA
Sr. Partner, Enrolment No. 596 (ICAB)

Zahintex Industries Ltd.**Notes to the Financial Statements
for the year ended 30 June 2021****1.00 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.

Nature of Business

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.

2.00 Basis of preparation**2.01 Statement of compliance**

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

2.02 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) Building factory and plant & machinery is initially measured at cost and subsequently at revalued amount from the date of revaluation.

2.03 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.

2.04 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 21: Provision for income tax

2.05 Reporting period

The financial reporting period of the company covers one year from 01 July 2020 to 30 June 2021.

3.00 Significant Accounting Policies

Accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.01 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 2021 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 IAS 21: The Effects of Changes in Foreign Exchange Rates.

3.02 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 IAS 16: Property, Plant and Equipment. Land is shown at revalued amount based on valuations by external independent value. All other property plant and equipment are shown at cost/revalued amount 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 Profit or Loss and other Comprehensive Income during the year when these are incurred.

Revaluation of Property, Plant & Equipment (PPE)

PPE have been revalued in accordance with IAS: 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 value, S.F. Ahmed & Co. Chartered Accountants.
- iii) Revaluation surplus of Tk. 59,76,98,622 has been transferred to Revaluation Reserve and distribution of such surplus to the shareholders is restricted.

3.03 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. Depreciation of an assets begins when it is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The estimated depreciation rate of the items of property, plant and equipment for the current and comparative periods are as follows:

Name of Assets	Depreciation Rate	
	2020-21	2019-20
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%

3.04 Valuation of inventory

Inventories consisting of raw materials, work-in-progress, finished goods, stock in transit and store & spares are in accordance with International 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.

3.05 Workers Profit Participation Fund (WPPF)

The company recognizes provision and expenses for Workers Profit Participation Fund @ 5% (after charging) of net profit as per Labour Act, 2006 as amended in 2018.

3.06 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 profit or loss and other comprehensive income. Loans are measured at net of current portion.

3.07 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.

3.08 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 IAS-21: The Effects of Changes in Foreign Exchange Rates. Uncollectible receivable's if any are charged to statement of profit or loss and other comprehensive income as bad debts.

3.09 Trade creditors and bills payable

Trade creditors and bills payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors and bills 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

As per IFRS-15: "Revenue from Contracts form Customers" an entity shall account for a contract with a customer only when all of the following criteria are met:

- (a) The parties to the contract have approved the contract (in writing , orally or in accordance with other customary business practices) and are committed to perform their respective obligations ;
- (b) The entity can identify each party 's rights regarding the goods or services to be transferred ;
- (c) The entity can identify the payment terms for the goods or services to be transferred ;
- (d) The contract has commercial substance (i.e. the risk , timing or amount of the entity `s future cash flows is expected to change as a result of the contract); and
- (e) It is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

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 profit or loss and other comprehensive income except those are capitalized in accordance with IAS-23: Borrowing Costs.

3.12 Taxation**(a) Current Tax**

Current income tax is provided on the taxable income for the year. During the year provision for taxation has been made at 12% as per Finance Act, 2018 and the Income Tax Ordinance, 1984 on the taxable income made by the company.

(b) Deferred tax

Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the financial statement date.

3.13 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 year.

3.14 Statement of cash flows

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

3.15 Events after the reporting period

Events after the reporting period that provide additional information about the Company's position at the reporting date are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes when material.

3.16 Provision

In accordance with the guidelines as prescribed by IAS-37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations:

- a) when the company has an obligation (legal or constructive) as a result of past events;
- b) when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c) Reliable estimates can be made of the amount of the obligation.

3.17 Contingent liabilities and assets**Contingent liability:**

A contingent liability is:

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of the company; or
- b) a present obligation arising from past events but not recognized because:
 - i) an outflow of resources to settle the obligation is not probable; or
 - ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of the company.

During the period there was no such assets or liabilities of the company.

3.18 Related Party Disclosures

Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

During the year the company did not have any transactions with related party other than the transactions disclosed in note # 34.09 to the financial statements.

3.19 Net Income Before Tax

Net Income Before Tax for the year were not materially affected by:

- (a) Transaction of a nature not usually undertaken by the company;
- (b) Circumstances of an exceptional or non-recurring nature;
- (c) Changes of credits relating to prior years ; and
- (d) Changes in accounting policies.

3.20 Operating Segments:

No segmental reporting is applicable for the company as required by IFRS 8: "Operating Segments" as the company operates in a single industry segment.

3.21 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.

3.22 Compliance with Financial Reporting Standards as applicable in Bangladesh

Sl. No.	IAS No.	IAS 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 Errors	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	Not applicable
10	19	Employee Benefits	Complied

11	20	Accounting for Government Grants and Disclosure of Government Assistance	Not applicable
12	21	The Effects of Changes in Foreign Exchange Rates	Complied
13	23	Borrowing Costs	Complied
14	24	Related Party Disclosures	Complied
15	26	Accounting and Reporting by Retirement Benefit Plans	Not applicable

16	27	Separate Financial Statements	Not applicable
17	28	Investments in Associates	Not applicable
18	31	Interest in Joint Ventures	Not applicable
19	32	Financial Instruments: Presentation	Complied
20	33	Earnings per Share	Complied
21	36	Impairment of Assets	Complied
22	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
23	39	Financial Instruments: Recognition and Measurement	Complied
24	40	Investment Property	Not applicable
25	41	Agriculture	Not applicable

Sl. No.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time adoption of International Financial Reporting Standards	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	Complied
10	15	Revenue from Contracts form Customers	Complied

3.23 Authorisation for issue:

These financial statements have been authorised for issue by the Board of Directors of the company on 28 October, 2021.

4.00 Property, plant and equipment**A. Cost/Revaluation**

	Amount in Taka	
	30.06.2021	30.06.2020
Opening balance	2,603,443,346	2,586,687,127
Add: Purchased during the year	17,418,000	16,756,219
	2,620,861,346	2,603,443,346

B. Accumulated depreciation

Opening balance	1,119,734,933	1,003,058,938
Add: Charged during the year	103,098,284	116,675,995
	1,222,833,217	1,119,734,933

C. Written down value (A-B)

	1,398,028,129	1,483,708,412
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A schedule of property, plant & equipment is given in Annexure-A.

5.00 Investment in shares

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

6.00 Inventories

	Quantity				
Raw materials (Yarn)	lbs	1,821,699	(Note: 6.1)	599,752,607	599,951,026
Work-in-progress	pcs	1,577,601	(Note: 6.2)	599,488,320	609,762,470
Finished goods	pcs	788,252	(Note: 6.3)	358,654,792	369,143,426
Stock in transit	lbs	163,109	(Note: 6.4)	43,223,817	27,326,768
Stores & spares			(Note: 6.5)	30,770,098	14,659,468
				1,631,889,634	1,620,843,158

6.01 Raw materials (Yarn)

Opening balance	599,951,026	609,412,313
Add: Purchase during the year	44,809,383	79,996,778
	644,760,409	689,409,091
Less: Consumption during the year	(45,007,802)	(89,458,065)
	599,752,607	599,951,026

6.02 Work-in-progress

Opening balance	609,762,470	593,131,941
Add: Materials used for the year	45,007,802	89,458,065
	654,770,272	682,590,006
Less: Transferred to cost of goods sold during the year	(55,281,952)	(72,827,536)
	599,488,320	609,762,470

6.03 Finished goods

Opening balance	369,143,426	402,368,227
Add: Cost of goods manufactured during the year	(Note: 23) 296,596,297	302,460,097
	665,739,723	704,828,324
Less: Cost of goods sold for the year	(Note: 23) (307,084,931)	(335,684,898)
	358,654,792	369,143,426

6.04 Stock in transit

Opening balance	27,326,768	9,066,732
Add: Addition during the year	26,584,374	27,824,817
	53,911,142	36,891,549
Less: Received during the year	(10,687,325)	(9,564,781)
	43,223,817	27,326,768

6.05 Stock in transit

	Quantity	
	lbs	119,586
Yarn		
Accessories		

Amount in Taka	
30.06.2021	30.06.2020
35,875,768	22,665,027
7,348,049	4,661,741
43,223,817	27,326,768

6.06 Stores & spares

Opening balance
Add: Addition during the year

Less: Consumed during the year

14,659,468	6,829,357
18,567,314	10,545,809
33,226,782	17,375,166
(2,456,684)	(2,715,698)
30,770,098	14,659,468

6.07 Company has not been able to reduce inventory because over the period customers had changed their buying material during the period during the period company has been noticed wide change in customer test of yarn. Also during the period 2018-19, there was an extended period of political instability which resulted in excess inventory than forecasted. In 2019-20 and 2020-21, our capacity was under utilized due to the COVID-19 pandemic.

Though we are carrying inventory but we feel, if we can perform as our capacity, in next year we can reduce the inventory significantly.

7.00 Bills receivable

Opening balance
Add: Addition during the year

217,348,702	239,039,892
309,485,326	324,922,872
526,834,028	563,962,764
(281,335,534)	(346,614,062)
245,498,494	217,348,702

Less: Received during the year
Closing Balance

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

7.01 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 30 days	30-90 days	91-180 days	Above 180 days
Buyer	-	220,948,645	24,549,849	-

The classification of receivables as required by the schedule XI of the Companies Act, 1994 are given below:

Receivable considered good in respect of which the company is fully secured.

245,498,494 217,348,702

Receivable considered good in respect of which the company holds no security other than the debtor personal security.

- -

Receivables considered doubtful bad.

- -

Receivable to Directors.

- -

Receivables due by common management.

- -

The maximum amount of receivable due by any director or other officer of the company.

- -

Total

245,498,494 217,348,702

8.00 Advances, deposits and prepayments

		Amount in Taka	
		30.06.2021	30.06.2020
Advances	(Note: 8.01)	81,059,230	82,263,278
Deposits	(Note: 8.02)	2,666,178	2,666,178
Prepayments	(Note: 8.03)	2,918,254	4,278,825

86,643,662	89,208,281
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8.01 Advances

JL Fashion	-	825,618
Star fashion	5,847,052	-
Tania Corporation	4,836,800	2,548,300
Mahdeen Sweater Ltd	3,547,308	2,832,400
Advance against goods supply	66,828,070	76,056,960

81,059,230	82,263,278
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8.02 Deposits

Security Deposit against:

Telephone (BTCL)	185,000	185,000
Electricity (REB)	199,766	199,766
Gas (Titas Gas)	2,281,412	2,281,412

2,666,178	2,666,178
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8.03 Prepayments

Advance against salary	1,865,914	3,226,485
Advance against rent	1,052,340	1,052,340

2,918,254	4,278,825
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9.00 Cash & cash equivalents

Cash in hand	79,682,187	75,201,549
Cash at bank	(Note:9.01) 7,727,434	1,776,715

87,409,621	76,978,264
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The amount was kept in cash in hand for worker payment and regular expenses of the company and subsequently paid.

9.01 Cash at bank

Bank Name	Branch Name	A/C #		
One Bank Ltd.	Uttara Branch	65184722005	280,036	274,622
AB Bank Ltd.	Uttara Branch	4020-757375-254	800,101	800,101
AB Bank Ltd.	Uttara Branch	4020-757375-430	0.17	0
AB Bank Ltd.	Uttara Branch	4020-757375-047	23,644	23,644
AB Bank Ltd.	Uttara Branch	4020-757375-431	415,668	412,165
AB Bank Ltd.	Uttara Branch	4020-783411-430	4,649	4,618
Islami Bank Bangladesh Ltd.	Uttara Branch	20502070100404509	-	383
Standard Bank Limited	Uttara Branch	01533003920	2,350,321	31,964
Standard Bank Limited	Uttara Branch	01547000027	34,071	8
Standard Bank Limited	Uttara Branch	01547000362	-	336
Standard Bank Limited	Uttara Branch	01547000331	-	41,102
Standard Bank Limited	Uttara Branch	01547000301	-	86,862
Standard Bank Limited	Uttara Branch	01547000300	-	717
Standard Bank Limited	Uttara Branch	01547000299	-	112
Standard Bank Limited	Uttara Branch	01547000298	-	54,825
Standard Bank Limited	Uttara Branch	01547000297	-	44,914
Standard Bank Limited	Uttara Branch	01547000296	-	342
Standard Bank Limited	Uttara Branch	01547000407	832,294	-
Standard Bank Limited	Uttara Branch	01547000506	2,981,484	-
Standard Bank Limited	Uttara Branch	01547000477	5,165	-
			7,727,434	1,776,715

Amount in Taka	
30.06.2021	30.06.2020

10.00 Share capital**10.01 Authorized capital**

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

1,200,000,000 **1,200,000,000****10.02 Issued, subscribed and paid-up capital**

81,828,549 Ordinary Shares of Tk.10 each fully paid

818,285,490 **818,285,490**

Details of the share holdings are as under:

SL No.	Particulars	% of Holdings	2021	2020	2021	2020
			No. of shares	No. of shares	Value in Taka	Value in Taka
01	Mr. Khatib Abdul Zahid Mukul	24.48%	20,026,199	20,026,199	200,261,990	200,261,990
02	Ms. Masuma Khatune Lipa	12.46%	10,195,319	10,195,319	101,953,190	101,953,190
03	General Public	40.45%	33,099,648	33,146,513	330,996,480	331,465,130
04	NRB	0.26%	212,754	286,399	2,127,540	2,863,990
05	Institutional Investors	11.99%	9,813,191	9,770,328	98,131,910	97,703,280
06	Other Investors (Mutual Fund)	10.36%	8,481,438	8,403,791	84,814,380	84,037,910
Total		100.00%	81,828,549	81,828,549	818,285,490	818,285,490

10.03 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	
	2021	2020	2021	2020	2021	2020
1 to 499	2,246	2,235	499,154	471,424	0.61%	0.58%
500 to 5,000	4,977	4,915	4,844,250	4,799,471	5.92%	5.87%
5,001 to 10,000	236	232	851,017	870,035	1.04%	1.06%
10,001 to 20,000	49	51	720,091	742,622	0.88%	0.91%
20,001 to 30,000	29	26	515,520	486,653	0.63%	0.59%
30,001 to 40,000	14	15	473,606	435,874	0.58%	0.53%
40,001 to 50,000	16	12	540,068	593,613	0.66%	0.73%
50,001 to 100,000	40	29	1,571,108	1,596,209	1.92%	1.95%
100,001 to 1,000,000	31	25	8,404,792	8,391,062	10.27%	10.25%
over 1,000,000	13	7	63,408,943	63,441,586	77.49%	77.53%
Total	7,651	7,547	81,828,549	81,828,549	100%	100%

11.00 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 IAS 32: Financial Instruments: Presentation.

12.00 Retained earnings

	Amount in Taka	
	30.06.2021	30.06.2020
Opening balance	(184,574,526)	113,479,814
Add: Net profit/income after tax for the year	(246,534,764)	(308,351,821)
	(431,109,290)	(194,872,006)
Add: Transferred from revaluation reserve	9,259,312	10,297,480
	(421,849,979)	(184,574,526)
Less: Dividend paid as bonus share	-	-
Closing Balance	(421,849,979)	(184,574,526)

13.00 Long term loan net of current maturity

Term loan-AB Bank, A/C No. 4020-757375-462	(Note: 13.01)	618,211,741	561,793,506
Term loan, -One Bank A/C No.006TL12163040002	(Note: 13.01)	1,156,833,676	1,036,329,893
Less: Current portion of long term loan-AB Bank, A/C No. 4020-757375-462	(Note: 18.01)	(608,244,000)	(405,496,000)
Less: Current portion of long term loan-One Bank, A/C No.006TL12163040002	(Note: 18.01)	(924,386,239)	(616,257,492)
		242,415,178	576,369,907

13.01 Term loan**AB Bank Limited**

Term loan, A/C No. 4020-757375-462	618,211,741	561,793,506
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One Bank Limited

Term loan, A/C No.006TL12163040002	1,156,833,676	1,036,329,893
	1,775,045,417	1,598,123,399

Particulars of the above term loans are given below:

Bank	Loan Account	Particulars
AB Bank	A/C No. 4020-757375-462	Limit amount: Tk.516,020,000 Purpose: Construction of factory building . Interest rate: 9% Tenor: Five years

Bank	Loan Account	Particulars
One Bank	A/C -006TL12163040002	Limit amount: Tk.598,900,000 Purpose: Construction of factory building . Interest rate: 12% Tenor: Five years

14.00 Deferred Tax

Balance as 01.07.2020	11,165,662	10,698,611
Add: Deferred Tax on assets	(1,048,842)	467,051
Balance as 30.06.2021 (Note 3.12-b)	10,116,820	11,165,662

This represents tax liability payable in future due to taxable temporary differences.

15.00 Trade creditors

Opening Balance	1,964,268	2,081,196
Add: Addition during the year	5,356,597	9,089,117
	7,320,865	11,170,312
Less: Paid during the year	(5,528,832)	(9,206,045)
Closing Balance	1,792,033	1,964,268

15.01 Trade creditors

Aging of the above trade payables is given below:

Amount in Taka					
				30.06.2021	30.06.2020
Particulars	Up to 30 days	30-90 days	90-180 days	Above 180 days	Total
Suppliers	-	1,272,343	519,689	-	1,792,033

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

16.00 Bills payable

Opening balance	6,762,242	10,830,876
Add: Addition during the year	40,287,960	75,629,913
	47,050,203	86,460,789
Less: Paid during the year	(41,010,172)	(79,698,547)
Closing Balance	6,040,030	6,762,242

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

17.00 Short term loan

Time loan: AB Bank Ltd.	(Note:17.01)	289,149,963	260,525,787
Overdraft:			
AB Bank Ltd., A/c 757375-000		41,829,961	38,492,322
Packing Credit: Standard Bank Ltd.	(Note:17.02)	21,428,791	19,625,587
		352,408,716	318,643,696

17.01 Time loan**AB Bank Ltd.**

Time loan, A/c 757375-507	19,310,805	17,399,159
Time loan, A/c 757375-508	17,803,346	16,040,929
Time loan, A/c 757375-509	17,803,346	16,040,929
Time loan, A/c 757375-510	16,124,485	14,528,265
Time loan, A/c 757375-511	14,554,404	13,113,612
Time loan, A/c 757375-512	14,541,943	13,102,384
Time loan, A/c 757375-513	14,541,943	13,102,384
Time loan, A/c 757375-514	14,541,943	13,102,384
Time loan, A/c 757375-515	11,295,862	10,177,645
Time loan, A/c 757375-001	308,564	278,019
Time loan, A/c 757375-003	911,245	821,037
Time loan, A/c 757375-006	573,739	516,943
Time loan, A/c 757375-007	386,374	348,126
Time loan, A/c 757375-008	10,550,014	9,505,631
Time loan, A/c 757375-010	516,203	465,102
Time loan, A/c 757375-013	7,920,750	7,136,647
Time loan, A/c 757375-015	510,724	460,166
Time loan, A/c 757375-017	19,082,197	17,193,088
Time loan, A/c 757375-018	3,857,798	3,475,900
Time loan, A/c 757375-020	1,402,643	1,263,790
Time loan, A/c 757375-021	2,618,187	2,359,003
Time loan, A/c 757375-022	8,947,780	8,062,007
Time loan, A/c 757375-023	9,962,834	8,976,578
Time loan, A/c 757375-024	125,743	113,295
Time loan, A/c 757375-025	5,177,482	4,664,944
Time loan, A/c 757375-026	1,249,232	1,125,566
Time loan, A/c 757375-031	580,822	523,325
Time loan, A/c 757375-039	3,810,065	3,432,893
Time loan, A/c 757375-040	413,590	372,647
Time loan, A/c 757375-041	368,454	331,980
Time loan, A/c 757375-042	455,253	410,186
Time loan, A/c 757375-044	6,089,515	5,486,692

	Amount in Taka	
	30.06.2021	30.06.2020
Time loan, A/c 757375-045	10,899,954	9,820,929
Time loan, A/c 757375-046	3,541,805	3,191,189
Time loan, A/c 757375-048	1,788,227	1,611,204
Time loan, A/c 757375-050	9,941,300	8,957,176
Time loan, A/c 757375-051	1,613,266	1,453,563
Time loan, A/c 757375-052	2,036,925	1,835,283
Time loan, A/c 757375-053	996,523	897,873
Time loan, A/c 757375-381	406,626	366,372
Time loan, A/c 757375-382	12,745,344	11,483,543
Time loan, A/c 757375-383	729,508	657,291
Time loan, A/c 757375-385	6,380,016	5,748,436
Time loan, A/c 757375-387	668,052	601,919
Time loan, A/c 757375-389	1,792,296	1,614,871
Time loan, A/c 757375-390	1,147,705	1,034,089
Time loan, A/c 757375-392	696,325	627,393
Time loan, A/c 757375-393	995,480	896,934
Time loan, A/c 757375-395	4,211,139	3,794,264
Time loan, A/c 757375-396	2,222,184	2,002,202
Total Time Loan	289,149,963	260,525,787

17.02 Packing Credit Standard Bank Ltd.

PC Loan A/C-1853	2,582,307	2,368,071
PC Loan A/C-1855	2,849,581	2,609,355
PC Loan A/C-1865	707,112	647,777
PC Loan A/C-1867	3,075,324	2,816,514
PC Loan A/C-1868	3,075,324	2,816,514
PC Loan A/C-1869	1,848,796	1,692,012
PC Loan A/C-1870	1,610,244	1,473,212
PC Loan A/C-1876	3,145,620	2,881,117
PC Loan A/C-1877	2,534,484	2,321,015
	21,428,791	19,625,587

18.00 Current portion of long term loan

Term loan - AB Bank Limited, A/C No. 4020-757375-462	608,244,000	405,496,000
Current portion of term loan - One Bank Limited		
Term loan - One Bank Limited, A/C -006TL12163040002	924,386,239	616,257,492
	1,532,630,239	1,021,753,492

Amount in Taka	
30.06.2021	30.06.2020

19.00 Workers Profit Participation Fund (WPPF)

Opening Balance	3,841,791	4,989,339
Add: Addition during the year	-	-
	3,841,791	4,989,339
Add: Interest during the year	441,806	455,894
	4,283,597	5,445,233
Less: Paid during the year	(1,325,418)	(1,603,442)
	2,958,179	3,841,791

20.00 Liabilities for expenses

Salary & allowances	487,562	485,314
Wages & allowances	1,638,881	2,082,582
Rent	22,000	48,287
Gas bill	1,076,644	804,010
Telephone bill	3,650	3,358
Electricity bill	216,506	22,458
Audit fee	287,500	287,500
Withholding tax payable	13,200	28,972
Other liabilities	154,463	85,987
	3,900,406	3,848,468

21.00 Provision for income tax

Opening balance	12,874,541	14,760,008
Add: Provision made during the year	1,526,795	1,949,537
	14,401,336	16,709,545
Less: Adjustment during the year	(980,770)	(3,835,003)
	13,420,565	12,874,541

22.00 Sales

Amount in Taka	
30.06.2021	30.06.2020
309,485,326	324,922,872

Revenue has reduced by Tk. 15.44 million due to COVID-19 pandemic. As a result, Profitability during the year has decreased.

23.00 Cost of Sales

Opening stock of raw materials	599,951,026	609,412,313
Add: Purchased during the year	44,809,383	79,996,778
	644,760,409	689,409,091
Less: Closing stock of raw materials	(599,752,607)	(599,951,026)
Raw materials consumed	45,007,802	89,458,065
Add: Opening stock of work-in-process	609,762,470	593,131,941
	654,770,272	682,590,006
Less: Closing stock of work-in-process	(599,488,320)	(609,762,470)
	55,281,952	72,827,536
Add: Conversion cost (Note: 23.01)	241,314,345	229,632,561
Cost of goods manufactured	296,596,297	302,460,097
Add: Opening stock of finished goods	369,143,426	402,368,227
Cost of goods available for sale	665,739,723	704,828,324
Less: Closing stock of finished goods	(358,654,792)	(369,143,426)
	307,084,931	335,684,898

23.01 Conversion cost

Wages	124,148,875	98,769,632
Gas bills	9,336,408	10,137,091
Electric bill	1,195,842	829,764
Telephone/mobile bill	167,783	239,000
Factory maintenance	68,500	100,550
Vehicle maintenance	350,386	311,070
Fuel & lubricant	286,700	340,113
Printing	94,994	107,665
Holiday allowances	850	250
Insurance premium	1,053,800	835,582
Stores and Spares	2,456,684	2,715,698
Stationery	50,990	35,425
Conveyance	160,895	181,879
Medical expenses	12,076	7,996
Tiffin expenses	989,589	787,405
Depreciation	100,939,973	114,233,442
	241,314,345	229,632,561

24.00 Administrative expenses

Salary & allowance
MD's remuneration
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	
30.06.2021	30.06.2020
3,809,650	2,954,133
770,000	770,000
196,000	196,000
23,053	25,647
81,900	104,328
264,000	579,444
61,854	39,809
22,873	26,500
217,406	116,498
92,475	80,000
38,100	53,358
48,840	99,483
287,500	287,500
219,340	107,110
55,063	62,402
2,158,311	2,442,554
8,346,365	7,944,766

25.00 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

4,739,080	4,268,347
3,102,000	371,000
3,240,435	1,384,866
9,572,214	9,692,213
1,545,000	85,310
175,990	65,312
1,779,352	611,867
243,519	105,969
25,876	45,800
8,360	122,450
2,958,140	1,072,100
38,623	79,660
346,700	198,340
27,775,289	18,103,234

26.00 Non-operating income

Interest Income-IPO A/C
Foreign Currency Gain

7,392	9,414
183,954	195,806
191,346	205,220

27.00 Financial expense

Bank charge & commission
Interest on WPPF
Bank interest

1,914,663	3,606,182
441,806	455,894
210,170,429	265,268,350
212,526,899	269,330,426

28.00 Basic Earnings Per Share

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

(246,534,764)	(308,351,821)
81,828,549	81,828,549
(3.01)	(3.77)

29.00 Diluted Earnings Per Share (EPS)

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

(246,534,764)	(308,351,821)
81,828,549	81,828,549
(3.01)	(3.77)

30.00 Net asset value (NAV) per share

	Amount in Taka	
	30.06.2021	30.06.2020
Total assets	3,451,096,335	3,489,167,588
Less: Liabilities	(2,165,962,202)	(1,957,498,690)
Net Asset Value (NAV) (A)	1,285,134,133	1,531,668,898
Number of ordinary shares outstanding (B)	81,828,549	81,828,549
Net asset value (NAV) per share (A/B)	15.71	18.72

31.00 Net operating cash flow per share (NOCFPS)

Net operating cash flows (A)	(97,800,682)	(129,733,455)
Weighted average number of ordinary shares (B)	81,828,549	81,828,549
Net operating cash flows per shares (A/B)	(1.20)	(1.59)

32.00 Cash Flows**32.01 Cash received from customers**

Sales	309,485,326	324,922,872
Change in bill receivable	(28,149,792)	21,691,190
	281,335,534	346,614,062

32.02 Cash paid to Suppliers

Purchase	44,809,383	79,996,778
Change in suppliers	172,235	116,928
Change in bill payable	722,212	4,068,634
Advance to customers	(2,564,619)	7,036,713
Change in store	32,007,679	26,090,147
	75,146,890	117,309,200

32.03 Cash paid for conversion cost

Conversion cost	241,314,345	229,632,561
Change in liability for expenses	(22,981)	3,933,082
Depreciation	(100,939,973)	(114,233,442)
	140,351,391	119,332,201

32.04 Cash paid for operating expenses

Administrative Expenses	8,346,365	7,944,766
Selling & Distribution Expenses	27,775,289	18,103,234
Change in liability for expenses	(28,957)	847,145
Depreciation	(2,158,311)	(2,442,554)
	33,934,386	24,452,591

32.05 Cash paid for Financial Expenses

Bank Charge & Commission	1,914,663	3,606,182
Interest on WPPF	441,806	455,894
Bank Interest	210,170,429	265,268,350
Total Bank Charge & Interest	212,526,899	269,330,426
Less: Interest due but not paid	85,042,411	56,000,000
	127,484,488	213,330,426

32.06 Repayment of Short Term Loan

Amount in Taka	
30.06.2021	30.06.2020
Time Loan- AB Bank	289,149,963
Over Draft- AB Bank	41,829,961
Packing credit- Standard Bank	21,428,791
	352,408,716
	318,643,696
Less: Interest due but not paid	28,624,176
	323,784,540
	308,416,759
Less: Opening Balance	318,643,696
	5,140,844
	5,085,026

32.07 Repayment of Long-Term Loan

Long-Term Loan -AB Bank	618,211,741	561,793,506
Long-Term Loan -One Bank	1,156,833,676	1,036,329,893
	1,775,045,417	1,598,123,399
Less: Interest Capitalized AB Bank	56,418,235	45,773,063
	1,718,627,182	1,552,350,336
Less: Opening Balance	1,598,123,399	1,410,577,434
	120,503,783	141,772,902

32.08 Reconciliation of Profit/Loss before tax to Cash Generate from Operation

Net Profit/(Loss) before Tax	(246,056,811)	(305,935,233)
Add: Depreciation	103,098,284	116,675,995
Less: Non Operating Income	(191,346)	(205,220)
Increase in prepayments	2,564,619	(7,036,713)
Decrease in Receivable	(28,149,792)	21,691,190
Increase in Inventory	(11,046,476)	(34,588)
Decrease in payable	(894,447)	(4,185,562)
Payment Liabilities for Expenses, Interest & Others	82,875,288	49,296,675
	(97,800,682)	(129,733,455)

33.00 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 analyze 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

33.01 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. 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 minimize 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 realization of the proceeds.

Amount in Taka	
30.06.2021	30.06.2020

(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) - Investment in shares	(Note 5)	100,000	100,000
Bills receivables	(Note 7)	245,498,494	217,348,702
Cash and cash equivalents	(Note 9)	87,409,621	76,978,264
		333,008,115	294,426,966

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	245,498,494	217,348,702
	245,498,494	217,348,702

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	220,948,645	195,613,832
Past due 91-180 days	24,549,849	21,734,870
	245,498,494	217,348,702

c) Impairment losses

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

33.02 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 2021

	Contractual cash flows	1 year or less Taka	More than 1 year Taka
Long term loan	242,415,178	(333,954,729)	576,369,907
Liabilities for Workers Profit Participation Fund (WPPF)	2,958,179	1,577,696	1,380,484
Finance Lease obligation	-	-	-
Trade creditors	1,792,033	1,792,033	-
Short term loan	352,408,716	352,408,716	-
Provision for income tax (net of AIT)	11,893,770	11,893,770	-
Liabilities for expenses	3,900,406	3,900,406	-
Bills payable	6,040,030	6,040,030	-
Subscription money payable	280,036	140,018	140,018
	621,688,348	43,797,939	577,890,409

As at 30 June 2020

	Contractual cash flows	1 year or less Taka	More than 1 year Taka
Long term loan	576,369,907	(323,330,781)	899,700,688
Liabilities for Workers Profit Participation Fund (WPPF)	3,841,791	2,048,955	1,792,836
Finance Lease obligation	-	-	-
Trade creditors	1,964,268	1,964,268	-
Short term loan	318,643,696	318,643,696	-
Provision for income tax (net of AIT)	11,893,771	11,893,771	-
Liabilities for expenses	3,848,468	3,848,468	-
Bills payable	6,762,242	6,762,242	-
Subscription money payable	274,622	137,311	137,311
	923,598,765	21,967,930	901,630,835

33.03 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

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

Foreign currency denominated assets:

Bills receivable (US Dollar)	245,498,494	217,348,702
------------------------------	-------------	-------------

Foreign currency denominated liabilities:

Bills payable	(5,738,029)	(6,424,130)
Subscription money payable :	-	-
USD	-	-
GBP	-	-
EURO	-	-

Net exposure

	239,760,465	210,924,572
The following rate has been applied:	Taka	Taka
USD	83.95	83.95
GBP	108.00	108.00
EURO	99.68	99.68

ii) Foreign exchange rate sensitivity analysis for foreign currency expenditures

A strengthening (weakening) of the USD, GBP and EURO against BDT at June 2021 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.

	Profit or loss		Equity	
	Increase	Decrease	Increase	Decrease
2020-2021				
USD(10% movement)	-	-	-	-
GBP (8% movement)	-	-	-	-
EURO (9% movement)	-	-	-	-
2019-2020				
USD(10% movement)	-	-	-	-
GBP (8% movement)	-	-	-	-
EURO (9% movement)	-	-	-	-

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 shot term loan) but did not enter into any type of derivative instrument in order to hedge interest rate risk as at 30 June 2021.

Profile

As at 30 June 2021, the interest rate profile of the company's interest bearing financial instruments was:

Fixed rate instruments

Financial assets	-	-
Financial liabilities	907,361,704	822,319,293
	907,361,704	822,319,293

Variable rate instruments

Financial assets	-	-
Financial liabilities	63,258,753	58,117,909
	63,258,753	58,117,909

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 2021		As at 30 June 2020	
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	100,000	100,000	100,000
Loans and receivables	-	-	-
Bills receivable	245,498,494	245,498,494	217,348,702
Available for sale financial	-	-	-
	245,598,494	245,598,494	217,448,702

Financial liabilities

Liabilities carried at fair value through profit or loss	-	-	-	-
Liabilities carried at amortized costs	-	-	-	-
Long term loan	242,415,178	-	N/A*	576,369,907
Liabilities for workers profit participation fund (WPPF)	2,958,179	-	N/A*	3,841,791
Trade creditors	1,792,033	-	N/A*	1,964,268
Short term loan	352,408,716	-	N/A*	318,643,696
Provision for income tax (net of AIT)	11,893,770	-	N/A*	11,893,771
Liabilities for expenses	3,900,406	-	N/A*	3,848,468
Bills payable	6,040,030	-	N/A*	6,762,242
Subscription money payable	280,036	-	N/A*	274,622
	<u>621,688,348</u>	-	<u>-</u>	<u>923,598,765</u>

* Determination of fair value is not required as per the requirements of IFRS 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.

34.00 Other commitments, contingencies and relevant information**34.01 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 2021 as required under Para 3, Schedule XI, Part II of the Companies Act 1994 are given below:

a. Sales:

Particulars	01.07.2020 to 30.06.2021		01.07.2019 to 30.06.2020	
	Quantity (Pcs)	Amount in Taka	Quantity (Pcs)	Amount in Taka
Domestic sales	-	-	-	-
Export sales	834,239	309,485,326	875,803	324,922,872
Total	834,239	309,485,326	875,803	324,922,872

b. Raw materials consumed in quantities:

Particulars	01.07.2020 to 30.06.2021	01.07.2019 to 30.06.2020
	Yarn (Lbs)	Yarn (Lbs)
Opening stock	1,822,302	1,851,040
Add: Purchase	199,153	349,331
Raw material available for consumption	2,021,455	2,200,371
Less: Closing stock	1,821,699	1,822,302
Raw material consumed	199,755	378,069

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 in Taka	Quantity (in Pcs)	Value in Taka
July 20 to June 21	811,304	369,143,426	788,252	358,654,792	834,239	309,485,326
July 19 to June 20	910,335	402,368,227	811,304	369,143,426	875,803	324,922,872

34.02 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	40,440,468	-	40,440,468	616,032,710	91%
Accessories & packing mater.	4,086,616	282,299	4,368,915	63,915,094	9%
Total	44,527,084	282,299	44,809,383	679,947,804	-

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

Foreign exchange earning USD 36,86,543.49 equivalent to Tk. 30,94,85,326 in respect of export (July-2020 to June-2021) has been calculated on F.O.B basis.

34.03 Number of employees

The company had 635 permanent employees and 213 employees on contract basis as at 30 June 2021 (2020-2021).

34.04 Payment to directors

Name of board of directors	Designation	Remuneration	Remuneration
Masuma Khatune Lipa	Chairman	196,000	196,000
Khatib Abdul Zahid Mukul	Managing Director	770,000	770,000
Total		966,000	966,000

a) No compensation was made to the Managing Director of the company except as stated above.

b) No amount was spent by the company for compensating any member of the Board of Directors except as stated

c) No meeting attendance fee was paid to the board of directors during the year.

34.05 Capacity utilization

	Quantity in Pcs	
	30.06.2021	30.06.2020
Total production capacity in Pcs (A)	9,600,000	9,600,000
Capacity utilized in Pcs for the year (B)	1,922,491	2,298,425
Capacity utilized for the year (B/A)	20.03%	23.94%

34.06 Capital expenditure commitment

There was no capital expenditure commitment or contract at 30 June 2021. There was no material capital expenditure authorized by the Board but not contracted for at 30 June 2021.

34.07 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.

34.08 Foreign remittances

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

34.09 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 IAS 24: Related Party Disclosure.

Name of the party	Nature of transactions	Nature of relationship	Transactions value (Taka)	
			30.06.2021	30.06.2020
Givensee Spinning C & F	Clearing & forwarding service	Sister concern	264,521	1,273,702
Givensee Garments Accessories Ltd.	Accessories & packing materials supply	-do-	218,700	324,918
Givensee Spinning Mills Ltd.	Raw yarn supply	-do-	185,640	264,387
Masuma Khatun Textile Industries Ltd.	Died yarn supply	-do-	31,946,689	14,228,985
Masuma Khatun Lipa	Remuneration	Chairman	196,000	196,000
Khatib Abdul Zahid Mukul	Remuneration	MD	770,000	770,000

ii) Particulars of Directors of Zahintex Industries Ltd. as at 30 June 2021:

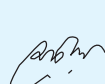
Name of Directors	BOD of Zahintex Industries Ltd.	Entities where they have interests
Mr. Khatib Abdul Zahid Mukul	Managing Director	Givensee Spinning Mills Ltd. Hotapara Garments Ltd. Masuma Khatun Textile Industries Ltd. Givensee Garments Ltd. Givensee Garments Accessories Ltd. Givensee Real Estate Ltd. Givensee Foods & Essentials Ltd. Givensee Group of Industries Ltd.
Mrs. Masuma Khatune Lipa	Chairperson & 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. Khatib Mahboob Akhter Rubel	Independent Director	-
Engr.(Rtd). Golam Rasul	Independent Director	-
Mohammad Siraj Uddin	Independent Director	-

35.00 Events after the reporting period

The Board of Directors of Zahintex Industries Ltd., at its 156 th meeting held on 28 October 2021, recommended no dividend for all shareholders for the year ended 30 June 2021. These decision has been approved by the shareholders at the forthcoming Annual General Meeting (AGM) of the company.



Chairman



Managing Director



Independent Director



Chief Financial Officer



Company Secretary

Dhaka,

Thursday, October 28, 2021

Zahintex Industries Ltd.
Schedule of Property, Plant & Equipment
As at 30 June 2021

Annexure-A

Name of assets	Cost			Depreciation					Amount in Taka		
	Balance as on 01.07.2020	Addition during the year	Adjustment / (Disposal) during the year	Balance as on 30.06.2021	Rate %	Balance as on 01.07.2020	Charged during the year	Adjustment/ (Disposal) during the year		Balance as on 30.06.2021	Written down value as on 30.06.2021
a. Cost											
Factory											
Land & Land Development	79,138,726	-	-	79,138,726	0%	-	-	-	-	-	79,138,726
Building Factory	580,037,197	5,912,000	-	585,949,197	7.5%	251,713,438	24,684,387	-	276,397,825	-	309,551,372
Plant & Machinery	937,680,055	4,896,600	-	942,576,655	15.0%	580,273,811	53,654,147	-	633,927,958	-	308,648,697
Vehicle	29,936,129	-	-	29,936,129	20.0%	25,302,065	926,813	-	26,228,877	-	3,707,252
Electrical Installation	110,212,347	3,288,000	-	113,500,347	15.0%	34,166,728	11,437,921	-	45,604,649	-	67,895,698
	1,737,004,454	14,096,600	-	1,751,101,054		891,456,041	90,703,268	-	982,159,309	-	768,941,745
Administrative											
Office Decoration	18,290,973	960,000	-	19,250,973	10.0%	5,715,438	1,261,362	-	6,976,800	-	12,274,173
Office Equipment	18,329,971	1,524,997	-	19,854,968	10.0%	6,229,724	1,214,381	-	7,444,105	-	12,410,863
Furniture & Fixtures	9,859,846	836,403	-	10,696,249	10.0%	3,333,562	659,961	-	3,993,523	-	6,702,726
	46,480,790	3,321,400	-	49,802,190		15,278,724	3,135,704	-	18,414,428	-	31,387,762
Sub-Total	1,783,485,244	17,418,000	-	1,800,903,244		906,734,765	93,838,972	-	1,000,573,737	-	800,329,507
b. Revaluation											
Land & Land Development	503,587,425	-	-	503,587,425	0.0%	-	-	-	-	-	503,587,425
Building Factory	196,336,042	-	-	196,336,042	7.5%	113,052,518	6,246,264	-	119,298,783	-	77,037,259
Plant & Machinery	120,034,635	-	-	120,034,635	15.0%	99,947,650	3,013,048	-	102,960,698	-	17,073,937
Sub-Total	819,958,102	-	-	819,958,102		213,000,168	9,259,312	-	222,259,480	-	597,698,622
Total as on 30 June 2021	2,603,443,346	17,418,000	-	2,620,861,346	-	1,119,734,933	103,098,284	-	1,222,833,217	-	1,398,028,129
Total as on 30 June 2020	2,586,687,127	16,756,219	-	2,603,443,346		1,003,058,938	116,675,995	-	1,119,734,933	-	1,483,708,413

Annexure-B

Zahintex Industries Ltd.
Schedule of Bills receivable
As at 30 June 2021

Particulars	(Amount in Taka)			
	Balance as on 01.07.2020	Addition during the year	Realized during the year	Balance as on 30.06.2021
AUCHAN	3,510,559	7,925,757	4,235,950	7,200,366
GOLDEN PENNING	6,382,290	7,530,381	6,747,869	7,164,802
K - MAIL	7,061,190	-	7,061,190	-
Next Retail	7,003,403	-	7,003,403	-
Orchestra	7,282,014	-	7,282,014	-
Padma	7,211,941	24,654,987	8,211,128	23,655,799
TERRANOVA	6,717,518	-	6,717,518	-
Shams Design & Marketing	92,939,364	8,308,183	93,235,400	8,012,147
TEDDY	7,505,196	42,285,665	11,390,450	38,400,411
New Look	4,183,818	-	4,183,818	-
Full Fashion	7,109,694	-	7,109,694	-
LI & FUNG	6,495,769	-	6,495,769	-
Zebra	5,862,735	-	5,862,735	-
Zemo	7,005,407	-	7,005,407	-
Ashtown	5,021,917	13,008,255	6,195,751	11,834,421
Ecomart Sourcing Ltd	2,400,000	-	2,400,000	-
Nafsa International Trading	16,697,690	9,122,876	16,734,792	9,085,774
One Piece Company Ltd	2,000,000	-	2,000,000	-
Tema	200,000	25,471,124	10,425,230	15,245,894
United Apparel Inc	328,074	-	328,074	-
Whispering Smith Limited	5,430,127	25,841,464	7,515,563	23,756,027
Cobalt Fashion (UK) Limited	5,000,000	2,222,098	5,772,834	1,449,263
LF Centennial Pte	-	21,679,900	4,162,173	17,517,727
Tex Line	-	10,160,247	1,242,210	8,918,037
YM INC	-	7,446,358	1,534,824	5,911,534
Techno Design	-	1,706,968	1,234,600	472,368
Wing Fat	-	12,863,426	5,285,462	7,577,964
Boohoo.Com UK Limited	-	4,534,521	4,266,707	267,814
Prettylityethinh.Com	-	36,763,585	8,936,400	27,827,185
3A Clothing Company Ltd	-	47,959,532	16,758,568	31,200,963
Others	4,000,000	-	4,000,000	-
Total as on 30 June 2021	217,348,704	309,485,326	281,335,534	245,498,496
Total as on 30 June 2020	239,039,894	324,922,872	346,614,062	217,348,704

Annexure-C

Zahintex Industries Ltd.
Schedule of trade creditors
As at 30 June 2021

Particulars	(Amount in Taka)			
	Balance as on 01.07.2020	Addition during the year	Paid during the year	Balance as on 30.06.2021
Gentech International	396,873	1,396,988	1,692,535	101,326
K.M.M Enterprise	28,000	-	28,000	-
Givensee Spinning C & F	218,684	264,521	436,800	46,405
KRC Cng & Filling Station	12,320	-	12,320	-
The Pacific Trade Center	12,500	-	12,500	-
Takwoa Accessories	47,385	-	47,385	-
N/D Technology & Construction	1,432	-	1,432	-
New Shachand Transport Agency	211,000	208,500	330,500	89,000
Dragon Express (Pvt.) Ltd	3,850	8,800	7,000	5,650
MGH Logistics Private Limited	32,363	-	32,363	-
Sonar Bangla Insurance Ltd	256,847	-	250,000	6,847
Uniglory Paper & Packaging Ltd	234,385	-	234,385	-
Maa Knitting & Sweing Jacquard	6,975	341,623	345,823	2,775
Akib Corporation	96,180	53,100	65,700	83,580
Concord Express	183,158	-	183,158	-
Friends International & Jacquard Solution Trading	109,750	73,200	108,500	74,450
Muzadded Enterprise	13,450	3,450	8,640	8,260
Telnet Communication Limited	26,000	63,000	78,000	11,000
MJL Bangladesh Limited	67,600	272,400	278,640	61,360
Global Insurance Ltd	5,516	-	5,516	-
BD Source Accessories	-	1,997,190	900,005	1,097,185
Imran Trading Corporation	-	656,325	461,630	194,695
SKR Machinery	-	17,500	8,000	9,500
Total as on 30 June 2021	1,964,268	5,356,597	5,528,832	1,792,033
Total as on 30 June 2020	2,081,196	9,089,117	9,206,045	1,964,268

Annexure-D

Zahintex Industries Ltd.
Schedule of bills payable
As at 30 June 2021

(Amount in Taka)

Particulars	Balance as on 01.07.2020	Addition during the year	Paid during the year	Balance as on 30.06.2021
Nice Cotton Limited	372,474	3,415,860	3,504,439	283,894
Givensee Garments Accessories Ltd	216,795	218,700	225,600	209,895
Givensee Spinning Mills Ltd	127,930	185,640	207,824	105,746
Omit & Ork Traders	138,775	1,440,705	1,512,103	67,377
Wangs Textile Ltd	207,367	176,026	225,400	157,994
Masuma Khatun Textile Industries Ltd	740,289	31,946,689	28,403,094	4,283,884
Hun Hsin Tex	873,746	-	873,746	-
Labib Dyeing Mills Ltd	303,722	1,192,918	1,235,700	260,939
Crown Cotton Ltd	900,413	-	900,413	-
Kung Keng Textile (Bangladesh) Co.Ltd	720,904	-	720,904	-
Edges Packaging Ltd	499,082	-	499,082	-
Tyco Integrated Security SL	1,660,747	-	1,660,747	-
Chin Hung Fibres Ltd	-	1,143,553	575,320	568,233
Zahin Recycling Plant	-	567,869	465,800	102,069
Total as on 30 June 2021	6,762,244	40,287,960	41,010,172	6,040,032
Total as on 30 June 2020	10,830,878	75,629,913	79,698,547	6,762,244

ZAHINTEX INDUSTRIES LIMITED

Registered Office: Borkan Monipur, Gazipur
Share Office: 87 BNS Center (8th Floor) Sector # 07, Uttara, Dhaka-1230

PROXY FORM

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

I/We

of (Address)

.....being shareholder(s) of Zahintex Industries Ltd. hereby appoint Mr. Mr.s

.....of (Address)

..... as my/ our proxy to attend and vote for me/us and
on my/ our behalf at the 19th Annual General Meeting to be held on December 26, 2021 at 9:00 A.M at old rehabilitation
center, Bishia, Kuribari, Monipur, Gazipur at any adjournment thereof and the poll may be taken in consequence thereof
A witness my/our hand this day of 2021

Revenue Stamp
Tk. 10.00

.....
(Signature of Proxy)

(Signature of Shareholder)

BO A/C No.....

Note: The proxy form 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**SHAREHOLDER ATTENDANCE SLIP**

I/We hereby record me/our presence at the 19th Annual General Meeting to be held on December
26, 2021 at 9:00 AM at old Rehabilitation Center, Bishia, 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.