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মাসিহ মুহিত হাফেজ হাভেল
MASIH MUHITH HAQUE & CO
Chartered Accountants
In Practice Since 1985

*Auditors' Report
Of*

Matin Spinning Mills Ltd.

BGMEA Complex (12th Floor)
23/1 Panthapath Link Road,
Karwan Bazar, Dhaka - 1215

For the year ended June 30, 2013



AUDITORS' REPORT
To
The Shareholders of Matin Spinning Mills Ltd

We have audited the accompanying financial statements of *Matin Spinning Mills Limited* which comprises the statement of financial positions as at June 30, 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

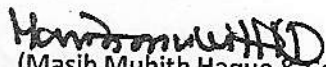
Opinion

In our opinion, the financial statements, prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 30 June, 2013 and of the results of its operations and cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations.

We also report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;
- The statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- The expenditure incurred was for the purposes of the company's business.

Dated: Dhaka
September 15, 2013

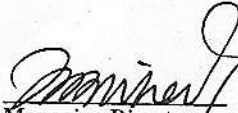

(Masih Muhith Haque & Co.)
Chartered Accountants

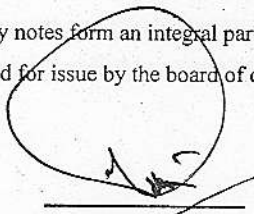
Matin Spinning Mills Limited
Statement of Financial Position
as at 30 June 2013

	Notes	Amounts in Taka	
		At 30 June 2013	At 30 June 2012
Assets			
Non - Current assets			
Property, plant and equipments	04/Annex i&ii	1,860,788,189	1,949,029,481
Investment	05	97,595,300	104,372,100
Capital work-in-process	06	7,717,317	1,285,473
		105,312,617	105,657,573
Total non - current assets		1,966,100,806	2,054,687,054
Current assets			
Cash and bank balances	07	442,317,404	328,629,294
Accounts receivable	08	501,278,510	911,731,299
Inventories	09	510,087,596	546,220,153
Advances, deposits and prepayments	10	235,649,026	72,517,248
Due from sister concerns	11	189,119,431	225,186,155
Total current assets		1,878,451,967	2,084,324,149
Total assets		3,844,552,774	4,139,011,203
Equity and liabilities			
Equity			
Share capital	12	633,900,000	422,600,000
Retained earnings	13	549,749,575	512,652,318
Tax holiday reserves	14	86,718,548	86,718,548
Revaluation reserves	15	994,813,376	993,650,184
Total equity		2,265,181,499	2,015,621,050
Non-current liabilities			
Long term bank loan	16	220,442,922	378,578,258
Deferred tax liability	17	79,602,452	75,108,757
Total non-current liabilities		300,045,374	453,687,015
Current liabilities			
Accounts payable	18	108,722,878	35,300,138
Short term bank loan	19	781,972,806	1,283,098,824
Current portion of long term loan	20	197,482,484	206,067,901
Provision & accruals	21	191,147,734	145,027,275
Total current liabilities		1,279,325,901	1,669,703,138
Total equity and liabilities		3,844,552,774	4,139,011,203
NAV Per Share (With Revaluation reserves)	31.01	35.73	47.70
NAV Per Share (Without Revaluation reserves)	31.02	20.04	24.18

The accounting policies and explanatory notes form an integral part of the financial statements.

The financial statements were authorized for issue by the board of directors on September 5, 2013


Managing Director

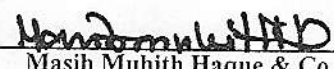

Director


Chief Financial Officer

This is the statement of financial position referred to in our annex report

Dhaka

Dated : September 15, 2013


Masih Muhith Haque & Co.
Chartered Accountants




Matin Spinning Mills Limited
Income Statement
for the year ended 30 June 2013

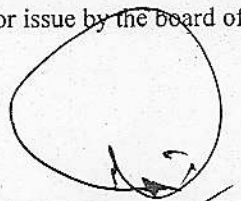
	Notes	Amounts in Taka	
		Year ended 30 June 2013	Year ended 30 June 2012
Revenue	22	2,395,782,610	2,623,615,416
Cost of goods sold	23	(1,929,142,051)	(2,113,551,486)
Gross profit		466,640,559	510,063,930
Other income	24	35,436,631	7,585,365
		502,077,190	517,649,295
Administrative expenses	25	(63,961,420)	(51,146,685)
Distribution expenses	26	(691,668)	(328,405)
Net profit before finance cost		437,424,103	466,174,205
Finance costs	27	(113,601,534)	(198,521,080)
Net profit before workers' profit participation funds & tax		323,822,568	267,653,125
Contribution to workers' profit participation funds		(15,420,122)	(12,745,387)
Net profit before taxation		308,402,446	254,907,738
Income tax expenses	28.02	(50,920,337)	(40,719,480)
Deferred tax expenses	29	(5,656,887)	(8,687,696)
Net profit after tax		251,825,222	205,500,562
Earnings Per Share (EPS) (weighted average method)	30.01	3.97	3.24
Earnings Per Share (EPS) (Fully diluted basis)	30.02	3.97	3.24

The accounting policies and explanatory notes form an integral part of the financial statements.

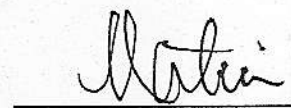
The financial statements were authorized for issue by the board of directors on September 5, 2013



Managing Director




Director



Chief Financial Officer

This is the income statement referred to in our annex report

Dhaka
Dated : September 15, 2013



Masih Muhith Haque & Co.
Chartered Accountants

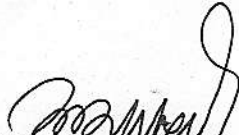


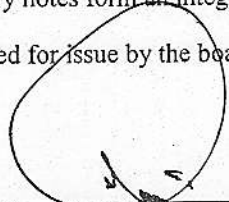
Matin Spinning Mills Limited
Statement of Comprehensive Income
for the year ended 30 June 2013

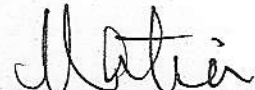
	Notes	Amounts in Taka	
		Year ended 30 June 2013	Year ended 30 June 2012
Net profit after tax for the year		251,825,222	205,500,562
Other comprehensive income for the year, net of tax:			
Deferred tax on other comprehensive income	29.01	1,163,192	1,227,596
Less: Unrealised loss for fair value adjustment	5.02	(3,427,965)	(2,919,220)
Total comprehensive income for the year		249,560,449	203,808,938

The accounting policies and explanatory notes form an integral part of the financial statements.

The financial statements were authorized for issue by the board of directors on September 5, 2013

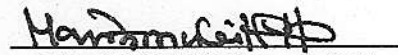

Managing Director


Director


Chief Financial Officer

This is the statement of comprehensive Income referred to in our annex report

Dhaka
Dated : September 15, 2013


Masih Muhith Haque & Co.
Chartered Accountants

Matin Spinning Mills Limited

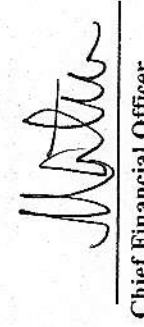
**Statement of Changes in Equity
 for the year ended 30 June 2013**

	Amounts in Taka					Total
	Share capital	Share Money Deposits	Tax holiday reserves	Retained earnings	Revaluation reserves	
Year 2012						
Balance at 01 July	422,600,000	-	86,718,548	310,070,976	992,422,588	1,811,812,112
Net profit for the year	-	-	-	205,500,562	-	205,500,562
Bonus dividend (Stock)	-	-	-	-	-	-
Unrealised loss in marketable securities for fair value adjustment	-	-	-	(2,919,220)	-	(2,919,220)
Other comprehensive income net of tax	-	-	-	-	1,227,596	1,227,596
Balance at 30 June	422,600,000	-	86,718,548	512,652,318	993,650,184	2,015,621,050
Year 2013						
Balance at 01 July 2012	422,600,000	-	86,718,548	512,652,318	993,650,184	2,015,621,050
Net profit for the year	-	-	-	251,825,222	-	251,825,222
Bonus dividend (Stock)	211,300,000	-	-	(211,300,000)	-	-
Unrealised loss for fair value adjustment	-	-	-	(3,427,965)	-	(3,427,965)
Other comprehensive income net of tax	-	-	-	-	1,163,192	1,163,192
Balance at 30 June	633,900,000	-	86,718,548	549,749,575	994,813,376	2,265,181,499

The accounting policies and explanatory notes form an integral part of the financial statements.

The financial statements were authorized for issue by the board of directors on September 5, 2013

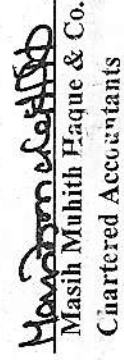

 Managing Director


 Chief Financial Officer

This is the statement of changes in equity referred to in our annex report

Dhaka

Dated : September 15, 2013


 Masih Muhith Haque & Co.
 Chartered Accountants

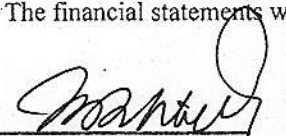


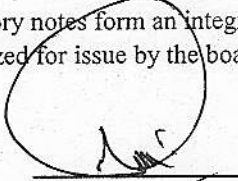
Matin Spinning Mills Limited
Statement of Cash Flows
for the year ended 30 June 2013

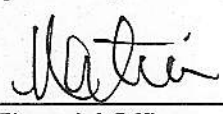
	Amounts in Taka	
	Year ended 30 June 2013	Year ended 30 June 2012
A. Cash Flows from Operating Activities		
Collection from customers	2,806,235,399	2,576,527,462
Cash paid to suppliers and employees	(1,996,998,566)	(2,016,207,047)
Cash generated from operations	809,236,833	560,320,415
Interest/share of profit paid on loans	(113,601,534)	(198,521,080)
Sale of cotton (local)	43,506,052	53,091,902
Other Income	33,790,656	10,926,490
Income tax paid	(20,220,000)	(19,450,000)
Net cash from operating activities	752,712,006	406,367,727
B. Cash Flow from Investing Activities		
Acquisition of property, plant and equipment	(8,019,604)	(36,370,280)
Capital work-in-process	(6,431,844)	(1,285,473)
Devidend Income	430,800	-
Share Sale/(Purchase) from Listed companies	6,776,800	(17,991,320)
Net cash used in investing activities	(7,243,848)	(55,647,073)
C. Cash Flows from Financing Activities		
Long term loan received /(paid)	(166,720,753)	(118,899,540)
Short term loan from/(repaid to) bank	(501,126,018)	(33,181,291)
Inter-company debts received	-	141,472,368
Inter-company debts Received/paid	36,066,724	(34,104,135)
Net cash from/(used in) financing activities	(631,780,048)	(44,712,597)
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	113,688,110	306,008,057
E. Opening cash and cash equivalents	328,629,294	22,621,237
F. Closing cash and cash equivalents (D+E)	442,317,404	328,629,294

The accounting policies and explanatory notes form an integral part of the financial statements.

The financial statements were authorized for issue by the board of directors on September 5, 2013


Managing Director

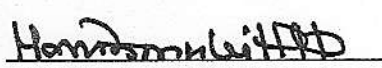

Director


Chief Financial Officer

This is the statement of cash flows referred to in our annex report

Dhaka

Dated : September 15, 2013


Masih Muhith Haque & Co.
Chartered Accountants



Matin Spinning Mills Ltd

Notes to the financial statements

For the year ended 30 June 2013

General

1. Reporting entity

1.1 Background of the Company

Matin Spinning Mills Limited (the company) was incorporated in Bangladesh on 15th September 2002 vide certificate of incorporation no. C-47083 (3562) of 2002 as a private limited company under the companies Act, 1994 having its registered office in Dhaka. The company was converted into public limited company on 4th November, 2010

1.2 Nature of Business

The company is a 100% export oriented backward linkage industry established to cater to the requirements of supply all types of cotton, viscose, polyester and cvc yarn to export oriented knit garments. The factory of the company situated at Sardagonj, Kashimpur, Gazipur, Dhaka. The company commenced commercial production on October 01, 2006.

2. Basis of preparation

2.01 Statement of compliance

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

The following Bangladesh Accounting Standards applied for the preparation of the financial statements for the period under review:

BAS - 1	Presentation of Financial Statements
BAS - 2	Inventories
BAS - 7	Statement of Cash Flows
BAS - 8	Fundamental Errors and Changes in Accounting Policy
BAS - 10	Events after the reporting period
BAS - 12	Income Taxes
BAS - 16	Property, Plant and Equipment
BAS - 18	Revenue
BAS - 21	The effects of changes in foreign exchange rates
BAS - 23	Borrowing Costs
BAS - 28	Investments in associates
BAS - 33	Earnings per Share
BAS - 37	Provisions, Contingent Liabilities and Contingent Assets.
BAS - 39	Financial instruments: Recognition & Measurement

2.02 Other regulatory compliances

In addition to the aforesaid, the Company is also required to comply with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

The Income Tax Ordinance 1984
The Income Tax Rules 1984
The Value Added Tax Act 1991
The Value Added Tax Rules 1991
The Security & Exchange Commission Rules 1987



2.03 Date of authorisation

The Board of Directors has authorised the financial statements for issue on September 5, 2013

2.04 Functional and presentational currency

The financial statements are prepared in Bangladeshi Taka which is the company's functional currency. The figures of financial statements have been rounded off to the nearest integer.

2.05 Reporting period

Financial statements of the company covered one year from 01 July 2012 to 30 June 2013 and is followed consistently.

3 Significant Accounting Policies

3.01 Basis of Accounting

The financial statements of the company have been prepared on an accrual basis, under historical cost convention, and in accordance with generally accepted accounting principles. Wherever appropriate, such principles are explained in the succeeding notes.

Components of financial statement

Statement of Financial Position
Income Statement
Statement of Comprehensive Income
Statement of Cash Flows
Statement of Changes in Equity
Notes to the financial statements

3.02 Revenue recognition

Revenue comprises sale of goods by the company. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, and net of returns, allowances and trade discounts.

Recognition Criteria :

- i Significant risk and reward of ownership associated with the goods is transferred to the buyer.
- ii Sale of goods of the company usually occurs at the time of delivery of goods along with invoices.
- iii The company has no managerial involvement of the ownership of the goods.
- iv The amount of revenue and the cost of the transaction can be measured reliably.
- v It is probable that the economic benefit associated with the transaction will flow to the company.

3.03 Statement of Cash Flows

Statement of Cash Flows is prepared in accordance with BAS-7 "Statement of Cash Flows". The statement shows the structure of changes in cash and cash equivalents during the financial year. Statement of cash flows has been prepared under direct method.

3.04 Statement of Changes in Equity

Statement of changes in equity is prepared in accordance with BAS-1 "Presentation of Financial Statements". This statement reflects information about the increase or decrease in net assets or wealth.

3.05 Deferred tax liability

During 2010 Matin Spinning Mills Ltd changed its depreciation rates on fixed assets to current rates. As a result differences has been arised between accounting base and tax base on fixed assets. This change in accounting estimate has been accounted for retrospectively. The comparative statements for 2010 have been restated to conform to the changed accounting estimate. Rates applied for the calculation of deferred tax is 15 % for fixed assets other than land and 2 % for land.

3.06 Tax holidays reserves

The company has been granted Tax holiday for the period of four years with effect from 1st October 2006 by the National Board of Revenue (NBR) vide Memo No: 11(87) Anu-1/2006/1097 dated 02 September 2008. Which has been expired on 30 September 2010.

3.07 Inventories

Physical inventory has been taken at year end by the management which are valued at cost or net realizable value which ever is lower. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

3.08 Finance costs

Finance costs comprise interest expenses on bank loan and other borrowings and are recognised in the income statement using effective interest method.

3.09 Finance income

Finance income comprises of interest income on loan receivable from sister concerns. The rate of interest is 11% on monthly basis as per deed of agreement and realised on the basis of monthly receivable amount.

3.10 Workers profit participation fund

Allocation for workers' profit participation funds has been made @ 5% of profit before charging such expenses as per provisions of the Labour Act -2006.

3.11 Property, plant and equipment

Property, plant and equipment are stated at cost or revaluation less accumulated depreciation thereon. Depreciation is charged under diminishing balance method on all fixed assets other than land and land development. Depreciation on current year's addition is charged for the full year irrespective of the date of acquisition. No depreciation is charged on disposal made during the year. The costs of the day-to-day servicing of Property, plant and equipment are recognised in the income statement as incurred.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

Itemised depreciation rates are as follows:

<u>Asset category</u>	<u>Rate of depreciation (%)</u>
Land and land development	0
Factory building	5
Godown	10
Plant and machinery	10
Furniture and fixtures	10
Gas equipment	15
Generator	15
Office equipments	15
Electric installation	15
Deep tubewell	20
Vehicles	20

3.12 Current account with sister concerns

All the transactions with sister concern have been properly accounted for .



3.13 Foreign currency translation:

Transactions in foreign currencies are translated into BDT at the rate of exchange ruling on the dates when the transactions took place. Exchange currency differences, if any, arising on translations are recognized in the income statement.

3.14 Provisions:

A provision is recognized in the balance sheet when the company has a present obligation (legal or constructive) of a past event and when it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.15 Going concern

The company has adequate resources to continue the operation for foreseeable future and hence, the financial statements has been prepared on going concern basis. Assessed by the management, there are no material uncertainties relating to events or conditions which may cause significant doubt upon the company's ability to continue as a going concern.

3.16 Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank which are held available for use by the company without any restrictions.

3.17 Use of estimates and judgments

The preparation of financial statements in conformity with Bangladesh Financial Reporting Standards (BFRSs) and Bangladesh Accounting Standards (BASs) require management to make judgments, estimates and assumptions that affects the reported amounts of the assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the year has been reported. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recorded in the period in which the estimates are revised and in any future periods affected.

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

Note – 08	Accounts Receivable
Note – 09	Inventories
Note – 17	Deferred Tax Liability
Note – 18	Accounts Payable
Note – 21	Provision & accruals



		Amounts in Taka		
		At	At	
		30 June 2013	30 June 2012	
04	Property, plant and equipments			
A	ASSETS AT COST (Non Revalued Assets):			
	Opening balance (at cost)	2,021,604,569	1,969,785,886	
	Add : Additions	8,019,604	51,818,683	
		<u>2,029,624,173</u>	<u>2,021,604,569</u>	
	Less: Disposal/Adjustment			
	Closing balance (A)	<u>2,029,624,173</u>	<u>2,021,604,569</u>	
	Accumulated Depreciation			
	Opening balance	1,089,430,338	990,251,585	
	Add : Charges for the year	88,506,283	99,178,753	
		<u>1,177,936,621</u>	<u>1,089,430,338</u>	
	Less: Disposal/Adjustment			
	Closing balance (B)	<u>1,177,936,621</u>	<u>1,089,430,338</u>	
	Written Down Value (A-B)	<u>851,687,552</u>	<u>932,174,231</u>	
B	REVALUED ASSETS :			
	Opening balance (at revalued cost)	1,033,677,512	1,033,677,512	
	Add : Additions	-	-	
		<u>1,033,677,512</u>	<u>1,033,677,512</u>	
	Less: Disposal/Adjustment			
	Closing balance (a)	<u>1,033,677,512</u>	<u>1,033,677,512</u>	
	Accumulated Depreciation			
	Opening balance	16,822,262	8,638,289	
	Add : Charges for the year	7,754,613	8,183,973	
		<u>24,576,875</u>	<u>16,822,262</u>	
	Less: Disposal/Adjustment			
	Closing balance (b)	<u>24,576,875</u>	<u>16,822,262</u>	
	Written Down Value of Revaluation Assets (a-b)	<u>1,009,100,637</u>	<u>1,016,855,250</u>	
	Total Written Down Value (A+B)	<u><u>1,860,788,189</u></u>	<u><u>1,949,029,481</u></u>	
	Details of fixed assets are shown in <u>Annex i & ii</u>			
05	Investment			
	Investment in equity of sister concern	5.01	25,000,000	
	Investment in marketable securities	5.02	21,795,300	
	Share Money Deposit(DBL Ceramics Ltd)		50,800,000	
			<u>97,595,300</u>	
			<u>104,372,100</u>	
5.01	Investment in equity of sister concern			
	Particular	No. of Share	% of Share	Face Value
	DBL Ceramics Ltd	250,000	25 %	100
				<u>25,000,000</u>
				<u>25,000,000</u>

Note 1 : DBL Ceramics ltd is an associate company of Matin spinning mills ltd and the company was not in operation as on 30.06.2013. The capital works of the company is in progress.

Note 2 : Paid up capital of DBL Ceramics ltd is Tk. 100,000,000.

Amounts in Taka

	At 30 June 2013	At 30 June 2012
	28,572,100	13,500,000
	-	25,560,000
	28,572,100	39,060,000
	(3,348,835)	(7,568,680)
	(3,427,965)	(2,919,220)
	21,795,300	28,572,100

5.02 Investment in marketable securities

Investment as on July 01,2012

Add: Addition during the year

Investment in marketable securities

Less : Realised gain /(loss)

Less: Unrealised gain /(loss) for fair value adjustment

Investment in marketable securities as on 30.06.2013

Market rate as on 30 June 2013

Market Value as on 30 June 2013

Particular	No. of Share	Rate	Cost Value.	Market rate as on 30 June 2013	Market Value as on 30 June 2013
Al Arafah Bank Ltd	117,000	16.80	1,965,600	15.90	1,860,300
Dhaka Bank Ltd	105,500	23.92	2,523,560	23.90	2,521,450
Eastern Bank Ltd	75,000	31.11	2,333,250	27.00	2,025,000
IFIC Bank	27,500	42.06	1,156,650	21.90	602,250
Mercantile Bank Ltd	302,500	16.45	4,976,125	13.30	4,023,250
Mutual Trust Bank Ltd	132,000	23.73	3,132,360	17.10	2,257,200
One Bank Ltd	149,500	18.00	2,691,000	15.80	2,362,100
Standard Bank Ltd	111,500	16.60	1,850,900	16.30	1,817,450
Trust Bank Ltd	115,500	22.10	2,552,550	21.90	2,529,450
Uttara Bank Ltd	60,500	33.74	2,041,270	29.70	1,796,850
	1,196,500		25,223,265		21,795,300

06 Capital work-in-process

Mellange Project:

Opening balance

Add: Addition during the period

Balance as on 30 June 2013

1,285,473

6,431,844

7,717,317

1,285,473

-

1,285,473

07 Cash and bank balances

Cash in hand

Fixed Deposit

Bank balances with:

Islami Bank Bangladesh Ltd

Current account

Marginal deposit Account (Special)

Marginal deposit Account (Normal)

Marginal deposit Under Reserve

Foreign currency account

Exim Bank Ltd, STD account

Mercantile Bank Ltd

STD account

Foreign currency account

Dhaka Bank Ltd

STD account

HSBC Bank Ltd

STD account

Foreign currency account

City Bank Ltd

STD account

Foreign currency account

Prime Bank Ltd

STD account

Foreign currency account

2,353,938

198,523,788

4,341,995

1,642,383

1,614,089

144,466

60,247,753

2,837,796

1,039,547

28,279

329,963

9,880,004

11,553,772

358,339

80,250,209

3,412,012

63,759,070

442,317,404

391,631

-

12,252,518

18,379,601

4,881,570

144,465

125,501,640

159,355,286

129,625

24,341

338,561

3,653,557

3,576,498

328,629,294



08 Accounts receivables

Amounts in Taka	
At 30 June 2013	At 30 June 2012
501,278,510	911,731,299

Debtors have been stated at their nominal value. Debtors are accrued in the ordinary course of business.

Aging of the Debtors is given below:

	1-3 Month	3-6 Month	6 Month above	Total	Total
Sale of yarn	52,647,800	432,827,657	15,803,053	501,278,510	911,731,299
	<u>52,647,800</u>	<u>432,827,657</u>	<u>15,803,053</u>	<u>501,278,510</u>	<u>911,731,299</u>

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

Accounts receivable accrued in the ordinary course of business are considered good and secured against confirmed L/C. The details of Accounts receivable are given below:

Particulars		
Bentex Industries Ltd	211,835	-
JK Knit Composite Ltd	105,826	-
Lithium Knit Fabrics Ltd	6,908,666	6,908,663
Virtual Knitwears Ltd	-	331,937
Utah Knitting & Design Ltd.	3,052,453	-
Jointex Knit Wears Ltd.	9,253,665	-
Probashi Knitwears Ltd.	1,461,500	-
Others	1,708,296	7,619,219
Sub total	<u>22,702,242</u>	<u>14,859,819</u>

Debts due by companies under the same management:

Flamingo Fashions Ltd	327,144,981	400,868,114
Jinnat Apparels Ltd	196,659	400,155,421
Jinnat Fashions Ltd	79,475,311	43,808,169
Jinnat Knitwears Ltd	55,755,266	47,779,980
Matin Knitwears Ltd	16,004,051	4,259,796
Sub total	<u>478,576,268</u>	<u>896,871,480</u>
Grand Total	<u>501,278,510</u>	<u>911,731,299</u>

II. Accounts receivable considered good for which the company hold no security other than the personal security

There is no such Accounts receivable in this respect as on 30 June 2013

III. Accounts receivable considered doubtful or bad

The Company does not make any provision for doubtful debts as on 30 June 2013

IV. Accounts receivable due by directors or other officers of the company

There is no such Accounts receivable in this respect as on 30 June 2013

V. Accounts receivable due by Common Management

There has been an amount of Tk 478,576,268 due as accounts receivable under common management.

VI. Reserve for doubtful or bad debts

A money suit case no. 14/13 dated 8 April 2013 has been lodged in the High Court Division for the recovery of the outstanding amount from Lithium Knit Fabrics Ltd. Next course of action will be taken on the basis of the final decision of the High Court in this regards.



Amounts in Taka

	Note	Amounts in Taka	
		At 30 June 2013	At 30 June 2012
09 Inventories			
Raw cotton	9.01	339,027,596	339,655,944
Finished yarn	9.02	127,936,975	154,428,732
Packing materials	9.03	1,256,053	2,502,999
Work-in-process	9.04	20,194,627	24,329,276
		488,415,251	520,916,951
Spare parts	9.05	21,672,345	25,303,202
		510,087,596	546,220,153

Note: Quantity wise detail breakup of Packing Materials and Spare Parts could not be given as it was difficult to quantify each item as a separate and distinct category due to large variety of goods of packing materials and spare parts

09.01 Raw cotton

Raw Cotton Inventory is accounted as follows:

Taka

Particular

Conventional Cotton	267,920,832	302,185,525
Organic Cotton	38,240,261	8,466,921
Synthetic Fiber	32,866,503	29,003,499
Total	339,027,596	339,655,944

Qty Particular	2012-2013		2011-2012	
	Quantity (KG)	Tk. Per Kg	Quantity (KG)	Tk. Per Kg
Conventional Cotton	1,455,377	184.09	1,589,258	190.14
Organic Cotton	242,027	158.00	32,632	259.47
Synthetic Fiber	218,545	150.39	150,412	192.83
Total	1,915,950		1,772,302	

09.02 Finished yarn

Finished goods Inventory is accounted as follows:

Taka

Particular

Carded	61,867,062	89,131,179
Combed	46,598,635	36,013,616
Slub	4,097,812	4,228,449
Synthetic	15,373,466	25,055,488
Total	127,936,975	154,428,732

Qty Particular	2012-2013		2011-2012	
	Quantity (KG)	Tk. Per Kg	Quantity (KG)	Tk. Per Kg
Carded	225,116	274.82	320,383	278.20
Combed	142,560	326.87	115,225	312.55
Slub	12,661	323.66	12,480	338.83
Synthetic	60,617	253.62	90,237	277.66
Total	440,953		538,325	



		Amounts in Taka			
		At		At	
		30 June 2013		30 June 2012	
09.03	Packing materials				
	Opening balance			2,502,999	2,867,791
	Purchase during the year			14,801,015	11,266,782
	Packing materials available for consumption			17,304,014	14,134,573
	Consumption during the year			16,047,961	11,631,574
	Closing balance			1,256,053	2,502,999
09.04	Work-in-process				
	Work-in-process Inventory is accounted as follows:				
		Quantity (KG)		Amount in Taka	
	Particular	2012-2013	2011-2012	2012-2013 *	2011-2012
	Carding	2,816	4,020	481,958	704,827
	B. Drawing	2,206	5,085	452,687	966,150
	Combing	2,253	3,531	466,387	776,820
	F. Drawing	4,404	3,455	919,587	691,000
	Simplex	20,543	22,944	4,326,507	4,818,240
	Ring Frame	39,600	52,420	8,910,000	12,056,600
	Winding	2,600	2,152	650,000	557,368
	Packing	15,950	13,964	3,987,500	3,758,271
	Total	90,372	107,571	20,194,627	24,329,276
09.05	Spare parts				
	Opening Balance			25,303,202	13,511,980
	Add: Addition during the year			26,563,882	38,466,420
				51,867,084	51,978,400
	Less: Consumption during the year			30,194,739	26,675,198
	Closing balance			21,672,345	25,303,202
10	Advances, deposits and prepayments				
	Advance against	Note			
	Salary & Allowances			263,235	342,500
	Construction	10.01		529,581	16,161,500
	Expenses	10.02		46,655,752	24,449,297
				47,448,568	40,953,297
	Security deposits				
	Margin and deposit	10.03		180,335,188	22,390,381
	Security deposit for Utilities	10.04		7,865,270	9,213,570
				188,200,458	31,603,951
				235,649,026	72,557,248
10.01	Construction				
	Advance against Land purchase			-	16,131,500
	Adv. Noor Nabi Contractor			-	30,000
	Adv. Agt. Local Purchase			176,333	-
	Lohajong Steel Corporation			114,350	-
	Rashida Enterprise			28,379	-
	Adv. Elias - Paint & Polish			10,519	-
	Project consultant & Construction			200,000	-
				529,581	16,161,500



		Amounts in Taka	
		At 30 June 2013	At 30 June 2012
10.02	Expenses		
	Bangla Trac Ltd	1,145,238	-
	MJL Bangladesh Ltd	202,540	-
	Prime Glass & Aluminium Centre	1,468,411	-
	Sarwar Salamat & Co	-	12,800
	Shahjahan & Brothers	-	460,000
	Trans Bangla Logistic	1,602,100	962,750
	Advance income Tax (10.02.01)	42,237,463	23,013,747
		46,655,752	24,449,297
10.02.01	Advance income Tax		
	Income Tax on Export (Rule - 53 BBBI Islami Bank Ban Local Office)	41,389,717	22,873,398
	Tax on Interest Received (Bank) (Rule - 53 F)	847,745	140,349
		42,237,463	23,013,747
Advance tax represents advance income tax deducted at source 0.8 % on export proceeds and 10 % on interest received from bank.			
10.03	Margin and deposit		
	Margin against Cotton	11,886,741	16,934,682
	Materials in Transit (Cotton)	167,490,708	365,492
	Machineries in Transit	957,739	5,090,207
		180,335,188	22,390,381
10.04	Security deposit for Utilities		
	Margin Against Bank Guarantee (Titas Gas)	7,771,430	7,119,730
	Security Deposit Against Land Rajuk(Uttara)	-	2,000,000
	Security Deposit for Electricity	93,840	93,840
		7,865,270	9,213,570

Aging of the advances except Security deposit for Utilities is given below:

	1-3 Month	3-6 Month
Salary & Allowances	-	263,235
Construction	-	529,581
Expenses	-	46,655,752

- All the advances & deposit amount are considered good and recoverable
- Advances due from Employees are regularly being realised from their salaries
- There is no advances due for payment for more than 6 months from the date of statement of financial position
- There is no amount due from any Directors or officers of the company.
- Debts considered good in respect of which the company is fully secured.
- There are no debts due by directors or other officers of the company.



		Amounts in Taka	
		At	At
		30 June 2013	30 June 2012
11	Due from sister concerns		
(a)	Due from sister concerns (Principal)		
	DBL Ceramics Ltd.		
	Opening Balance	192,376,666	192,376,666
	Less: Adjustment during the year	51,556,898	-
	Sub total (a)	140,819,768	192,376,666
(b)	Due from sister concerns (Interest)		
	Associate company :		
	DBL Ceramics Ltd.		
	Opening Balance	32,809,489	
	Add: Interest charged during the year	15,490,174	32,809,489
	Sub total (b)	48,299,663	32,809,489
	Grand total	189,119,431	225,186,155

a) All the loan amount are considered good and recoverable.

b) Loan given to associate company, DBL Ceramics ltd under deed of agreement between Matin spinning mills ltd and DBL Ceramics ltd. The terms and condition of agreement are as follows.

Name of the company	Relation of the company	Purpose of loan given	Tenor	Rate of interest
DBL Ceramics Ltd.	Associate	Project	2 years	11 %

a) All the advances & deposit amount are considered good and recoverable

b) There is no advances due for payment for more than 6 months from the date of statement of financial position

c) There is no amount due from any Directors or officers of the company.

d) Debts considered good in respect of which the company is fully secured.

e) There are no debts due by directors or other officers of the company.



Amounts in Taka

		At 30 June 2013	At 30 June 2012
12	Share capital		
	Authorised		
	150,000,000 ordinary shares of Taka 10 each	1,500,000,000	1,500,000,000
	Issued and paid-up		
	63,390,000 ordinary shares of Taka 10 each	633,900,000	422,600,000
	Shareholding position is as follows :		
	<u>Name of shareholder</u>	<u>% of Share</u>	<u>Number of shares</u>
	Abdul Wahed	9.23	5,849,250
	M.A. Jabbar	9.23	5,849,250
	M.A. Rahim	9.23	5,849,250
	M.A. Quader	9.23	5,849,250
	Md. Hassan Imam	3.36	2,130,000
	Selina Parvin	3.36	2,130,000
	Tanzeen Rahim	3.36	2,130,000
	Taslima Begum	3.36	2,130,000
	Flamingo Fashions Ltd	3.86	2,448,000
	Jinnat Apparels Ltd	45.79	29,025,000
	Mymun Textile Ltd	-	-
		100.00	63,390,000
			42,260,000
13	Retained earnings		
	Opening balance	512,652,318	310,070,976
	Add: Profit made during the year	251,825,222	205,500,562
	Less: Stock Dividend	(211,300,000)	-
	Less: Unrealised loss for fair value adjustment	(3,427,965)	(2,919,220)
		549,749,575	512,652,318
14	Tax holiday reserves	86,718,548	86,718,548
		86,718,548	86,718,548
	Note: Tax holiday reserve represents % of the net profit for the income years 2009-2010 & 2010-2011(3 month from July 2010 to September 2010) as per provisions of Section 46A(2) (A) of it as follows:-		
	Income Year 2009 -2010	49,569,824	49,569,824
	Income Year 2010 -2011	37,148,724	37,148,724
		86,718,548	86,718,548
15	Revaluation reserves:		
	This balance consists of as follows:		
	Balance at the beginning of the year	993,650,184	992,422,588
	Add: Addition during the year	993,650,184	992,422,588
	Add: Deferred tax on revaluation reserve	1,163,192	1,227,596
	Balance as on 30 June 2013	994,813,376	993,650,184



Amounts in Taka

	At 30 June 2013	At 30 June 2012
Hire purchase under shirkatul melk - 24300087718	187,269,474	319,833,315
Hire purchase under shirkatul melk - 24300108712	-	4,239,965
Hire purchase under shirkatul melk - 24300133710	6,687,599	8,278,052
Hire purchase under shirkatul melk - 24300139514	-	2,696,273
Hire purchase under shirkatul melk - 24300151710	-	3,211,826
Hire purchase under shirkatul melk - 24300152610	15,573,369	24,297,306
Hire purchase under shirkatul melk - 24300158414	-	1,962,493
Hire purchase under shirkatul melk - 24300169902	10,912,481	14,059,028
	<u>220,442,922</u>	<u>378,578,258</u>

16 Long Term bank loan

Hire purchase under shirkatul melk - 24300087718
Hire purchase under shirkatul melk - 24300108712
Hire purchase under shirkatul melk - 24300133710
Hire purchase under shirkatul melk - 24300139514
Hire purchase under shirkatul melk - 24300151710
Hire purchase under shirkatul melk - 24300152610
Hire purchase under shirkatul melk - 24300158414
Hire purchase under shirkatul melk - 24300169902

Bank	Loan Account	Particulars
Islami Bank Bangladesh Ltd	HPSM	<p>Nature:HPSM Project investment Limit: Tk.1,095 million Purpose: Import of Machinery & Equipment Tenor: 8 Years excluding gestation period of 12 month from the date of first disbursement Repayment Clasue: 96 equal month installment to be calculated using annuity method. Repayment Period:8 Years Interest Rate:15.20 % P.A. Security Agreement: Primary: Ownership of the proposed machinery and other equipments Collateral: Registered mortgage of 26.69 bigha land and factory building and 6.16 bigha land of Mymun Textiles l.td.</p>



Amounts in Taka

At	At
30 June 2013	30 June 2012

17 Deferred Tax Liability

Deferred tax assets and liabilities have been recognized and measured in accordance with the provision of BAS-12: Income taxes. Related deferred tax expenses/income have been disclosed in note: 3.05 Deferred tax assets and liabilities are attributable to the following:

A. Deferred tax liability on historical cost

Carrying amount other than revaluation reserve	851,687,552	932,174,231
Tax base	580,098,776	698,298,037
	<u>271,588,775</u>	<u>233,876,194</u>
Taxable Temporary difference		
Applicable tax rate	15%	15%
Deferred tax liability on historical cost	40,738,316	35,081,429

B. Deferred tax liability against revaluation reserve

(i)

Deferred tax liability against revaluation reserve other than land

Carrying amount other than revaluation reserve	143,708,641	151,463,254
Tax base	-	-
	<u>143,708,641</u>	<u>151,463,254</u>
Applicable tax rate	15%	15%
	<u>21,556,296</u>	<u>22,719,488</u>

(ii)

Deferred tax liability on capital gain against revaluation of land

Carrying amount other than revaluation reserve	865,391,996	865,391,996
Tax base	-	-
	<u>865,391,996</u>	<u>865,391,996</u>
Applicable tax rate	2%	2%
	<u>17,307,840</u>	<u>17,307,840</u>

Deferred tax liability against revaluation reserve B (i + ii)

	<u>38,864,136</u>	<u>40,027,328</u>
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Total Deferred tax liability (A + B)

	<u>79,602,452</u>	<u>75,108,757</u>
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Amounts in Taka

18 Accounts payable for

For suppliers- (18.1)
For expenses- (18.2)
For other finance- (18.3)

	At 30 June 2013	At 30 June 2012
	95,472,761	22,121,575
	12,349,414	13,043,525
	900,703	344,038
	<u>108,722,878</u>	<u>35,509,138</u>

18.1 Payable for suppliers

This represents amount payable for supply of raw materials, packing materials, utilities and other services. The details of suppliers are given below:

Particulars		
Abarani Electronics	327,299	-
Asgar Trading	2,095,757	1,281,582
M/S Abadi Traders	1,188,135	-
Energy Solutions Engineers	157,800	-
Bashundhara Steel Complex Ltd.	-	1,434,000
Bangla Trac Ltd	1,118,392	-
S. I Trading	248,000	-
Unique Sound Systems	331,750	-
CDI Cotton Distribution Inc	66,371,424	-
Payable for C & F Charge	12,830,175	8,591,381
Payable for Transport Charge	4,671,380	490,524
Mohammadia Packaging.	383,260	323,760
Maa Enterprise	353,000	-
Mita Engineering Ltd	-	587,900
Tyre & Battery Bazar	164,474	-
Others	5,231,915	9,412,428
Total	<u>95,472,761</u>	<u>22,121,575</u>

18.2 Payable for expenses

Salary & allowances	8,135,671	8,977,978
Overtime	545,943	1,049,713
Audit fees	225,000	200,000
Gas bill	2,577,425	2,761,274
Welfare Fund	572,836	54,560
Rent payable	240,000	-
Provident Fund	52,539	-
	<u>12,349,414</u>	<u>13,043,525</u>

18.3 Payable for other finance

Tax deducted at source (Salary)	358,630	195,716
Tax deducted at source (on Suppliers bill)	520,323	68,146
VAT Deducted at source (on Supplies bill)	21,750	80,176
	<u>900,703</u>	<u>344,038</u>



19 Short term bank loan
 Margin Murabaha Post Import
 Time Loan
 Export Development Fund
 Loan against export bills :
 Islami Bank Bangladesh Ltd
 HSBC Bank Ltd

Amounts in Taka	
At	At
30 June 2013	30 June 2012
-	373,514,845
-	40,205,856
764,544,347	670,824,906
-	198,553,217
17,428,459	-
<u>781,972,806</u>	<u>1,283,098,824</u>

Bank	Loan Account	Particulars
Working capital financing in the form of: Global Limit: Tk. 1440 million		
Islami Bank Bangladesh Ltd	Margin Murabaha Post Import	Nature:MPI Purpose:Import of Raw Cotton Tenor: 1 Year on revolving basis Repayment Period:Any time of 1 Years Interest Rate:15.20 % P.A. to be determine by the bank from time to time Security Agreement: Hypo of Inventory,Mortage of land ,Building , Machineries and other equipments. Personal guarantee of all the directors of the company and mortgagors in their capacity, Post dated cheques, The loans are also secured by registered by first charge on fixed and floating assets including book debts. Mode of financing: LC/Bill/MPI/Murabaha-TR/BG
	Export Development Fund (EDF)	Nature:EDF Purpose:Import of Raw Cotton Tenor: 1 Year on revolving basis Repayment Period:1 Year Interest Rate: 2.5% - 6% % P.A. Security Agreement: Hypo of Inventory,Mortage of land ,Building , Machineries and other equipments. Personal guarantee of all the directors of the company and mortgagors in their capacity, Post dated cheques, The loans are also secured by registered by first charge on fixed and floating assets including book debts.
	Liability against export bills	Purpose:Working capital finance Tenor:90-120 days Interest Rate: 15.50% P.A to be determined by the bank from time to time Security Agreement: Hypo of Inventory,Mortage of land ,Building , Machineries and other equipments. Personal guarantee of all the directors of the company and mortgagors in their capacity, Post dated cheques, The loans are also secured by registered by first charge on fixed and floating assets including book debts.



Bank	Loan Account	Particulars
Mercantile Bank Ltd	Time Loan	Nature:Time Loan Limit: Tk.400 million Purpose:Import of Raw Cotton Tenor: At sight Mode of Repayment :By creation of eventual LTR Interest Rate:14.50% - 16.00 % P.A.to be determine by the bank from time to time Security Agreement: Hypo of Inventory, machinery, equipment and other fixed assets. Registered mortgage of 83 decimal land with 12 storied factory building owned by Jinnat Knitwear Ltd.and Registered mortgage of 109 decimal land with construction factory building owned by Mawna Fashions Ltd, Personal Guarantee of all the Directors of the company. The loans are also secured by registered by first charge on fixed and floating assets including book debts.
	Liability against export bills	Purpose:Working capital finance Tenor:90-120 days Interest Rate: 14.00% - 14.50 % P.A to be determine by the bank from time to time Security Agreement: Export LC
The City Bank Limited	Working capital financing in the form of: Global Limit: Tk. 920 million	
	Sight LC	Nature:Sight LC Purpose:Import of Raw Cotton Tenor: At Sight Repayment Period:Any time of 1 Year Security Agreement: Personal Guarantees of key directors, Coporate Guarantee of Flamingo Fashions Ltd, Jinnat Apparels Ltd and Counter Guarantee of Borrowing company (against BG facilities)
	Export Development Fund (EDF)	Nature:EDF Purpose:Import of Raw Cotton Tenor: Maximum 180 days and as per regulatory guidelines. Repayment Period:1 Year Interest Rate: 2.5% plus LIBOR Security Agreement: Personal Guarantees of key directors, Coporate Guarantee of Flamingo Fashions Ltd, Jinnat Apparels Ltd and Counter Guarantee of Borrowing company (against BG facilities), A set of usual charge documents
	Short Term Loan	Nature:Short Term Loan Purpose:Import of Raw Cotton Tenor:Maximum 180 days Interest Rate: 13.00 % - 15.50 % P.A to be determine by the Security Agreement: Personal Guarantees of key directors, Coporate Guarantee of Flamingo Fashions Ltd, Jinnat Apparels Ltd and Counter Guarantee of Borrowing company (against BG facilities), A set of usual charge documents
	Bank Guarantee	Nature:Bank Guarantee Purpose:Favoring various shipping lines returing of containers Tenor:Maximum 90 days Security Agreement: Personal Guarantees of key directors, Coporate Guarantee of Flamingo Fashions Ltd, Jinnat Apparels Ltd and Counter Guarantee of Borrowing company (against BG facilities), A set of usual charge documents



Bank	Loan Account	Particulars
Prime Bank Limited	Export Development Fund (EDF)	Nature:EDF Limit: Tk.86.1 million Purpose:Import of Raw Cotton Tenor: At Sight Interest Rate: 2.5% plus LIBOR Security Agreement: Personal Guarantees of all the directors of the company supported by personal net worth statements, L/C related shipping documents, Lien on export L/C,Usual charge documents.
HSBC	Liability against export bills	Purpose:Working capital finance Limit: Tk. 46.60 million Tenor: 120 days Interest Rate: 4.50% P.A plus LIBOR Security Agreement: Export LC

Amounts in Taka

At 30 June 2013	At 30 June 2011
--------------------	--------------------

20 Current portion of long term loan

Hire purchase under shirkatul melk - 24300087718	172,176,451	172,176,451
Hire purchase under shirkatul melk - 24300108712	-	1,952,481
Hire purchase under shirkatul melk - 24300133710	3,523,147	3,523,147
Hire purchase under shirkatul melk - 24300139514	-	2,844,675
Hire purchase under shirkatul melk - 24300151710	-	2,236,572
Hire purchase under shirkatul melk - 24300152610	15,731,580	15,731,580
Hire purchase under shirkatul melk - 24300153510	-	64,496
Hire purchase under shirkatul melk - 24300158414	-	1,487,194
Hire purchase under shirkatul melk - 24300169902	6,051,305	6,051,305
	<u>197,482,484</u>	<u>206,067,901</u>

21 Provision & accruals

Provision for Income Tax (21.01)	139,238,937	108,538,600
Provision for workers' profit participation and welfare funds (21.02)	51,908,797	36,488,675
	<u>191,147,734</u>	<u>145,027,275</u>

21.01 Provision for Income Tax

Opening Balance	108,538,600	87,269,120
Less: Income tax paid for the year 2009 -2010	-	(175,000)
Less: Income tax paid for the year 2010 -2011	-	(19,275,000)
Less: Income tax paid for the year 2011 -2012	(12,220,000)	
Less: Income tax paid for the year 2012 -2013	(8,000,000)	
Restated Balance	<u>88,318,600</u>	<u>67,819,120</u>
Add: Provision for taxation Income year (2012 - 2013) For 12 months (Note - 28.02)	50,920,337	40,719,480
	<u>139,238,937</u>	<u>108,538,600</u>

21.02 Provision for workers' profit participation and welfare funds

Opening Balance	36,488,675	23,743,288
Add: Addition during the year	15,420,122	12,745,387
	<u>51,908,797</u>	<u>36,488,675</u>



Amounts in Taka

At	At
30 June 2013	30 June 2012

22 Revenue	Quantity (Kg)		Taka	
	2012-2013	2011-2012	2012-2013	2011-2012
Export				
Combed Yarn	2,934,870	2,760,647	1,113,267,351	1,166,323,681
Carded Yarn	2,104,486	2,083,688	671,174,851	764,725,252
Synthetic Yarn	1,462,418	1,357,579	430,413,557	513,931,135
Slub Yarn	481,700	529,991	180,926,851	178,635,348
			<u>2,395,782,610</u>	<u>2,623,615,416</u>

Turn over in Quantity (Kg)
2012-2013

Product Type	Opening Stock	Production	Closing Stock	Sales during the year
	a	b	c	(a+b-c)
Combed Yarn	115,225	2,962,455	142,810	2,934,870
Carded Yarn	320,383	2,009,218	225,116	2,104,486
Synthetic Yarn	90,237	1,432,547	60,367	1,462,418
Slub Yarn	12,480	481,881	12,661	481,700
Total	<u>538,324</u>	<u>6,886,102</u>	<u>440,953</u>	<u>6,983,473</u>

2011-2012

Product Type	Opening Stock	Production	Closing Stock	Sales during the year
	a	b	c	(a+b-c)
Combed Yarn	408,458	2,467,415	115,225	2,760,647
Carded Yarn	293,209	2,110,862	320,383	2,083,688
Synthetic Yarn	91,986	1,355,830	90,237	1,357,579
Slub Yarn	19,818	522,652	12,480	529,991
Total	<u>813,471</u>	<u>6,456,758</u>	<u>538,324</u>	<u>6,731,905</u>

23 Cost of goods sold		
Raw Material consumption (Note-23.1)	1,590,714,418	1,742,637,226
Packing materials consumption (Note-23.2)	16,047,961	11,631,574
Manufacturing overhead (Note-23.3)	291,753,265	258,936,602
Cost of goods manufacturing	<u>1,898,515,644</u>	<u>2,013,205,402</u>
Opening work-in-process	24,329,276	24,197,003
Closing work-in-process	(20,194,627)	(24,329,276)
Cost of production	<u>1,902,650,293</u>	<u>2,013,073,129</u>
Opening stock of finished yarn	154,428,732	254,907,089
Closing stock of finished yarn	(127,936,975)	(154,428,732)
	<u>1,929,142,051</u>	<u>2,113,551,486</u>



Amounts in Taka

23.1 Raw Material consumption

In Quantity (KG)

	At 30 June 2013	At 30 June 2012
Opening Stock	1,772,302	1,571,380
Purchase during the year	8,691,019	7,912,232
Raw Material Available for Consumption	10,463,321	9,483,612
Closing Stock	1,856,722	1,772,302
Raw Material Consumed	8,606,598	7,711,310

In Taka

Opening balance	339,655,944	347,706,598
Purchase during the year	1,632,376,948	1,786,152,946
Raw Material available for consumption	1,972,032,892	2,133,859,543
Sale of cotton- local	(42,290,877)	(51,566,373)
Closing balance	(339,027,596)	(339,655,945)
	1,590,714,418	1,742,637,226

23.2 Packing materials consumption

Opening balance	2,502,999	2,867,791
Purchase during the year	14,801,015	11,266,782
Packing materials available for consumption	17,304,014	14,134,573
Closing balance	(1,256,053)	(2,502,999)
	16,047,961	11,631,574

Item wise quantity schedule with value given below:

Particular	Quantity (Pcs)			
	2012-2013	2011-2012		
Paper Cone	4,062,775	2,944,702	9,628,777	6,978,944
Polythene Bag	224,671	162,842	5,616,786	4,071,051
Sundries	-	-	802,398	581,579
Packing Materials	4,287,446	3,107,544	16,047,961	11,631,574

23.3 Manufacturing overhead

Salary and allowances	67,198,877	57,154,116
Repair and maintenance	21,855,690	16,175,208
BTMA certificate charges	681,387	483,700
Store and spare parts	30,194,739	26,675,198
Travelling & Conveyance	225,132	147,749
Crockeries and Canteen Expenses	555,921	6,866
Factory stationeries	76,580	3,540
Fuel and lubricants- fork lift	315,220	659,995
Fuel and lubricants- Generator	41,233,350	17,226,595
Fuel and lubricants- vehicles	2,465,001	1,156,110
Gas bill	34,664,976	34,942,522
Inspection charges	55,800	194,300
Insurance premium	4,691,501	7,100,156
Testing fee	52,935	8,000
Workshop expenses	851,350	376,094
Depreciation	86,634,807	96,626,453
	291,753,265	258,936,602



		Amounts in Taka	
		At	At
		30 June 2013	30 June 2012
24	Other income		
	Interest on inter company receivable*	15,490,174	21,161,433
	Foreign currency exchange gain/(loss)	8,013,087	(14,437,887)
	Gain / Loss on Investment in marketable securities	(3,348,835)	(7,568,680)
	Bank interest received	7,073,968	509,223
	Profit on sale of raw cotton (24.01)	1,215,175	1,525,529
	Sales of wastage	6,562,261	6,305,746
	Cash Dividend (Share Investment)	430,800	90,000
		<u>35,436,631</u>	<u>7,585,365</u>
24.01	Local sales of raw cotton	43,506,052	53,091,902
	Less : Cost of raw cotton	42,290,877	51,566,373
		<u>1,215,175</u>	<u>1,525,529</u>
* Interest has been accrued on inter company balance receivable on 30 June 2013 realizable on monthly basis as per			
25	Administrative expenses		
	Salary and allowances	33,350,573	23,157,397
	Audit fees	225,000	200,000
	AGM Expenses	129,867	42,483
	Business development expenses	997,275	384,095
	Bank charges and commission	2,907,983	1,911,382
	Ceremonial expense	4,250	3,900
	Certificate and membership fees	283,024	534,294
	Computer repair maintenance	232,325	490,150
	Credit rating expenses	172,500	325,000
	Advertisement	830,110	10,000
	Contribution to Provident Fund	462,192	-
	Directors Remuneration (Note -35)	6,000,000	4,800,000
	Donation and subscription	644,100	66,110
	Entertainment	284,774	490,720
	Garden Expenses	29,148	80,742
	Internet charges	210,944	84,804
	Corporate Advisory Expenses	-	3,090,000
	Legal expenses	596,450	68,512
	Medicine and medical expenses	-	4,650
	Miscellaneous expenses	1,215,343	202,474
	News paper and periodicals	1,070	2,888
	Office maintenance	395,806	276,397
	Photocopy and type expenses	47,540	93,729
	Power and fuel - vehicles	796,658	285,731
	Printing & Stationery	839,811	667,338
	Rates and taxes	196,931	207,150
	Office Rent	240,000	240,000
	Registration and renewal	1,540,821	1,259,998
	Religious expenses	26,200	28,700
	Road toll	1,910	3,620
	Staff welfare	58,000	116,600
	Telephone bill	52,539	38,765
	Travelling expenses	415,246	42,110
	Uniform and levaryies	162,600	164,284
	VAT on wastage sale	984,341	1,036,389
	Depreciation	9,626,090	10,736,273
		<u>63,961,420</u>	<u>51,146,685</u>



		Amounts in Taka	
		At	At
		30 June 2013	30 June 2012
26	Distribution expenses		
	Sales commission	401,318	242,955
	Carriage outward	290,350	85,450
		<u>691,668</u>	<u>328,405</u>
27	Finance cost		
	Interest expenses		
	Bank Interest on hire purchase loan	47,632,639	64,110,500
	Bank interest on MPI	20,877,961	93,611,155
	Bank interest on Time Loan	213,454	10,547,983
	Bank interest on Export development fund	27,305,453	14,949,971
	Bank Interest loan on export bills	17,572,027	15,301,471
		<u>113,601,534</u>	<u>198,521,080</u>



28 Current Tax

Current tax expenses as per income tax ordinance is 15 % on taxable income during the year . Taxable income has arrived as follows:

		Amounts in Taka	
		At 30 June 2013	At 30 June 2012
28.01	Revenue	2,395,782,610	2,623,615,416
	Cost of sales	(1,929,142,051)	(2,113,551,486)
	Gross profit	466,640,559	510,063,930
	Other income	35,436,631	7,585,365
	General and administrative expenses	(63,961,420)	(51,146,685)
	Distribution expenses	(691,668)	(328,405)
	Financial expenses	(113,601,534)	(198,521,080)
		323,822,568	267,653,125
	Contribution to workers' profit participation and welfare funds	(15,420,122)	(12,745,387)
	Profit before tax	308,402,446	254,907,738
		Amounts in Taka	
		At 30 June 2013	At 30 June 2012
28.02	Profit before tax (01.07.2012 to 30.06.2013) (Note -28.01)	308,402,446	254,907,738
	Less: Other income considered separately	35,436,631	7,585,365
		272,965,815	247,322,373
	Add: Accounting Depreciation	96,260,896	107,362,726
	Less: Tax Depreciation	(126,218,865)	(157,096,726)
	Taxable Income	243,007,847	197,588,373
	Current Tax expenses on Taxable Income	36,451,177	29,638,256
	Income tax on Bank interest received	2,652,738	190,959
	Foreign currency exchange gain/(loss)	3,004,908	-
	Income tax on Interest receivable	5,808,815	7,935,537
	Profit on sale of local cotton	455,691	572,074
	Income tax on wastage sale	2,460,848	2,364,655
	Cash Dividend (Share Investment)	86,160	18,000
	Income Tax expenses	50,920,337	40,719,480

Provision for income tax has been calculated @ 15% on taxable income from operation under SRO 207 dated 30 June 2008 of NBR, 20 % on dividend income and 37.50 % on taxable other income.



		Amounts in Taka	
		At 30 June 2013	At 30 June 2012
29	Deferred tax expenses for Income Statement		
	Fixed assets:		
	Carrying amount	851,687,552	932,174,231
	Tax base	580,098,776	698,298,037
	Taxable Temporary difference	271,588,775	233,876,194
	Tax rate	15%	15%
	Deferred tax liabilities as on 30 June 2013	40,738,316	35,081,429
	Deferred tax liabilities 30 June 2012	35,081,429	26,393,733
		5,656,887	8,687,696
29.01	Deferred tax for Statement of Comprehensive Income		
(i)	Deferred tax liability against revaluation reserve other than land		
	Carrying amount other than revaluation reserve	143,708,641	151,463,254
	Tax base	143,708,641	151,463,254
	Applicable tax rate	15%	15%
		21,556,296	22,719,488
(ii)	Deferred tax liability on capital gain revaluation of land		
	Carrying amount other than revaluation reserve	865,391,996	865,391,996
	Tax base	865,391,996	865,391,996
	Applicable tax rate	2%	2%
		17,307,840	17,307,840
	Deferred tax liability against revaluation reserve (i + ii)	38,864,136	40,027,328
	Deferred tax liabilities 30 June 2012	40,027,328	41,254,924
	Deferred tax for Statement of Comprehensive Income	(1,163,192)	(1,227,596)
30	Earnings Per Share (EPS)		
30.01	Earnings Per Share (EPS) (weighted average method)		
	Net profit attributable to ordinary share holders	251,825,222	205,500,562
	Weighted average number of ordinary shares (Note:30.01.01) outstanding during the year	63,390,000	63,390,000
		3.97	3.24

Weighted average number of ordinary shares calculation as per BAS-33

30.01.0: Calculation of weighted average number of ordinary shares (2012-2013)

Date	No. of Shares	Fraction of period	Weighted average of shares
Balance as on 1st July-2010	25,500,000	365	25,500,000
12.10.2010			
Shares allotted in cash	9,110,000	365	9,110,000
25.10.2010			
Bonus shares	7,650,000	365	7,650,000
15.01.2013			
Bonus shares	31,695,000	365	21,130,000
Weighted average number of ordinary shares (2012 - 2013)			63,390,000



30.02 Earnings Per Share (EPS) (Fully diluted basis)		
Net profit attributable to ordinary share holders	251,825,222	205,500,562
Fully diluted basis number of ordinary shares outstanding during the year	63,390,000	63,390,000
	<u>3.97</u>	<u>3.24</u>
31 Net Assets Value		
31.01 Net Assets Value (With Revaluation reserves)		
Total assets	3,844,552,774	4,139,011,203
Less: Total current liabilities	1,279,325,901	1,669,703,138
	<u>2,565,226,873</u>	<u>2,469,308,065</u>
Deduct:		
Long Term & deferred liabilities	300,045,374	453,687,015
	<u>2,265,181,499</u>	<u>2,015,621,050</u>
Number of Ordinary Share at Balance Sheet date	63,390,000	42,260,000
NAV - Per Share		
On share at balance sheet date	<u>35.73</u>	<u>47.70</u>
31.02 Net Assets Value (Without Revaluation reserves)		
Total assets	3,844,552,774	4,139,011,203
Less: Revaluation Reserves	994,813,376	993,650,184
Less: Total current liabilities	1,279,325,901	1,669,703,138
	<u>1,570,413,497</u>	<u>1,475,657,881</u>
Deduct:		
Long Term & deferred liabilities	300,045,374	453,687,015
	<u>1,270,368,123</u>	<u>1,021,970,866</u>
Number of Ordinary Share at Balance Sheet date	63,390,000	42,260,000
NAV - Per Share		
On share at balance sheet date	<u>20.04</u>	<u>24.18</u>
32 Net Operating Cash Flow Per Share		
Cash flows from operating activities as per statement of cash	752,712,006	406,367,777
Number of Ordinary Share at Balance Sheet date	63,390,000	42,260,000
Net Operating Cash Flow - Per Share (On share at balance sheet date)	<u>11.87</u>	<u>9.62</u>

Others

33 During the period from 01.07.12 to 30.06.2013 six board meetings were held. The attendance status of all the

Name of Directors	Position	Meeting Held	Attended
Abdul Wahed	Chairman	6	6
M.A. Jabbar	Managing	6	6
M.A. Rahim	Director	6	6
M.A. Quader	Director	6	6
Md. Hassan Imam	Director	6	6
Selina Parvin	Director	6	6
Tanzeen Rahim	Director	6	6
Taslima Begum	Director	6	6

34 Employee position for Matin Spinning Mills Ltd (as at 30 June 2013)
Disclosure as per requirement of schedule XI part II of Company Act 1994

Head Office	Officer & Staff	Factory	Worker	Total Employee	Amount in Taka
16		167	701	884	106,549,450
				<u>884</u>	<u>106,549,450</u>

There is no Salary/ Wages/Remuneration below Tk.3000/- per month



35 Payments to Directors and Officers

Disclosure as per requirement of schedule XI, Part II, Para 4 of Company Act 1994

Particular	2012-2013			2011-2012		
	Directors	Managers & Others	Total	Directors	Managers & Others	Total
Basic Salary	3,671,400	18,326,020	21,997,420	2,937,120	12,724,906	15,662,026
House Rent	1,835,700	9,163,010	10,998,710	1,468,560	6,362,453	7,831,013
Conveyance	492,900	2,460,341	2,953,241	394,320	1,708,369	2,102,689
Bonus/ incentives	-	3,401,203	3,401,203	-	2,361,669	2,361,669
Total Salary and allowances	<u>6,000,000</u>	<u>33,350,573</u>	<u>39,350,573</u>	<u>4,800,000</u>	<u>23,157,397</u>	<u>27,957,397</u>

* Directors include Managing Director only.

* No other benefits other than the monthly emoluments is given to the Managing Director.

* No honorarium or facility was given to the directors for attending board meeting.

36 Contingent Liabilities:

1 Contingent Liability of the Company was Tk. 185,489,941.00 as on June 30,2013 for opening of LCs by the banks in favour of foreign suppliers for raw materials and spares

2 There was no facts and figures for which the company has contingent liability to any party other than Bank as on June 30,2013.

37 Disclosure as per requirement of schedule XI, part II, para 7 of Company Act 1994

	2012-2013	2011-2012
Capacity Installed:		
No of Spindles Installed	39,600	39,600
Capacity Utilised:		
No of Spindles Operated	37,670	37,893
Production Capacity: (In Kg)		
At Equivalent 28' S Count (Ring Yarn)	8,640,000	8,825,000
Actual Production : (In Kg)		
At Equivalent 28' S Count (Ring Yarn)	7,055,940	7,127,872
% of Capacity Utilization:	81.67	80.77

Note: Licensed capacity not mentioned in license.



38 Related party disclosure

During the year, The Company carried out a numbers of transactions with related parties in the normal course of business. The names of the related parties and nature of these transaction have been set out in accordance with the provisions of BAS -24: "Related Party Disclosure".

Name of the related party	Relationship	Nature of transaction	Value of transactions (taka)	Closing balance		Closing balance	
				Status as at June 30, 2013		Status as at June 30, 2012	
				BDT		BDT	
DBL Ceramics Ltd	Associated Company	Working Capital Finance	51,556,898	140,819,768	Debtor	192,376,666	Debtor
		Interest receivable	15,490,174	48,299,663	Debtor	32,809,489	Debtor
		Share Money Deposit	-	50,800,000	Debtor	50,800,000	Debtor
		Share Capital	-	25,000,000	Debtor	25,000,000	Debtor
Flamingo Fashions Ltd	Sister Concerns	Sale of yarn	1,036,912,404	327,144,981	Debtor	400,868,114	Debtor
Jinnat Fashions Ltd	Sister Concerns	Sale of yarn	467,470,195	79,475,311	Debtor	43,808,169	Debtor
Jinnat knitwears Ltd	Sister Concerns	Sale of yarn	497,779,800	55,755,266	Debtor	47,779,980	Debtor
Jinnat Apparels Ltd	Sister Concerns	Sale of yarn Office Rent	161,102,005 240,000	196,659	Debtor	400,155,421	Debtor
Matin Knitwears Ltd	Sister Concerns	Sale of yarn	71,917,850	16,004,051	Debtor	4,259,796	Debtor

39 Disclosure as per requirement of schedule XI, part II, para 8 of Company Act 1994

Disclosure requirement of schedule XI, part II, para 8(b&d) of Company Act 1994
CIF Value of Raw Cotton, Spare Parts, Packing Materials and Capital Machinery (BDT) and Consumption

Particular	Local Purchase	Import	Total Purchase	Consumed	% of Consumption
Raw Cotton	49,101,753	1,585,942,870	1,635,044,623	1,590,714,418	97.18%
Store and Accessories		26,563,882	26,563,882	30,194,739	1.84%
Packing Materials	14,801,015		14,801,015	16,047,961	0.98%
Capital Machinery				-	0.00%
Total	63,902,768	1,612,506,752	1,676,409,520	1,636,957,119	100.00%

In the period under review the company did not remit any amount as dividend, technical know-how, royalty, professional consultation fees, interest and other matters either its share holders or others.

FOB Value of export

The FOB value of export for the year 30 June 2013 is as follows:

Particular	In foreign currency \$	In BDT
Export	30,519,524	2,395,782,610



40 Event after Balance Sheet date

There is no significant event that qualify for reporting between the end of financial year closing date and financial statement issue date other than normal business activities.

41 Figures are rounded off to the nearest Taka.

42 Previous year's figures have been rearranged, wherever considered necessary, to conform to current year's

43 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction

The accounting policies and explanatory notes form and integral part of the financial statements.

The financial statements were authorized for issue by the board of directors on September 5, 2013

Managing Director

Director

Chief Finance Officer

This is the notes to the financial statements referred to in our annex report

Masih Muhith Haque & Co.
Chartered Accountants

Matin Spinning Mills Ltd

Details of property, plant and equipment for the half year ended 30 June 2013

i) Non Revalued Assets:

Amounts in Taka

Name of the assets	Cost			Depreciation			Written down value at 30 June 2013
	At 01 July 2012	Addition during the period	Adjustment/di sposal during the period	At 01 July 2012	Charge for the period	Adjustment during the period	
Land and land development	69,126,302	5,288,400	-	-	-	-	74,414,702
Factory building	176,141,096	365,663	-	77,884,360	4,931,120	-	82,815,480
Godown	16,262,162	-	-	9,055,545	720,662	-	9,776,206
Plant and machinery	1,490,282,424	-	-	844,030,740	64,625,168	-	908,655,909
Furniture and fixtures	2,308,952	204,536	-	896,257	161,723	-	1,057,980
Gas equipment	1,978,958	-	-	1,152,535	123,963	-	1,276,499
Generator	128,958,867	-	-	80,206,608	7,312,839	-	87,519,447
Office equipments	8,725,044	1,308,905	-	4,591,137	816,422	-	5,407,559
Electric installation	83,683,364	852,100	-	52,584,350	4,792,667	-	57,377,017
Deep tubewell	1,100,000	-	-	793,619	61,276	-	854,895
Vehicles	43,037,400	-	-	18,235,187	4,960,443	-	23,195,630
Total at 30 June 2013	2,021,604,569	8,019,604	-	1,089,430,338	88,506,283	-	1,177,936,621

ii) Revalued Assets

Name of the assets	Revaluation			Depreciation			Written down value at 30 June 2013
	At 01 July 2012	Addition during the period	Adjustment/di sposal during the period	At 01 July 2012	Charge for the period	Adjustment during the period	
Land and land development	865,391,996	-	-	-	-	-	865,391,996
Factory building	163,805,258	-	-	15,971,013	7,391,712	-	23,362,725
Godown	4,480,258	-	-	851,249	362,901	-	1,214,150
Total at 30 June 2013	1,033,677,512	-	-	16,822,262	7,754,613	-	24,576,875
Total (I + ii) at 30 June 2013	3,055,282,081	8,019,604	-	1,106,252,600	96,260,896	-	1,202,513,496

Allocation of depreciation:

	Year ended 2013
Manufacturing overhead @ 90%	86,634,807
Administrative overhead @ 10%	9,626,090
	<u>96,260,896</u>

Matin Spinning Mills Ltd

Details property, plant and equipment for the year ended 30 June 2012

i) Cost

Amounts in Taka

Name of the assets	Cost			Depreciation			Written down			
	At 01 July 2011	Addition during the year	Adjustment/disposal during the year	Total at 30 June 2012	Rate %	At 01 July 2011	Charge for the year	Adjustment during the year	Total at 30 June 2012	Value at 30 June 2012
Land and land development	64,201,557	4,924,745	-	69,126,302	0%	-	-	-	-	69,126,302
Factory building	159,364,167	16,776,929	-	176,141,096	5%	72,712,953	5,171,407	-	77,884,360	98,256,736
Godown	16,262,162	-	-	16,262,162	10%	8,254,809	800,735	-	9,055,545	7,206,617
Plant and machinery	1,461,462,507	28,819,917	-	1,490,282,424	10%	772,224,998	71,805,743	-	844,030,740	646,251,684
Furniture and fixtures	2,291,152	17,800	-	2,308,952	10%	739,291	156,966	-	896,257	1,412,695
Gas equipment	1,978,958	-	-	1,978,958	15%	1,006,696	145,839	-	1,152,535	826,423
Generator	128,891,967	66,900	-	128,958,867	15%	71,603,268	8,603,340	-	80,206,608	48,752,259
Office equipments	7,815,188	909,856	-	8,725,044	15%	3,861,624	729,513	-	4,591,137	4,133,907
Electric installation	83,380,828	302,536	-	83,683,364	15%	47,096,288	5,488,061	-	52,584,350	31,099,014
Deep tubewell	1,100,000	-	-	1,100,000	20%	717,024	76,595	-	793,619	306,381
Vehicles	43,037,400	-	-	43,037,400	20%	12,034,634	6,200,553	-	18,235,187	24,802,213
Total at 30 June 2012	1,969,785,886	51,818,683	-	2,021,604,569		990,251,585	99,178,753	-	1,089,430,338	932,174,231

ii) Revaluation

Name of the assets	Revaluation			Depreciation			Written down			
	At 01 July 2010	Addition during the year	Adjustment/disposal during the year	Total at 30 June 2011	Rate %	At 01 July 2010	Charge for the year	Adjustment during the year	Total at 30 June 2011	Value at 30 June 2011
Land and land development	865,391,996	-	-	865,391,996	0%	-	-	-	-	865,391,996
Factory building	163,805,258	-	-	163,805,258	5%	8,190,263	7,780,750	-	15,971,013	147,834,245
Godown	4,480,258	-	-	4,480,258	10%	448,026	403,223	-	851,249	3,629,009
Total at 30 June 2012	1,033,677,512	-	-	1,033,677,512		8,638,289	8,183,973	-	16,822,262	1,016,855,250
Total (I + ii) at 30 June 2012	3,003,463,398	51,818,683	-	3,055,282,081		998,889,874	107,362,726	-	1,106,252,600	1,949,029,481

Allocation of depreciation:

Year ended

2012

96,626,453

10,736,273

107,362,726

Manufacturing overhead @ 90%

Administrative overhead @ 10%