



মাসিহ মুহিত হায়ে এণ্ড কোং

MASIH MUHITH HAQUE & CO.

Chartered Accountants

In Practice Since 1985

Correspondent Firm of RSM International Network

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, 2015

Correspondent Firm of RSM International Network

AUDITORS' REPORT

To

The Shareholders of Matin Spinning Mills Ltd

We have audited the accompanying financial statements of **Matin Spinning Mills Limited** which comprise the statement of financial position as at June 30, 2015 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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 June 30, 2015 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 Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) 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;
- c) 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
- d) The expenditure incurred was for the purpose of the company's business.

Dated: Dhaka
September 12, 2015


(Masih Muhith Haque & Co.)
Chartered Accountants



Correspondent Firm of RSM International Network


Matin Spinning Mills Limited

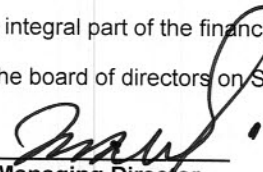
Statement of Financial Position as at 30 June 2015

	Notes	Amounts in Taka	
		At 30 June 2015	At 30 June 2014
Assets			
Non - current assets			
Property, plant and equipment	04/Annex I & ii	1,819,764,607	1,866,690,176
Investment	05	97,513,853	98,522,982
Capital work-in-process	06	760,593,816	49,278,488
		858,107,669	147,801,470
Total non - current assets		2,677,872,275	2,014,491,646
Current assets			
Cash and bank balances	07	2,094,338,153	2,190,971,599
Accounts receivable	08	197,132,598	151,131,395
Inventories	09	294,334,139	395,214,339
Advances & deposits	10	151,291,420	67,431,214
Due from sister concerns	11	303,279,452	139,455,850
Total current assets		3,040,375,761	2,944,204,397
Total assets		5,718,248,036	4,958,696,043
Equity and liabilities			
Share capital	12	974,900,000	974,900,000
Share Premium	13	920,700,000	920,700,000
Retained earnings	14	1,146,185,240	865,025,750
Tax holiday reserve	15	-	86,718,548
Revaluation reserve	16	996,960,432	995,915,687
Total equity		4,038,745,673	3,843,259,985
Non-current liabilities			
Long term bank loan	17	146,196,501	244,168,945
Deferred tax liability	18	83,695,158	82,343,250
Total non-current liabilities		229,891,660	326,512,195
Current liabilities			
Accounts payable	19	173,452,887	161,287,513
Share Application Money	20	4,664,160	6,614,431
Short term bank loan	21	1,043,914,229	348,786,756
Current portion of long term loan	22	97,947,248	97,632,305
Provision & accruals	23	129,632,180	174,602,859
Total current liabilities		1,449,610,704	788,923,863
Total equity and liabilities		5,718,248,036	4,958,696,043
NAV Per Share (With Revaluation reserves)	34.01	41.43	39.42
NAV Per Share (Without Revaluation reserves)	34.02	31.20	29.21

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 12, 2015.


Chairman


Managing Director


Chief Financial Officer

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

Dhaka

Dated : September 12, 2015



Masih Muhith Haque & Co.
Chartered Accountants

Matin Spinning Mills Limited
Income Statement
for the year ended 30 June 2015

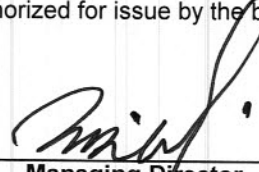
	Notes	Amounts in Taka	
		Year ended 30 June 2015	Year ended 30 June 2014
Revenue	24	2,029,007,454	2,334,384,001
Cost of goods sold	25	(1,632,998,934)	(1,880,133,607)
Gross profit		396,008,520	454,250,395
Other income	26	275,534,203	168,088,956
		671,542,724	622,339,351
Administrative expenses	27	(94,485,107)	(134,769,555)
Distribution expenses	28	(597,370)	(1,944,386)
Net profit before finance cost		576,460,246	485,625,410
Finance cost	29	(28,158,251)	(50,911,440)
Net profit before workers' profit participation funds & tax		548,301,995	434,713,971
Contribution to workers' profit participation funds	30	(26,109,619)	(20,700,665)
Net profit before taxation		522,192,376	414,013,305
Income tax	31	(103,865,080)	(92,695,210)
Deferred tax	32	(2,396,654)	(3,843,109)
Net profit after tax		415,930,642	317,474,987
Earnings Per Share (EPS)	33	4.27	3.26

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 12, 2015.



 Chairman



 Managing Director



 Chief Financial Officer

This is the income statement referred to in our annexed report.

Dhaka
 Dated : September 12, 2015


Masih Muhith Haque & Co.
Chartered Accountants

Matin Spinning Mills Limited
Statement of Comprehensive Income
for the year ended 30 June 2015

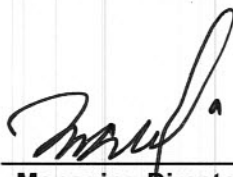
	Notes	Amounts in Taka	
		Year ended 30 June 2015	Year ended 30 June 2014
Net profit after tax for the period		415,930,642	317,474,987
Deferred tax on other comprehensive income	32.01	1,044,746	1,102,311
Less: Unrealised loss for fair value adjustment	5.02	(3,882,908)	(2,198,812)
Total comprehensive income for the period		413,092,479	316,378,485

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 12, 2015.



Chairman



Managing Director



Chief Financial Officer

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

Dhaka

Dated : September 12, 2015


Masih Muhith Haque & Co.
Chartered Accountants

Matin Spinning Mills Limited
Statement of Changes in Equity
for the year ended 30 June 2015

	Amounts in Taka					Total
	Share capital	Share Premium	Share holiday reserves	Retained earnings	Revaluation reserves	
Year 2015						
Balance at 01 July 2014	974,900,000	920,700,000	86,718,548	865,025,750	995,915,687	3,843,259,985
Net profit for the year	-	-	-	415,930,642	-	415,930,642
Dividend Paid	-	-	-	(243,725,000)	-	(243,725,000)
Unrealised loss for fair value adjustment	-	-	-	(3,882,908)	-	(3,882,908)
Excess provision of Income tax adjustment	-	-	-	26,118,208	-	26,118,208
Tax holiday reserves reversed	-	-	(86,718,548)	86,718,548	-	-
Other comprehensive income net of tax	-	-	-	-	1,044,746	1,044,746
Balance at 30 June 2015	974,900,000	920,700,000	-	1,146,185,240	996,960,432	4,038,745,673
Year 2014						
Balance at 01 July 2013	633,900,000	-	86,718,548	549,749,575	994,813,376	2,265,181,499
Net profit for the year	-	-	-	317,474,987	-	317,474,987
Share Premium	-	920,700,000	-	-	-	920,700,000
Share Capital	341,000,000	-	-	-	-	341,000,000
Unrealised loss for fair value adjustment	-	-	-	(2,198,812)	-	(2,198,812)
Other comprehensive income net of tax	-	-	-	-	1,102,311	1,102,311
Balance at 30 June 2014	974,900,000	920,700,000	86,718,548	865,025,750	995,915,687	3,843,259,985

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 12, 2015.



Chairman



Managing Director



Chief Financial Officer

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

Dhaka

Dated : September 12, 2015


Masih Muhith Haque & Co.
Chartered Accountants

Matin Spinning Mills Limited
Statement of Cash Flows
for the year ended 30 June 2015

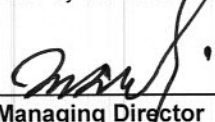
	Amounts in Taka	
	Year ended 30 June 2015	Year ended 30 June 2014
A. Cash flows from operating activities		
Collection from customers	2,031,898,631	2,721,332,803
Sale of cotton (local)	-	62,406,980
Other Income	67,411,339	65,468,621
Cash generated from operations	2,099,309,970	2,849,208,403
Cash paid to suppliers and employees	(1,560,976,173)	(1,730,139,162)
Interest paid on loans	(28,158,251)	(50,911,440)
Income tax paid	(99,960,995)	(63,960,000)
Payment made to workers' profit participation funds	(48,866,175)	(23,743,287)
Net cash flows from operating activities	361,348,375	980,454,514
B. Cash flow from investing activities		
Acquisition of property, plant and equipment	(34,230,256)	(92,782,066)
Capital work-in-process	(772,695,376)	(41,561,171)
Dividend Income	1,233,838	726,880
Interest on bank account	157,996,648	97,672,020
Net cash used in investing activities	(647,695,146)	(35,944,337)
C. Cash flows from financing activities		
Long term loan received /(repaid)	(97,657,501)	(76,124,156)
Short term loan received/(repaid to) bank	695,127,473	(433,186,050)
Dividend Paid	(241,982,775)	-
Share Capital	-	341,000,000
Share Premium	-	920,700,000
Share application money refunded	(1,950,271)	6,614,431
Inter-company debts Received/(paid)	(163,823,602)	49,663,581
Net cash from/(used in) financing activities	189,713,325	808,667,806
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	(96,633,447)	1,753,177,983
E. Opening cash and cash equivalents	2,190,971,599	437,793,616
F. Closing cash and cash equivalents (D+E)	2,094,338,153	2,190,971,599
Net Operating Cash Flow Per Share	3.71	10.06

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 12, 2015.



Chairman



Managing Director



Chief Financial Officer

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

Dhaka

Dated : September 12, 2015


 Masih Muhith Haque & Co.
 Chartered Accountants

Matin Spinning Mills Ltd

Notes to the financial statements

For the year ended 30 June 2015

General

1.00 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. The company floated its shares to the public through IPO in January-2014 and the shares of the company were listed in both Chittagong and Dhaka Stock Exchanges on 27th March & 2nd April, 2014 respectively.

1.2 Nature of Business

The company is a 100% export oriented backward linkage spinning industry established to manufacture and sell all types of Cotton, Viscose, Polyester and CVC yarn to export oriented knit garments industries. The factory is situated at Sardagonj, Kashimpur, Gazipur, Dhaka. The company commenced commercial production on October 01, 2006.

2.00 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 were 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 - 24	Related Party Disclosures
BAS - 28	Investments in associates
BAS - 33	Earnings per Share
BAS - 36	Impairment of Assets
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 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 authorised the financial statements for issue on September 12, 2015.

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 2014 to 30 June 2015 and is followed consistently.

3.00 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 Going concern

The company has adequate resources to continue the operation for foreseeable future and hence, the financial statements have 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.

3.03 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 :

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

3.04 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 which affect 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 have 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 – 18	Deferred Tax Liability
Note – 19	Accounts Payable
Note – 23	Provisions & accruals

3.05 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.

3.06 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.

3.07 Property, plant and equipment

A. Recognition and Measurement

The cost of an item of property, plant and equipment shall be recognized as an asset if and only if it is probable that the future economic benefit associated with the item will flow to the entity, and the cost of the item can be measured reliably.

Fixed assets have been accounted for at cost less accumulated depreciation, cost includes expenditure that is directly attributable to the acquisition of the items.

B. Depreciation

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 on day basis as and when the assets are ready for operation. 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	Nil
Factory building	5
Godown	10
Plant and machinery	10
Furniture and fixtures	10
Gas equipment	15
Generator	15
Office equipment	15
Electric installation	15
Deep tubewell	20
Vehicles	20

C. Impairment

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset should be reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss is recognized as an expense in the income statement.

3.08 Investment

Investment in Share

Investment is initially recognized at cost including acquisition charges with the investment. After initial recognition, the investment in marketable ordinary shares have been valued at market price on an aggregate portfolio basis. Investment in non marketable shares have been valued at cost. Full provision for diminution in value of share as on closing of the year on aggregate portfolio basis is made in the Financial Statements.

3.09 Capital Work in Process:

Capital work-in-process comprises Construction work of a godown and expansion unit of Melange yarn project.

3.10 Cash and cash equivalents

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

3.11 Accounts receivable

Accounts receivable at the Statement of Financial Position date is stated at amount which are considered realizable. Specific allowance is made for receivable considered to be doubtful of recovery.

3.12 Inventories

Inventories are stated at the lower of cost or net realizable value in compliance to the requirement of Para 21 & 25 of BAS -2

Types of Stock	Basis of Valuation
Raw Materials, Packing Materials and Work-in-process	At cost or market price whichever is lower
Finished Goods	At lower of cost or net estimated realizable value
Spare & Parts	Weighted Average Cost
Diesel & Lube Oil	At Cost
Stock of Bandhan	At Cost or market price

The cost is determined on weighted average cost basis. Net realizable value is based on estimated selling price less any further costs anticipated to be incurred to make the sale. Any obsolete stock of abnormal losses are recognized as expenses.

3.13 Advance , Deposit and Prepayments

Advance , Deposit and Prepayments comprise salary advance, advance to supplier, security deposit to Titas Gas Transmission and Distribution Co. Ltd. which will be adjusted against their bills and refundable by the suppliers at the end of the service period.

3.14 Current account with sister concerns

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

3.15 Capital

Share Capital

Share capital is fully paid up by the shareholders. Details have been mentioned in note -12

Share Application Money

The share application money consists of the money against IPO applicants who were unsuccessful in lottery. The money is in the process of being refunded to the unsuccessful applicants.

3.16 Retained Earning

Retained earning represents available distributable profit to the share holders after making all necessary adjustment in the financial statements.

3.17 Tax holiday reserves

The company had 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 expired on 30 September 2010.

3.18 Deferred Tax

Deferred tax is recognized on difference between the carrying amount of assets and liabilities in the Financial Statements and the corresponding tax based assets in the computation of taxable profit. Deferred tax liability are generally recognized for all taxable temporary difference and deferred tax assets are generally recognized for all deductible temporary difference to the extent that it is probable that taxable profit will be available against which those deductible temporary difference can be utilized,

3.19 Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of Comprehensive Income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted on date of Statement of Financial Position.

3.20 Provisions:

A provision is recognized in the Statement of Financial Position 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.

3.21 Finance costs

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

3.22 Finance income

Finance income comprises interest income on loan granted to sister concerns and on Fixed deposit receipts. The rate of interest is 10.50 % on loan granted to sister concern and 9.50 % on fixed deposit receipts.

3.23 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.

3.24 Provident Fund:

Members, on confirmation, in regular employment of the company, are eligible to join the provident fund to which members contribute 7% of their basic salaries and the Company makes a matching contribution. The Fund is administered by a Board of Trustees.

3.25 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.

3.26 Materiality and Aggregation

Each material item as considered by management significant has been presented separately in financial statements. No amount has been set off unless the company has the legal right to set off the amounts and intends to settle on net basis. Income and expenditure are presented on a net basis only when permitted by the relevant accounting standards.

3.27 Earnings per share

Earnings per share (EPS) has been calculated in accordance with Bangladesh Accounting Standard (BAS-33) "Earnings Per Share" is shown on the face of Income Statement and computation is shown in note - 33.

3.28 Related party disclosure:

As per Bangladesh Accounting Standard (BAS -24) the parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company carried out transactions in the ordinary course of business on an arm's length basis with its related parties.

3.29 Risk management :

The Company has exposures to the following risks from its use of financial instruments

- **Credit risk**
- **Liquidity risk**
- **Market risk**
- **Capital risk management**
- **Operational risk**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board oversees how management monitors compliance with risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the group. The Board is assisted in its oversight role by Audit Committee. Internal Audit, under the purview of Audit Committee, undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit Risk

Credit risk is the risk of financial loss to the Company if a buyer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from customers and investment securities. The Company's major sales are made to the RMG exporting Companies run under DBL group. A minor quantity of sales are made to the RMG exporting Companies outside the DBL group. All sales are fully secured by Letters of Credit by local scheduled banks.



Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's approach to managing liquidity 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. In general, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash 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. Moreover, the Company seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment.

The requirement is determined in advance through cash flow projections and credit line facilities with banks are negotiated accordingly.

Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

Capital Risk Management

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board seeks to maintain a balance between the higher returns that might be possible with optimum levels of borrowings and the advantages and security afforded by a sound capital position. The Board also monitors dividend trend to ordinary shareholders.

Operational Risk

Operation of the factory is mostly automated and involves minimal manual input. The overall process adheres to highest international standards. The plant is run by experienced and professional personnel. The workers and officers of the Company are properly trained. Besides, the machineries are properly maintained and repaired whenever necessary. The factory building is well constructed and has adequate fire control measures.

3.30 Segment reporting :

A segment is a distinguishable component of the entity that is engaged in providing products or services within a particular economic environment. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision maker. The entity regards its Board of Directors as its Chief Operating decision maker, as the Board is responsible for allocating resources, assesses performance, and makes strategic decision.

The entity is primarily engaged in the manufacturing and sale of cotton yarn and blended yarn to export oriented knit garments industries and this forms the focus of the Company's internal reporting system. While the Company has clearly differentiated brands, segmentation within a wide portfolio of brand is not part of the regular internally reported financial information to the Chief Operating decision maker. Therefore, it is not possible to segment the Company's results by brand without a high degree of estimation.

3.31 Events after the reporting date:

Events after the reporting date 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.

				Amounts in Taka	
				At	At
				30 June 2015	30 June 2014
04	Property, plant and equipment				
A	ASSETS AT COST (Non Revalued Assets):				
	Opening balance (at cost)			2,122,406,239	2,029,624,173
	<u>Add</u> : Additions			34,230,256	92,782,066
				2,156,636,495	2,122,406,239
	<u>Less</u> : Disposal/Adjustment			-	-
	Closing balance (a)			2,156,636,495	2,122,406,239
	Accumulated Depreciation				
	Opening balance			1,257,467,964	1,177,936,621
	<u>Add</u> : Charges for the year			74,190,854	79,531,342
				1,331,658,818	1,257,467,964
	<u>Less</u> : Disposal/Adjustment			-	-
	Closing balance (b)			1,331,658,818	1,257,467,964
	Written Down Value (a-b)			824,977,677	864,938,276
B	REVALUED ASSETS :				
	Opening balance (at revalued cost)			1,033,677,512	1,033,677,512
	<u>Add</u> : Additions			-	-
				1,033,677,512	1,033,677,512
	<u>Less</u> : Disposal/Adjustment			-	-
	Closing balance (a)			1,033,677,512	1,033,677,512
	Accumulated Depreciation				
	Opening balance			31,925,612	24,576,875
	<u>Add</u> : Charges for the year			6,964,970	7,348,737
				38,890,582	31,925,612
	<u>Less</u> : Disposal/Adjustment			-	-
	Closing balance (b)			38,890,582	31,925,612
	Written Down Value of Revaluation Assets (a-b)			994,786,930	1,001,751,900
	Total Written Down Value (A+B)			1,819,764,607	1,866,690,176
	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	25,000,000
	Investment in marketable securities	5.02		21,713,853	22,722,982
	Share Money Deposit(DBL Ceramics Ltd)			50,800,000	50,800,000
				97,513,853	98,522,982
5.01	Investment in equity of sister concern				
	Particular	No. of Share	% of Share	Face Value	
	DBL Ceramics Ltd	250,000	25 %	100	
				25,000,000	25,000,000
				25,000,000	25,000,000

a) DBL Ceramics Ltd is an associate company of Matin Spinning Mills Ltd. and the company has not started operation as on 30.06.2015.

b) Paid up capital of DBL Ceramics Ltd. is Tk. 100,000,000.

Amounts in Taka
5.02 Investment in marketable securities
Opening balance

Add: Addition during the year

Realised gain /(loss)

Unrealised gain /(loss) for fair value adjustment

Closing balance

	At 30 June 2015	At 30 June 2014
Opening balance	22,722,982	21,795,300
Add: Addition during the year	-	-
Realised gain /(loss)	2,873,778	3,126,494
Unrealised gain /(loss) for fair value adjustment	(3,882,908)	(2,198,812)
Closing balance	21,713,853	22,722,982

Particular	No. of Share	Rate	Cost Value	Market rate as on 30 June 2015	Market value as on 30 June 2015
Al Arafah Bank Ltd	132,795	16.07	2,134,016	12.60	1,673,217
Dhaka Bank Ltd	121,852	18.45	2,248,169	17.40	2,120,225
Eastern Bank Ltd	75,000	30.80	2,310,000	26.00	1,950,000
IFIC Bank Ltd.	36,368	31.80	1,156,502	19.30	701,902
Mercantile Bank Ltd	338,800	15.43	5,227,684	10.20	3,455,760
Export Import Bank Ltd.	386,000	9.25	3,570,500	9.00	3,474,000
Mutual Trust Bank Ltd	174,240	14.46	2,520,138	16.80	2,927,232
One Bank Ltd	185,625	12.98	2,409,004	13.10	2,431,688
Standard Bank Ltd	128,225	13.33	1,709,239	9.70	1,243,783
Trust Bank Ltd	20,000	16.90	338,000	22.50	450,000
Uttara Bank Ltd	66,550	29.53	1,965,222	19.20	1,277,760
Balance in BO Account			8,286		8,286
	1,665,455		25,596,760		21,713,853

06 Capital work-in-process

Mellange Project (Construction)

Godown - 3

Sub Station

Machineries (Melange)

6.01	164,757,113	36,309,701
6.02	-	12,968,787
6.03	4,937,983	-
6.04	590,898,720	-
	760,593,816	49,278,488

6.01 Mellange Project (Construction)

Opening Balance

Add: Addition during the year

Closing Balance

36,309,701	7,717,317
128,447,412	28,592,384
164,757,113	36,309,701

6.02 Godown - 3

Opening Balance

Add: Addition during the year

Less: Transfer to Fixed Assets

Closing Balance

12,968,787	-
5,380,296	12,968,787
(18,349,083)	-
-	12,968,787

6.03 Sub Station

Opening Balance

Add: Addition during the year

Less: Transfer to Fixed Assets

Closing Balance

-	-
4,937,983	-
-	-
4,937,983	-

		Amounts in Taka	
		At	At
		30 June 2015	30 June 2014
6.04	Machineries (Melange)		
	<u>L/C No.</u>		
			<u>Machine Name</u>
	DPCDAK 432187	235,636,030	-
	DPCDAK 409223	42,943,273	-
	DPCDAK 409719	111,563,187	-
	DPCDAK 414578	197,662,194	-
	DPCDAK 501736	480,078	-
	DPCDAK 505189	1,066,524	-
	DPCDAK 503624	1,361,554	-
	DPCDAK 508859	104,701	-
	DPCDAK 508808	26,629	-
	DPCDAK 509169	19,646	-
	DPCDAK 509576	34,904	-
		590,898,720	-
07	Cash and bank balances		
	Cash in hand	2,416,645	1,570,374
	Fixed Deposit	2,008,701,793	1,792,823,660
	Bank balances with:		
	Islami Bank Bangladesh Ltd :		
	Current account	806,183	607,779
	Marginal deposit Account (Special)	53,031	52,383
	Marginal deposit Account (Normal)	1,533,123	1,259,948
	Marginal deposit Under Reserve	144,466	144,466
	Foreign currency account	7,712	7,713
	Exim Bank Ltd, STD account	28,996,571	53,026,997
	Mercantile Bank Ltd :		
	STD account	-	728
	Foreign currency account	65,126	27,441
	Dhaka Bank Ltd :		
	STD account	6,286	7,159
	Current account	319,002	320,502
	HSBC Bank Ltd :		
	STD account	909,009	16,409,762
	Foreign currency account	33,172,692	260,868,331
	City Bank Ltd :		
	STD account	714,584	61,450
	Foreign currency account	9,605,964	2,713,057
	Prime Bank Ltd :		
	STD account	557,618	1,167
	Foreign currency account	11,116	52
	Standard Chartered Bank :		
	STD account	313,070	496,440
	BRAC Bank Ltd. :		
	STD account	5,587,854	58,847,543
	Foreign currency account	416,307	1,724,648
		2,094,338,153	2,190,971,599

		Amounts in Taka				
		At 30 June 2015	At 30 June 2014			
08	Accounts receivables	197,132,598	151,131,395			
	A. Receivable other than related party:					
	Apex Spinning & Knitting Mills Ltd.	-	3,754,351			
	Lithium Knit Fabrics Ltd	6,908,666	6,908,666			
	The Immaculate Textiles Ltd	6,232,380	-			
	Fariha Knitex Ltd	4,431,061	-			
	Fakir Apparels Ltd	6,489,099	-			
	Viyellatex Ltd	18,206,377	-			
	Virtual Knitwears Ltd	-	4,370,419			
	Utah Knitting & Design Ltd.	10,602,867	6,638,312			
	Jointex Knit Wears Ltd.	11,000,710	13,106,291			
	Others	129,780	3,909,700			
	Sub total	64,000,940	38,687,739			
	B. Receivable for related party:					
	Flamingo Fashions Ltd	22,126,169	34,502,530			
	Jinnat Fashions Ltd	5,259,978	1,976,769			
	Jinnat Knitwears Ltd	5,307,531	24,692,531			
	Matin Knitwears Ltd	5,250,438	6,326,765			
	Hamza Textiles Ltd.	9,493,476	8,143,375			
	Sub total	47,437,592	75,641,970			
	C. Bank interest receivable on FDR	85,694,065	36,801,687			
	Grand Total (A+B+C)	197,132,598	151,131,395			
	Age analysis of Debtors:					
		1-3 Months	4-6 Months	above 6 Months	Total	Total
	Sale of yarn	89,678,449	14,851,418	6,908,666	111,438,533	114,329,708
	Interest receivable on FDR (Vii)	85,694,065	-	-	85,694,065	36,801,687
		175,372,514	14,851,418	6,908,666	197,132,598	151,131,395

I. Accounts receivable 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

II. Accounts receivable considered good for which the company holds no security other than the personal security :-

There is no such accounts receivable in this respect as on 30 June 2015

III. Accounts receivable considered doubtful or bad :-

Tk 6,908,666 receivable from Lithium Knit Fabrics Ltd has been considered doubtful for which full provision has been incorporated in financial statements.

IV. Accounts receivable from the Directors or other officers of the company:-

There is no such accounts receivable in this respect as on 30 June 2015

V. Accounts receivable from Management :-

There has been an amount of Tk 47,437,592 due as accounts receivable under common management.

VI. Provision 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.

VII Interest receivable on FDR:-

Interest receivable on FDR is relizable on encashment of FDR from banks.



			Amounts in Taka	
			At	At
			30 June 2015	30 June 2014
09	Inventories	Note		
	Raw cotton	9.01	209,530,378	279,510,501
	Finished yarn	9.02	28,422,438	35,615,731
	Packing materials	9.03	720,102	1,616,866
	Work-in-process	9.04	26,628,869	49,905,867
	Spare parts	9.05	23,895,991	28,565,373
	Diesel & Lube Oil		2,845,031	-
	Stock of Bandhan		2,291,329	-
			<u>294,334,139</u>	<u>395,214,339</u>

Quantity wise detail breakup of Packing Materials, Spare Parts and Stock of Bandhan could not be given as it was difficult to quantify each item separately due to large variety of goods of packing materials, spare parts and stock of Bandhan.

09.01 Raw cotton

Raw Cotton Inventory is accounted as follows:

Value (TK.)

Conventional Cotton	186,062,218	208,318,643
Organic Cotton	2,319,790	50,149,123
Synthetic Fiber	21,148,370	21,042,736
Total	<u>209,530,378</u>	<u>279,510,501</u>

Quantity (KG)

Conventional Cotton	1,470,384	1,248,571
Organic Cotton	16,626	298,372
Synthetic Fiber	145,175	129,192
Total	<u>1,632,185</u>	<u>1,676,135</u>

Cost Per Kg (TK.)

Conventional Cotton	126.54	166.85
Organic Cotton	139.52	168.08
Synthetic Fiber	145.68	162.88

09.02 Finished yarn

Finished goods Inventory is accounted as follows:

Value (TK.)

Carded	17,507,598	19,938,816
Combed	6,812,870	8,385,383
Slub	1,265,364	1,483,142
Synthetic	2,836,606	5,808,389
Total	<u>28,422,438</u>	<u>35,615,731</u>

Quantity (KG)

Carded	85,474	82,443
Combed	28,407	29,379
Slub	5,195	5,021
Synthetic	17,053	24,200
Total	<u>136,129</u>	<u>141,043</u>

Cost Per Kg (TK.)

Carded	204.83	241.85
Combed	239.83	285.42
Slub	243.58	295.41
Synthetic	166.34	240.02

		Amounts in Taka	
		At 30 June 2015	At 30 June 2014
09.03	Packing materials Value (TK.)		
	Opening balance	1,616,866	1,256,053
	Purchase during the year	12,589,346	15,389,912
	Packing materials available for consumption	14,206,213	16,645,965
	Consumption during the year	13,486,110	15,029,099
	Closing balance	720,102	1,616,866
09.04	Work-in-process		
	Work-in-process Inventory is accounted as follows:		
		Quantity (KG)	
		At June 30,2015	At June 30,2014
	Blow Room	174,787	155,114
	Carding	3,982	4,704
	B. Drawing	2,072	3,743
	Combing	1,311	1,027
	F. Drawing	3,049	4,682
	Simplex	15,148	10,536
	Ring Frame	36,300	47,850
	Winding	2,556	3,547
	Packing	32,440	21,396
	Total	271,645	252,599
		9,635,315	27,921,496
		469,876	805,090
		314,944	768,090
		201,894	212,596
		475,644	977,636
		2,393,384	2,218,959
		6,243,600	10,766,250
		503,532	886,750
		6,390,680	5,349,000
		26,628,869	49,905,867
09.05	Spare parts		
	Opening Balance	28,565,373	21,672,345
	Add: Addition during the year	22,761,328	37,659,531
		51,326,701	59,331,877
	Less: Consumption during the year	27,430,710	30,766,504
	Closing balance	23,895,991	28,565,373
10	Advance and deposits		
	Advance	Notes	
	Salary & Allowances		1,003,735
	Construction	10.01	70,985,317
	Expenses	10.02	66,646,881
			138,635,933
			769,235
			1,584,377
			35,177,518
			37,531,129
	Deposits		
	Margin and deposit	10.03	4,290,218
	Security deposit for Utilities	10.04	8,365,270
			12,655,488
			21,534,815
			8,365,270
			29,900,085
			151,291,420
			67,431,214

		Amounts in Taka	
		At	At
		30 June 2015	30 June 2014
10.01	Construction		
	Abdur Rouf - Earth Cutting	-	29,061
	Ebrahim & Sons	1,560,748	-
	Haroon Engineering Limited	850,000	-
	Nurul Momen Khan	600,000	-
	Siemens Bangladesh Ltd. (Transformer)	60,573,237	-
	Park Technology Ltd.	4,115,672	-
	Kapita Auto Bricks Limited	740,500	-
	Ami Technology	2,545,160	-
	Shahjahan Brothers	-	460,000
	Quantam Builders & Engineering Ltd	-	595,316
	Project consultant & Construction	-	500,000
		70,985,317	1,584,377
10.02	Expenses		
	Abdul Haque & Sons	-	534,000
	Bangla Trac Ltd	5,434,235	2,890,918
	Mohammad Mohsin	185,000	-
	Md. Farhad Ali	-	58,871
	MJL Bangladesh Ltd	406,831	558,711
	Khalil Traders	100,000	-
	Local Purchase	5,847	165,138
	Shinpower	936,079	-
	Others	349,229	914,632
	Advance income Tax (10.02.01)	59,229,660	30,055,247
		66,646,881	35,177,518
10.02.01	Advance income Tax		
	Income Tax on Export	33,252,490	20,690,356
	Tax on Interest Received (Bank)	25,977,170	9,364,891
		59,229,660	30,055,247
10.02.01(i)	Income Tax on Export		
	Opening Balance	20,690,356	41,389,717
	Add: Addition during the year (Rule - 53 BBBB)	12,562,134	20,690,356
	Less: Adjustment against provision for previous years AIT	-	(41,389,717)
	Closing Balance	33,252,490	20,690,356
10.02.01(ii)	Tax on Interest Received (Bank)		
	Opening Balance	9,364,891	847,745
	Add: Addition during the year (Rule - 53 F)	16,612,279	9,364,890
	Less: Adjustment against provision for previous years AIT	-	(847,745)
	Closing Balance	25,977,170	9,364,891

Advance tax represents advance income tax deducted at source @ 0.60 % from 22.04.2014 till now as per SRO - 68 dated 22.04.2014 on export proceeds and 10 % on interest received from bank under section 53 F dt. 01.07.2012.

		Amounts in Taka	
		At	At
		30 June 2015	30 June 2014
10.03	Margin and deposit		
	Margin and deposit (Raw Cotton) 10.03.01	2,996,294	21,534,815
	Margin and deposit (Machineries) 10.03.02	1,293,924	-
		4,290,218	21,534,815
10.03.01	Margin and deposit (Raw Cotton)		
	Margin against Cotton	2,099,526	1,710,615
	Materials in Transit (Cotton)	-	18,197,829
	Margin Against Bank Guarantee	720,000	760,000
	Margin against Spare Parts	176,768	866,371
		2,996,294	21,534,815
10.03.02	Margin and deposit (Machineries)		
	Margin against Machineries	1,293,924	-
		1,293,924	-
10.04	Security deposit for Utilities		
	Margin Against Bank Guarantee (Titas Gas)	7,771,430	7,771,430
	Central Depository Bangladesh Ltd (CDBL)	500,000	500,000
	Security Deposit for Electricity	93,840	93,840
		8,365,270	8,365,270

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

	1-3 Months	3-6 Months
Salary & Allowances	-	1,003,735
Construction	-	70,985,317
Expenses	-	66,646,881

- All the advances & deposit amount are considered good and recoverable
- Advances due from Employees are regularly being realised from their monthly 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 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 30 June 2015	At 30 June 2014
11	Due from sister concerns		
a)	DBL Ceramics Ltd.		
(i)	Due from sister concerns (Principal):		
	Opening Balance	135,737,062	140,819,768
	Less: Realized during the year	(135,737,062)	(5,082,706)
	Sub total (i)	<u>-</u>	<u>135,737,062</u>
(ii)	Due from sister concerns (Interest):		
	Opening Balance	3,718,788	48,299,663
	Add: Interest charged during the year	981,769	15,336,419
	Less: Received during the year	(4,700,558)	(59,917,294)
	Sub total (ii)	<u>-</u>	<u>3,718,788</u>
	Total (i + ii)	<u>-</u>	<u>139,455,850</u>
b)	Jinnat Knitwears Ltd		
(i)	Due from sister concerns (Principal):		
	Opening Balance	-	-
	Add: Addition during the year	300,000,000	-
	Less: Realized during the year	-	-
	Sub total (i)	<u>300,000,000</u>	<u>-</u>
(ii)	Due from sister concerns (Interest):		
	Opening Balance	-	-
	Add: Interest charged during the year	3,279,452	-
	Less: Received during the year	-	-
	Sub total (ii)	<u>3,279,452</u>	<u>-</u>
	Total (i + ii)	<u>303,279,452</u>	<u>-</u>
	Grand Total (a + b)	<u>303,279,452</u>	<u>139,455,850</u>

i) All the loan amounts are considered good and recoverable from Jinnat Knitwears Ltd.

ii) Loan given to associate company, Jinnat Knitwears Ltd under deed of agreement between Matin Spinning Mills Ltd and Jinnat Knitwears Ltd. The terms and conditions of agreement are as follows :

Name of the company	Relationship	Purpose of loan	Tenure	Rate of interest	Basis of Interest
Jinnat Knitwears Ltd.	Sister Concerns	Project financing	1 years	10.50 %	Simple

iii) Inter company loan due from DBL Ceramics Ltd. Has been fully realized during the year.

12 Share capital

Authorised

150,000,000 ordinary shares of Taka 10 each

Amounts in Taka	
At	At
30 June 2015	30 June 2014

1,500,000,000

1,500,000,000

Issued and paid-up

97,490,000 ordinary shares of Taka 10 each fully paid up

974,900,000

974,900,000

Particulars of Investors	Number of Investors	Number of shares	Percentage of Share Holding (%)
Sponsors	10	63,390,000	65.022
Independent Director	1	100,000	0.103
Foreign Investors	487	192,540	0.197
Foreign Institutions	1	161,339	0.165
Local Institutions	187	18,139,226	18.606
General Public	12,698	15,506,895	15.906
Total	13,384	97,490,000	100.00

Distribution schedule of each class of equity setting out the number of holders and percentage as on June 30, 2015:

Range of Holdings	Number of Shareholders	Number of shares	Percentage of Share Holding (%)
Less than 500 shares	12,031	2,416,782	2.479
500 to 5,000 shares	908	1,725,127	1.770
5,001 to 10,000 shares	169	1,286,035	1.319
10,001 to 20,000 shares	108	1,577,167	1.618
20,001 to 30,000 shares	42	1,050,019	1.077
30,001 to 40,000 shares	25	904,025	0.927
40,001 to 50,000 shares	12	548,970	0.563
50,001 to 100,000 shares	31	2,469,067	2.533
100,001 to 1,000,000 shares	42	11,973,358	12.282
Over 1,000,000 shares	16	73,539,450	75.433
Total	13,384	97,490,000	100.000

13 Share Premium

No. of Shares Premium Amount
34,100,000 Tk 27

Amounts in Taka	
At	At
30 June 2015	30 June 2014

920,700,000

920,700,000

14 Retained earnings

Opening balance

865,025,750

549,749,575

Add: Profit made during the year

415,930,642

317,474,987

Less: Dividend Paid

(243,725,000)

-

Less: Unrealised loss for fair value adjustment on Investment in marketable securities Note no. 5.02

(3,882,908)

(2,198,812)

Add: Tax holiday reserves reversed

Income Year 2009 -2010

49,569,824

-

Income Year 2010 -2011

37,148,724

-

Add: Excess/ (Short) provision for taxation written back to retained earning due to tax holiday allowed by tax authority.

2006-2007

80,362

-

2007-2008

29,814,149

-

2008-2009

(1,320,355)

-

2009-2010

1,990,644

-

2010-2011

(4,446,592)

-

1,146,185,240

865,025,750

		Amounts in Taka	
		At	At
		30 June 2015	30 June 2014
15	Tax holiday reserves		
	Income Year 2009 -2010	49,569,824	49,569,824
	Income Year 2010 -2011	37,148,724	37,148,724
	Less: Tax holiday reserves reversed	(86,718,548)	-
		<u>-</u>	<u>86,718,548</u>

Tax holiday reserve represents 40% of the net profit for the income years 2009-2010 & 2010-2011 (3 months from July 2010 to September 2010) as per provisions of Section 46 A (2) (A) which was pending due to an appeal against the order of disallowances of tax holiday by the assessing officer. These appeals have been completed and revised assessment orders allowing tax holiday has been received. Tax holiday period of the company ended on 30 September 2010. So the amount has been transferred to retained earning.

16	Revaluation reserves:		
	This balance consists of as follows:		
	Balance at the beginning of the year	995,915,687	994,813,376
	Add: Deferred tax on revaluation reserve	1,044,746	1,102,311
	Balance as on 30 June 2015	<u>996,960,432</u>	<u>995,915,687</u>

Note : 32.01 (ii)

Revaluation reserve has been created on land and Building as per revaluation carried by Khan Wahab Shafique Rahman & Co. to reflect the fair value (prevailing market price). As the fair value of the assets does not differ significantly from its carrying amount as at 30 June, 2015, so no revaluation has been made as on date.

17	Long Term bank loan		
	Off Shore Loan - HSBC	146,196,501	244,168,945
		<u>146,196,501</u>	<u>244,168,945</u>

Bank	Loan Account	Particulars
HSBC	Off Shore Loan	Nature: One off Term Loan Limit: Tk.550 million Purpose: Import of Machinery & Equipment (Take over from IBBL) Tenure: 4 Years Repayment Clause: 16 equal quarterly installments. Interest Rate:4.5% Plus LIBOR Security Agreement: For security arrangement kindly refer to note No. 21.

Amounts in Taka

At 30 June 2015	At 30 June 2014
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18 Deferred Tax Liability

Deferred tax assets and liabilities have been recognized and measured in accordance with the provision of BAS-12: Income taxes. Deferred tax assets and liabilities are attributable to the following:

A. Deferred tax liability on historical cost:

Carrying amount other than revaluation reserve	824,977,677	864,938,276
Tax base	511,790,487	567,728,777
	<u>313,187,190</u>	<u>297,209,499</u>
Taxable Temporary difference		
Applicable tax rate	15%	15%
(Tax rate 15% on Textile sector as per SRO - 207 dated 30 June 2008.)		
Deferred tax liability on historical cost	46,978,079	44,581,425

B. Deferred tax liability against revaluation reserve:

(i)

Deferred tax liability against revaluation reserve other than land

Carrying amount other than land	129,394,934	136,359,904
Tax base	-	-
	<u>129,394,934</u>	<u>136,359,904</u>
Applicable tax rate	15%	15%
(Tax rate 15% on Textile sector as per SRO - 207 dated 30 June 2008.)		
	<u>19,409,240</u>	<u>20,453,986</u>

(ii)

Deferred tax liability on capital gain against revaluation of land

Carrying amount other than building & others.	865,391,996	865,391,996
Tax base	-	-
	<u>865,391,996</u>	<u>865,391,996</u>
Applicable tax rate	2%	2%
(Tax rate 2% on land under section 53 H dated 01.07.2012)		
	<u>17,307,840</u>	<u>17,307,840</u>

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

Total Deferred tax liability (A + B)

	36,717,080	37,761,825
	<u>83,695,158</u>	<u>82,343,250</u>

19 Accounts payable

Suppliers- (19.1)	141,173,641	138,563,514
Expenses- (19.2)	23,801,224	19,948,310
Other finance- (19.3)	8,478,022	2,775,689
	<u>173,452,887</u>	<u>161,287,513</u>

Amounts in Taka
19.1 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

	At 30 June 2015	At 30 June 2014
Abdul Haque & Sons	525,785	391,243
Abul Khair Steel Limited	8,576,000	10,770,000
Ali Traders	945,000	1,213,200
Bilal Trading PTE Ltd.	11,396	158,244
KSRM Steel Plant Ltd.	1,590,000	-
Bashundhara Steel Complex Ltd.	6,650,000	-
Faysal Enterprise	413,557	-
JSA Traders	1,565,000	-
Paul Reinhart AG	-	48,316,683
Park Technology Ltd.	-	3,360,968
Indorama Synthetics(India) Ltd.	-	22,501,560
Lafarge Surma Cement Ltd.	1,470,229	744,600
Lohajong Steel Corporation	936,575	-
Mayer Doah Foundary & Decoration	785,400	-
Madina Bricks	2,875,600	4,357,660
Cargill Cotton Limited	54,098,399	-
Mohammadia Packaging.	475,000	576,480
Magnum Steel Industries Limited	4,081,000	-
NDE Ready Mix Concrete Ltd.	1,403,997	-
Osman Ali	-	529,706
One Commodities FZ LLC	24,736,258	-
Parjoar Traders	566,250	866,445
Quantam Builders & Engineering Ltd	987,500	1,189,390
S K Traders	1,125,650	-
S. I Trading	654,000	288,028
Sara Enterprise	465,000	295,812
Shinpower	-	1,150,763
Sohel Enterprise	70,994	4,525,650
Soronica Paper Products	196,300	464,750
Tyre & Battery Bazar	657,500	110,792
Yana Enterprise	1,652,140	-
Payable for C & F Charge	15,180,388	19,405,080
Payable for Transport Charge	5,262,941	11,887,748
Others	3,215,781	5,458,711
Total	141,173,641	138,563,514

19.2 Payable for expenses

Salary & allowances	10,797,212	8,907,951
Overtime	535,914	887,004
Audit fees	287,500	230,000
Gas bill	2,853,198	2,349,967
Welfare Fund	572,836	572,836
Rent payable	20,000	20,000
Provident Fund	83,673	71,886
Dividend payable	1,742,225	-
Provision for bad debts	6,908,666	6,908,666
	23,801,224	19,948,310

Amounts in Taka

At	At
30 June 2015	30 June 2014

19.3 Payable for other finance

Tax deducted at source (Salary)	807,369	595,874
Tax deducted at source (on Suppliers bill)	5,117,262	1,429,774
VAT Deducted at source (on Suppliers bill)	2,553,391	750,041
	8,478,022	2,775,689

20 Share Application Money

4,664,160	6,614,431
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The share application money received against IPO applicants who were unsuccessful in lottery. The money is being refunded to the unsuccessful applicants based on their proper documentation and guideline as per BSEC rules.

21 Short term bank loan

Export Development Fund (EDF)	486,999,019	334,400,383
UPAS Loan	547,504,306	14,386,373
Liabilities Against Export Bill	9,410,904	-
	1,043,914,229	348,786,756

Details of bank terms and conditions for Short Term Loan are given below:

Bank	Loan Account	Particulars
HSBC	Export Development Fund (EDF)	Lender: HSBC Nature: EDF Limit: Tk 1,150 million Purpose: Import of Raw Cotton Tenure: 180 days for Deferred payment bill (DPB) & 30 days for sight (SGT) Rate of interest: @ 2.5% plus LIBOR
	U-pass	Lender: HSBC Nature: U-pass Limit: Tk 1,150 million Purpose: Import of Raw Cotton & Accessories, on sight & / or deferred basis Tenure: 120 & 360 days Rate of interest: @ 4.75% plus LIBOR
	U-pass	Lender: HSBC Nature: U-pass Limit: Tk 1,300 million Purpose: One-off line to import machineries and other expansion related items on sight and /or deferred basis. Tenure: 360 days Rate of interest: @ 4.75% plus LIBOR
Bank	Loan Account	Particulars
HSBC	Bill Discounting	Lender: HSBC Nature: Bill Discounting Limit: USD 7 million Purpose: To discount maximum 90% of export bills against local bank acceptance (acceptable to HSBC) with recourse to the borrower(s) Tenure: 120 days Rate of interest: @ 4.75% plus LIBOR

HSBC	<p>Security Arrangement:</p> <ol style="list-style-type: none"> 1. Demand promissory note for Tk 4,487,500,000 with letter of continuity & revival. 2. Letter of Set-off to set off between various accounts maintained with the bank 3. Personal guarantees executed by Mr. Abdul Wahed, Mr. M.A. Jabbar, Mr. M.A. Rahim and Mr. M.A. Quader for Tk 2,225,000,000 each supported by personal net worth/wealth statements. 4. Corporate guarantees to be executed by Flamingo Fashions Ltd, Jinnat Knitwears Ltd, DB Tex Ltd and Mymun Textiles Ltd for Tk 2,359,000,000 each with supporting Board Resolutions. 5. First charge over the borrower's stocks of Raw Materials, Work – in – process and Finished Goods and Book Debts / Receivables with The Registrar of Joint Stock Companies and Firms (RJSC) on pari passu basis with other lender(s). HSBC's share is Tk 1,700,000,000. 6. Power of Attorney on Hypothecated Goods. 7. Specific first charge over the borrower's Plant and Machinery for Tk 550,000,000 with the Registrar of Joint Stock Companies & Firms (RJSC). In this regard Power of Attorney for hypothecated goods obtained. 8. Blanket Counter Indemnity for Guarantee facility. 9. Trade Financing General Agreement for Trade facility. 10. Power of Attorney for Back to Back facility. 11. 'Letter of Lien over Deposits with Attorney to Encash' obtained. 12. Deposit under lien for an aggregate amount of Tk 1,248,823,660.19 [Term Deposit of Tk 98,823,660.19 with HSBC and Fixed Deposit Receipt (FDR) in the name of MSML with other banks / Non-Banking Financial Institutions [acceptable to HSBC] for Tk 1,150,000,000] held with HSBC to secure the facility extended to the Borrower. 13. Registered Mortgage for Tk 550,000,000 over 802.50 decimals land and structures constructed and to be constructed thereon situated in Sardagonj, Kashimpur, Gazipur, in the name of Matin Spinning Mills Limited. In this regard, Irrevocable General Power of Attorney to be obtained
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		Amounts in Taka	
		At	At
		30 June 2015	30 June 2014
22	Current portion of long term loan		
	Off Shore Loan - HSBC	97,947,248	97,632,305
		97,947,248	97,632,305
23	Provision & accruals		
	Provision for Income Tax (23.01)	103,522,561	125,736,684
	Provision for workers' profit participation and welfare funds (23.02)	26,109,619	48,866,175
		129,632,180	174,602,859

Amounts in Taka

23.01 Provision for Income Tax

	2014-2015	2013-2014
Opening Balance	125,736,684	139,238,937
Less: Income tax paid for the year	(99,960,995)	(63,960,000)
	25,775,689	75,278,937
Add: Provision for taxation Income year (2014 - 2015) For 12 months (Note - 31)	103,865,080	92,695,210
Less: Adjustment against provision for previous years AIT	-	(42,237,463)
Less: Excess/(Short) provision for taxations after final assessment order as below:-		
2006-2007	(80,362)	
2007-2008	(29,814,149)	-
2008-2009	1,320,355	-
2009-2010	(1,990,644)	-
2010-2011	4,446,592	-
	103,522,561	125,736,684

23.02 Provision for workers' profit participation and welfare funds

Opening Balance	48,866,175	51,908,797
Add: Addition during the year	26,109,619	20,700,665
Less: Paid during the year	(48,866,175)	(23,743,287)
Closing Balance	26,109,619	48,866,175

This represents 5% on net income before charging income tax as per provision of the Labour Law-2006, and it shall be allocated among the eligible workers as defined in the said act.

24 Export (Amount)

Combed Yarn	517,007,500	830,871,700
Carded Yarn	546,809,268	682,355,530
Synthetic Yarn	592,102,138	576,320,357
Slub Yarn	373,088,548	244,836,414
	2,029,007,454	2,334,384,001

Export (Kg)

	Export (Kg)	Export (Kg)
Combed Yarn	1,740,445	2,458,004
Carded Yarn	2,209,613	2,382,270
Synthetic Yarn	2,282,915	2,027,851
Slub Yarn	1,216,759	699,806
	7,449,732	7,567,931

Turn over in Quantity (Kg)

2014-2015

Product Type	Opening Stock (a)	Production (b)	Closing Stock (c)	Sales during the year (a+b-c)
Combed Yarn	29,379	1,739,473	28,407	1,740,445
Carded Yarn	82,443	2,212,644	85,474	2,209,613
Synthetic Yarn	24,200	2,275,768	17,053	2,282,915
Slub Yarn	5,021	1,216,933	5,195	1,216,759
Total	141,043	7,444,818	136,129	7,449,732

**Turn over in Quantity (Kg)
2013-2014**

Product Type	Opening Stock (a)	Production (b)	Closing Stock (c)	Sales during the year (a+b-c)
Combed Yarn	142,560	2,344,823	29,379	2,458,004
Carded Yarn	225,116	2,239,597	82,443	2,382,270
Synthetic Yarn	60,617	1,991,434	24,200	2,027,851
Slub Yarn	12,661	692,166	5,021	699,806
Total	440,953	7,268,020	141,043	7,567,930

Amounts in Taka
25 Cost of goods sold

	2014-2015	2013-2014
Raw Material consumption (Note-25.1)	1,274,710,763	1,445,038,574
Packing materials consumption (Note-25.2)	13,486,110	15,029,098
Manufacturing overhead (Note-25.3)	314,331,770	357,455,930
Cost of goods manufacturing	1,602,528,643	1,817,523,603
Opening work-in-process	49,905,867	20,194,627
Closing work-in-process	(26,628,869)	(49,905,867)
Cost of production	1,625,805,641	1,787,812,362
Opening stock of finished yarn	35,615,731	127,936,975
Closing stock of finished yarn	(28,422,438)	(35,615,731)
	1,632,998,934	1,880,133,607

25.1 Raw Material consumption
Quantity (KG)

Opening Stock	1,676,135	1,915,950
Purchase during the year	8,309,780	8,524,254
Raw Material available for consumption	9,985,915	10,440,204
Closing Stock	1,632,185	1,676,135
Raw Material Consumed	8,353,730	8,764,068

Value (Taka)

Opening balance	279,510,501	339,027,596
Purchase during the year	1,204,730,640	1,446,833,517
Raw Material available for consumption	1,484,241,141	1,785,861,114
Sale of cotton- local (at cost)	-	(61,312,039)
Closing balance	(209,530,378)	(279,510,501)
	1,274,710,763	1,445,038,574

25.2 Packing materials consumption

Opening balance	1,616,866	1,256,053
Purchase during the year	12,589,346	15,389,912
Packing materials available for consumption	14,206,213	16,645,965
Closing balance	(720,102)	(1,616,866)
	13,486,110	15,029,098

	Amounts in Taka	
	2014-2015	2013-2014
25.3 Manufacturing overhead		
Salary and allowances	80,740,228	72,827,399
Repair and maintenance	22,506,514	25,672,118
BTMA certificate charges	964,727	619,200
Store and spare parts	27,430,710	30,766,504
Travelling & Conveyance	219,471	173,550
Crockerries and Canteen Expences	342,577	730,921
Fire Fighting Expenses-factory	624,045	575,450
Factory stationeries	575,041	653,515
Fuel and lubricants- Fork Lift	220,300	525,000
Fuel and lubricants- Generator	68,796,331	106,945,742
Fuel and lubricants- Vehicles	255,000	1,104,308
Gas bill	33,420,070	33,183,602
Inspection charges	54,210	68,154
Insurance premium	4,278,889	4,363,703
Testing fee	71,250	10,000
Workshop expenses	792,165	1,044,693
Depreciation	73,040,242	78,192,072
	314,331,770	357,455,930
26 Other income		
Interest on inter company receivable*	4,261,221	15,336,419
Foreign currency exchange gain/(loss)	3,856,929	(1,733,933)
Gain / Loss on Investment in marketable securities	2,873,778	3,126,494
Bank interest received	206,889,026	129,949,919
Profit on sale of raw cotton (26.01)	-	1,094,941
Sales of wastage	37,147,727	19,588,236
Cash Dividend (received on marketable securities)	1,233,838	726,880
Cash Incentive	18,861,493	-
Rental Income	410,190	-
	275,534,203	168,088,956
26.01 Local sales of raw cotton	-	62,406,980
Less : Cost of raw cotton	-	(61,312,039)
	-	1,094,941

*Interest has been accrued on inter company balance receivable on upto 30 June 2015 as per agreed rate of interest through deed of agreement executed between the companies. The amount has been financed to sister concerns as working capital under the control and supervision of same management. This has been duly authorised by the Board of Directors and deed of agreement executed between the companies.

Amounts in Taka
27 Administrative expenses

	2014-2015	2013-2014
Salary and allowances	53,001,895	48,183,541
Audit fees	287,500	230,000
AGM Expenses	3,481,365	97,867
Board Meeting Expenses	1,042,500	260,000
Business development expenses	497,574	331,716
Bank charges and commission	3,605,102	5,689,948
Bad Debts	-	6,908,666
Ceremonial expense	5,600	18,390
Certificate and membership fees	1,401,257	1,550,357
Computer repair maintenance	153,650	257,210
Credit rating expenses	172,500	172,500
Advertisement	1,164,690	402,658
Contribution to Provident Fund	985,055	704,229
Managing Directors Remuneration (Note -38)	8,400,000	6,000,000
Donation	1,500,000	6,100,000
Entertainment	350,544	318,676
Garden Expenses	33,250	35,750
Internet charges	172,915	138,980
IPO Expenses	-	36,065,584
Issue Management fee	-	1,000,000
Corporate advisory fees	458,750	5,018,600
Legal expenses	257,637	591,001
Medicine and medical expenses	36,401	37,417
News paper and periodicals	1,560	1,560
Office maintenance	347,700	224,521
Photocopy and type expenses	70,564	72,925
Power and fuel - vehicles	1,895,517	1,070,969
Office Stationery	697,955	840,446
Rates and taxes	2,458,381	188,336
Office Rent	240,000	240,000
Registration and renewal	1,592,480	990,215
Religious expenses	125,520	39,730
Road toll	9,400	21,600
Staff welfare	256,954	107,411
Telephone bill	10,170	34,261
Travelling expenses	28,636	730,261
Uniform and liveries	178,952	90,266
Miscellaneous expenses	1,447,552	1,315,956
Depreciation	8,115,582	8,688,008
	94,485,107	134,769,555

		Amounts in Taka	
		2014-2015	2013-2014
28	Distribution expenses		
	Sales commission	569,371	566,883
	Carriage outward	27,999	1,377,503
		597,370	1,944,386
29	Finance cost		
	Interest expenses		
	Bank Interest on hire purchase loan	-	22,743,749
	Bank Interest on Offshore loan	12,791,337	-
	Bank Interest on UPAS loan	675,360	-
	Bank interest on Export Development Fund	14,618,584	19,102,454
	Bank interest on over draft	72,970	-
	Bank Interest on loan against export bills	-	9,065,237
		28,158,251	50,911,440
30	Contribution to workers' profit participation funds :		

Allocation for workers' profit participation funds Tk.26,109,619 (2014: Tk.20,700,665). This represents 5% of net income before charging income tax as per provision of the Labour Law -2006 and it shall be allocated as defined in the said act.

Amounts in Taka

	2014-2015	2013-2014
Profit before tax (01.07.2014 to 30.06.2015)	522,192,376	414,013,305
Less: Other income considered separately	275,534,203	168,088,956
	246,658,173	245,924,349
Add: Accounting Depreciation	81,155,824	86,880,080
Less: Tax Depreciation	(91,113,648)	(105,152,066)
Taxable Income	236,700,349	227,652,363

31 Current Tax

Profit before tax (01.07.2014 to 30.06.2015)
Less: Other income considered separately

Add: Accounting Depreciation

Less: Tax Depreciation

Taxable Income

Tax Rate

Current Tax expenses on Taxable Income	15%	35,505,052	34,147,854
Tax on Interest on inter company receivable	25%	1,065,305	5,367,747
Foreign currency exchange gain/(loss)	25%	964,232	-
Gain / Loss on Investment in marketable securities	10%	287,378	312,649
Tax on bank Interest	25%	51,722,257	45,482,472
Tax on Profit on sale of local cotton	25%	-	383,229
Tax on wastage sale	25%	9,286,932	6,855,883
Cash Incentive	25%	4,715,373	-
Tax on Cash Dividend (Share Investment)	20%	246,768	145,376
Rental Income	25%	71,783	-
Income Tax expenses		103,865,080	92,695,210

Provision for income tax has been calculated @ 15% on taxable income from operation under SRO 207 dated 30 June 2008 of NBR, 10% on Gain / Loss on Investment in marketable securities, 20 % on dividend income, 25 % taxable on other income and 25% on cash incentive.

		Amounts in Taka	
		2014-2015	2013-2014
32	Deferred tax expenses for Income Statement		
	Fixed assets:		
	Carrying amount	824,977,677	864,938,276
	Tax base	<u>(511,790,487)</u>	<u>(567,728,777)</u>
	Taxable Temporary difference	<u>313,187,190</u>	<u>297,209,499</u>
	Tax rate	15%	15%
	(Tax rate 15% on Textile sector as per SRO - 207 dated 30 June 2008.)		
	Deferred tax liabilities as on 30 June 2015	46,978,079	44,581,425
	Deferred tax liabilities 30 June 2014	<u>(44,581,425)</u>	<u>(40,738,316)</u>
		<u>2,396,654</u>	<u>3,843,109</u>
32.01	Deferred tax for Statement of Comprehensive Income		
(i)	Deferred tax liability against revaluation reserve other than land		
	Carrying amount other than revaluation reserve	129,394,934	136,359,904
	Tax base	-	-
		<u>129,394,934</u>	<u>136,359,904</u>
	Applicable tax rate	15%	15%
	(Tax rate 15% on Textile sector as per SRO - 207 dated 30 June 2008.)		
		<u>19,409,240</u>	<u>20,453,986</u>
(ii)	Deferred tax liability on capital gain 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%
	(Tax rate 2% on land under section 53 H dated 01.07.2012)		
		<u>17,307,840</u>	<u>17,307,840</u>
	Deferred tax liability against revaluation reserve (i + ii)	36,717,080	37,761,825
	Deferred tax liabilities 30 June 2014	<u>(37,761,825)</u>	<u>(38,864,136)</u>
	Deferred tax for Statement of Comprehensive Income	<u>(1,044,746)</u>	<u>(1,102,311)</u>

* Deferred tax has been provided on Taxable Temporary difference.

		Amounts in Taka	
		At 30 June 2015	At 30 June 2014
33	Earnings Per Share (EPS)		
	Net profit attributable to ordinary share holders	415,930,642	317,474,987
	Fully diluted basis number of ordinary shares outstanding during the year	97,490,000	97,490,000
		4.27	3.26
33.01	Calculation of number of ordinary shares (2014-2015)		
	Date	No. of Shares	Fraction of period
	Weighted average of shares		
	Balance as on 1st July-2010	25,500,000	365
	12.10.2010		
	Shares allotted in cash	9,110,000	365
	25.10.2010		
	Bonus shares	7,650,000	365
	15.01.2013		
	Bonus shares	21,130,000	365
	27.02.2014		
	Shares allotted in cash	34,100,000	365
	Weighted average number of ordinary shares (2014 - 2015)		97,490,000
34	Net Assets Value (Per Share)		
34.01	Net Assets Value (With Revaluation reserve)		
	Total assets	5,718,248,036	4,958,696,043
	Less: Total current liabilities	(1,449,610,704)	(788,923,863)
		4,268,637,332	4,169,772,179
	Deduct:		
	Long Term & deferred liabilities	(229,891,660)	(326,512,195)
		4,038,745,673	3,843,259,984
	Number of Ordinary Share at Balance Sheet date	97,490,000	97,490,000
	NAV - Per Share		
	On share at balance sheet date	41.43	39.42
34.02	Net Assets Value (Without Revaluation reserves)		
	Total assets	5,718,248,036	4,958,696,043
	Less: Revaluation Reserves	(996,960,432)	(995,915,687)
	Less: Total current liabilities	(1,449,610,704)	(788,923,863)
		3,271,676,900	3,173,856,493
	Deduct:		
	Long Term & deferred liabilities	(229,891,660)	(326,512,195)
		3,041,785,241	2,847,344,298
	Number of Ordinary Share at Balance Sheet date	97,490,000	97,490,000
	NAV - Per Share		
	On share at balance sheet date	31.20	29.21

Correspondent Firm of RSM International Network

35 Net Operating Cash Flow Per Share

Cash flows from operating activities as per statement of cash flows	361,348,375	980,454,514
Number of Ordinary Share at Balance Sheet date	97,490,000	97,490,000
Net Operating Cash Flow - Per Share (On share at Statement of Financial Position date)	3.71	10.06

Others

36 During the period from 01.07.14 to 30.06.2015 eight board meetings were held. The attendance status of all the meetings is as follows:

Name of Directors	Position	Meeting	Attended
Abdul Wahed	Chairman	8	8
M.A. Jabbar	Managing Director	8	8
M.A. Rahim	Director	8	8
M.A. Quader	Director	8	8
Md. Hassan Imam	Director	8	8
Selina Parvin	Director	8	7
Tanzeen Rahim	Director	8	8
Taslima Begum	Director	8	8
M. Farhad Hussain FCA	Independent Director	8	8
M.Naser Alam , Barrister-at-law*	Independent Director	8	3

* M.Naser Alam , Barrister-at-law has been appointed 15th January, 2015.

37 Employee position for Matin Spinning Mills Ltd (as at 30 June 2015)

Disclosure as per requirement of schedule XI part II of Company Act 1994

Officer & Staff		Worker	Total Employee	Amount in Taka
Head Office	Factory			
18	202	764	984	143,127,178
			984	143,127,178

There is no Salary/ Wages/Remuneration below Tk.5300/- per month

38 Payments to Directors and Officers

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

Particular	2014-2015			2013-2014		
	Directors	Managers & Others	Total	Directors	Managers & Others	Total
Basic Salary	5,139,960	29,124,350	34,264,310	3,671,400	26,476,682	30,148,082
House Rent	2,569,980	14,562,175	17,132,155	1,835,700	13,238,341	15,074,041
Conveyance	690,060	3,910,059	4,600,119	492,900	3,554,600	4,047,500
Bonus/ incentives	-	5,405,310	5,405,310	-	4,913,918	4,913,918
Total Salary and allowances	8,400,000	53,001,895	61,401,895	6,000,000	48,183,541	54,183,541

* Directors represent Managing Director only.

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

39 Contingent Liabilities:

- Contingent Liability of the Company was Tk. 337,538,858 as on June 30,2015 for opening of LCs by the banks in favour of foreign suppliers for raw materials and spares
- There was no facts and figures for which the company has contingent liability to any party other than Bank as on June 30,2015.

Correspondent Firm of RSM International Network

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

	2014-2015	2013-2014
Capacity Installed:		
No of Spindles Installed	39,600	39,600
Capacity Utilised:		
No. of Spindles Operated	38,744	38,914
Production Capacity: (In Kg)		
At Equivalent 28' S Count (Ring Yarn)	8,640,000	8,640,000
Actual Production : (In Kg)		
At Equivalent 28' S Count (Ring Yarn)	7,545,680	7,555,835
% of Capacity Utilization:	87.33	87.45

41 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:

Name of the related party	Relationship	Nature of transaction	Value of transactions (taka)	Closing balance		Closing balance	
				BDT	Status as at June 30, 2015	BDT	Status as at June 30, 2014
DBL Ceramics Ltd	Associated Company	Working Capital Finance	135,737,062	-	Debtor	135,737,062	Debtor
		Interest receivable	981,769	-	Debtor	3,718,788	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 Concern	Sale of yarn	765,653,015	22,126,169	Debtor	34,502,530	Debtor
Jinnat Fashions Ltd	Sister Concern	Sale of yarn	396,452,504	5,259,978	Debtor	1,976,769	Debtor
Jinnat knitwears Ltd	Sister Concern	Sale of yarn	464,865,267	5,307,531	Debtor	24,692,531	Debtor
		Working Capital Finance	(300,000,000)	300,000,000	Debtor	-	-
		Interest receivable	3,279,452	3,279,452	Debtor	-	-
Jinnat Apparels Ltd	Sister Concern	Sale of yarn	-	-	Debtor	-	-
		Office Rent	(240,000)	20,000	Creditors	20,000	Creditors
Matin Knitwears Ltd	Sister Concern	Sale of yarn	88,487,475	5,250,438	Debtor	6,326,765	Debtor
Hamza Textiles Ltd	Sister Concern	Sale of yarn	165,336,887	9,493,476	Debtor	8,143,375	Debtor
Parkway Printing & Packaging Ltd.	Sister Concern	Godown Rent	410,190	110,356	Debtor		

42 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		1,204,730,640	1,204,730,640	1,274,710,763	96.89%
Stores and Accessories		22,761,328	22,761,328	27,430,710	2.08%
Packing Materials	12,589,346	-	12,589,346	13,486,110	1.03%
Capital Machinery		603,032,998	603,032,998	-	-
Total	12,589,346	1,830,524,966	1,843,114,313	1,315,627,584	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 shareholders or others.

FOB Value of export

The FOB value of export for the year 30 June 2015 is as follows:

Particular	In foreign currency \$	In BDT
Export	26,265,469	2,029,007,454



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MASIH MUHITH HAQUE & CO.

Chartered Accountants

In Practice Since 1985

Correspondent Firm of RSM International Network

- 43 Figures are rounded off to the nearest Taka.
- 44 Previous year's figures have been rearranged, wherever considered necessary, to conform to current year's
- 45 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- 46 **Event after Balance Sheet date**

The Board of Directors of Matin Spinning Mills Limited, at its 88th meeting held on September 12, 2015, proposed Tk. 2.70 per share amounting to a total of Tk. 263,223,000 as cash dividend for the year ended 30 June 2015, which represents 27 % of the paid up Capital. This dividend is subject to final approval by the shareholders at the forthcoming Annual General Meeting of the Company.

Chairman

Managing Director

Chief Finance Officer

Matin Spinning Mills Ltd

Details of property, plant and equipment for the year ended 30 June 2015

Annex i

Amounts in Taka

A) Non Revalued Assets:

Name of the assets	Cost			Depreciation			Written down value at 30 June 2015			
	At 01 July 2014	Addition during the year	Adjustment/di disposal during the year	Total at 30 June 2015	Rate %	At 01 July 2014		Charge for the year	Adjustment during the year	Total at 30 June 2015
Land and land development	146,373,666	-	-	146,373,666	0%	-	-	-	-	146,373,666
Factory building	176,506,759	-	-	176,506,759	5%	87,500,044	4,450,336	-	91,950,380	84,556,379
Godown	16,262,162	18,349,083	-	34,611,245	10%	10,424,802	1,488,622	-	11,913,424	22,697,821
Plant and machinery	1,507,106,289	12,134,279	-	1,519,240,568	10%	967,217,177	54,549,438	-	1,021,766,615	497,473,953
Furniture and fixtures	2,551,674	580,131	-	3,131,805	10%	1,204,543	148,075	-	1,352,618	1,779,187
Gas equipment	1,978,958	-	-	1,978,958	15%	1,381,868	89,564	-	1,471,431	507,527
Generator	128,958,867	-	-	128,958,867	15%	93,735,360	5,283,526	-	99,018,886	29,939,981
Office equipments	11,450,400	3,166,763	-	14,617,163	15%	6,171,769	1,058,515	-	7,230,284	7,386,879
Electric installation	84,535,464	-	-	84,535,464	15%	61,450,784	3,462,702	-	64,913,486	19,621,978
Deep tubewell	1,100,000	-	-	1,100,000	20%	903,916	39,217	-	943,133	156,867
Vehicles	45,582,000	-	-	45,582,000	20%	27,477,702	3,620,860	-	31,098,561	14,483,439
Total at 30 June 2015	2,122,406,239	34,230,256	-	2,156,636,495		1,257,467,964	74,190,854	-	1,331,658,818	824,977,677

B) Revalued Assets

Name of the assets	Revaluation			Depreciation			Written down value at 30 June 2015			
	At 01 July 2014	Addition during the year	Adjustment/di disposal during the year	Total at 30 June 2015	Rate %	At 01 July 2014		Charge for the year	Adjustment during the year	Total at 30 June 2015
Land and land development	865,391,996	-	-	865,391,996	0%	-	-	-	-	865,391,996
Factory building	163,805,258	-	-	163,805,258	5%	30,384,852	6,671,020	-	37,055,872	126,749,386
Godown	4,480,258	-	-	4,480,258	10%	1,540,761	293,950	-	1,834,710	2,645,548
Total at 30 June 2015	1,033,677,512	-	-	1,033,677,512		31,925,612	6,964,970	-	38,890,582	994,786,930
Total (A + B) at 30 June 2015	3,156,083,751	34,230,256	-	3,190,314,007		1,289,393,576	81,155,824	-	1,370,549,400	1,819,764,607

Allocation of depreciation:

Period ended 30 June 2015	73,040,242
Manufacturing overhead @ 90%	8,115,582
Administrative overhead @ 10%	81,155,824

Matin Spinning Mills Ltd

Details of property, plant and equipment for the year ended 30 June 2014

Annex ii

Amounts in Taka

A) Non Revalued Assets:

Name of the assets	Cost			Depreciation			Written down value at 30 June 2014			
	At 01 July 2013	Addition during the year	Adjustment/di sposal during the year	Total at 30 June 2014	Rate %	At 01 July 2013		Charge for the year	Adjustment during the year	Total at 30 June 2014
Land and land development	74,414,702	71,958,964	-	146,373,666	0%	-	-	-	-	146,373,666
Factory building	176,506,759	-	-	176,506,759	5%	82,815,480	4,684,564	-	87,500,044	89,006,715
Godown	16,262,162	-	-	16,262,162	10%	9,776,206	648,596	-	10,424,802	5,837,360
Plant and machinery	1,490,282,424	16,823,865	-	1,507,106,289	10%	908,655,909	58,561,268	-	967,217,177	539,889,113
Furniture and fixtures	2,513,488	38,186	-	2,551,674	10%	1,057,980	146,563	-	1,204,543	1,347,131
Gas equipment	1,978,958	-	-	1,978,958	15%	1,276,499	105,369	-	1,381,868	597,090
Generator	128,958,867	-	-	128,958,867	15%	87,519,447	6,215,913	-	93,735,360	35,223,507
Office equipments	10,033,949	1,416,451	-	11,450,400	15%	5,407,559	764,210	-	6,171,769	5,278,631
Electric installation	84,535,464	-	-	84,535,464	15%	57,377,017	4,073,767	-	61,450,784	23,084,680
Deep tubewell	1,100,000	-	-	1,100,000	20%	854,895	49,021	-	903,916	196,084
Vehicles	43,037,400	2,544,600	-	45,582,000	20%	23,195,630	4,282,072	-	27,477,702	18,104,298
Total at 30 June 2014	2,029,624,173	92,782,066	-	2,122,406,239		1,177,936,621	79,531,342	-	1,257,467,964	864,938,276

B) Revalued Assets

Name of the assets	Revaluation			Depreciation			Written down value at 30 June 2014			
	At 01 July 2013	Addition during the year	Adjustment/di sposal during the year	Total at 30 June 2014	Rate %	At 01 July 2013		Charge for the year	Adjustment during the year	Total at 30 June 2014
Land and land development	865,391,996	-	-	865,391,996	0%	-	-	-	-	865,391,996
Factory building	163,805,258	-	-	163,805,258	5%	23,362,725	7,022,127	-	30,384,852	133,420,406
Godown	4,480,258	-	-	4,480,258	10%	1,214,150	326,611	-	1,540,761	2,939,497
Total at 30 June 2014	1,033,677,512	-	-	1,033,677,512		24,576,875	7,348,737	-	31,925,612	1,001,751,900
Total (A + B) at 30 June 2014	3,063,301,685	92,782,066	-	3,156,083,751		1,202,513,496	86,880,080	-	1,289,393,576	1,866,690,176

Allocation of depreciation:

Year ended

2014

78,192,072

8,688,008

86,880,080

Manufacturing overhead @ 90%

Administrative overhead @ 10%