

Auditor's Report and Audited Financial Statements

of

Matin Spinning Mills Limited

For the period from 01 July 2016 to 30 June 2017



ACNABIN

Chartered Accountants

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AUDITOR'S REPORT TO THE SHAREHOLDERS OF MATIN SPINNING MILLS LIMITED

We have audited the accompanying financial statements of Matin Spinning Mills Limited (hereinafter referred to as "the Company") which comprise the statement of financial position as at June 30, 2017 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information disclosed in Note 1 to 45 to the financial statements.

Management's Responsibility for the Financial Statements

Management of Matin Spinning Mills Limited is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards and applicable laws and rules 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 amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Matin Spinning Mills Limited as at June 30, 2017, and its financial performance and its Cash Flows for the year then ended, and these financial statements have been drawn up in accordance with the requirements of applicable laws and rules and the Bangladesh Financial Reporting Standards (BFRSs) including BAS 24.



Emphasis of Matter

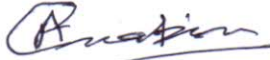
Without qualifying our opinion, we draw attention to Note# 3.07(b) to the financial statements wherein the Company discloses its policy relating to depreciation of Property, Plant & Equipment. The method of calculation of depreciation stated therein and the consequential depreciation rates on Factory Building, Godown, Furniture & Office Equipment are not in compliance with para-60 of Bangladesh Accounting Standard (BAS)-16.

Report on Other Legal and Regulatory Requirements

We also report that:

- (a) we have obtained all the material 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;
- (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 those books;
- (c) the Company's statement of financial position and statement of profit or loss and other comprehensive income together with the Note 1 to 45 dealt with by the report are in agreement with the books of account; and
- (d) the expenditure incurred was for the purposes of the Company's business.

Dated, Dhaka
06 NOV 2017


ACNABIN
Chartered Accountants

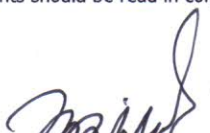
Matin Spinning Mills Limited
Statement of Financial Position
as at 30 June 2017

	Notes	Amounts in Taka	
		30 June 2017	30 June 2016
Assets			
Non-current assets			
Property, plant and equipment	04/ Annex I & ii	4,352,495,521	3,116,051,536
Investment	05	35,414,179	47,709,792
Capital work-in-progress	06	70,022,962	1,149,750,905
		<u>105,437,142</u>	<u>1,197,460,697</u>
Total non-current assets		4,457,932,662	4,313,512,232
Current assets			
Cash and bank balances	07	346,387,853	906,210,836
Accounts receivable	08	749,144,849	213,010,407
Inventories	09	1,035,416,638	504,040,074
Materials in transit	10	319,941,015	2,300,975
Advance, deposits and prepayments	11	167,904,553	152,980,999
		<u>2,618,794,908</u>	<u>1,778,543,292</u>
Total current assets		2,618,794,908	1,778,543,292
Total assets		<u>7,076,727,571</u>	<u>6,092,055,524</u>
Equity and liabilities			
Share capital	12	974,900,000	974,900,000
Share premium	13	920,700,000	920,700,000
Retained earnings	14	1,212,036,507	1,174,930,278
Revaluation reserve	15	985,715,950	989,296,816
		<u>4,093,352,457</u>	<u>4,059,827,094</u>
Total equity		4,093,352,457	4,059,827,094
Non-current liabilities			
Long term bank loan	16	543,516,885	691,271,084
Deferred tax liability	17	177,470,888	127,031,508
		<u>720,987,774</u>	<u>818,302,592</u>
Total non-current liabilities		720,987,774	818,302,592
Current liabilities			
Accounts payable	18	120,497,736	97,128,165
Share application money	19	4,582,760	4,582,760
Short term bank loan	20	1,775,310,925	871,815,763
Current portion of long term loan	21	231,867,632	120,302,481
Provisions	22	130,128,287	120,096,669
		<u>2,262,387,340</u>	<u>1,213,925,838</u>
Total current liabilities		2,262,387,340	1,213,925,838
Total equity and liabilities		<u>7,076,727,571</u>	<u>6,092,055,524</u>
NAV Per Share (With Revaluation reserves)	33.01	41.99	41.64

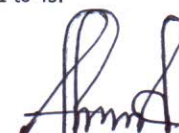
These financial statements should be read in conjunction with the annexed notes 1 to 45.



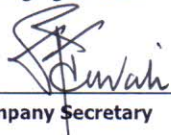
Chairman



Managing Director



Chief Financial Officer



Company Secretary

Dated, Dhaka

06 NOV 2017



ACNABIN
 Chartered Accountants

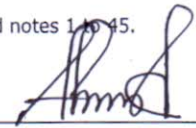
Matin Spinning Mills Limited
Statement of Profit or Loss
for the year ended 30 June 2017

	Notes	Amounts in Taka	
		2016-17	2015-16
Revenue	23	3,001,195,559	2,005,184,987
Cost of goods sold	24	(2,553,849,138)	(1,630,537,415)
Gross profit		447,346,421	374,647,572
Other income	25	135,956,483	196,135,347
		583,302,904	570,782,919
Administrative expenses	26	(185,719,194)	(143,502,608)
Distribution expenses	27	(4,070,136)	(1,201,327)
Net profit before finance cost		393,513,573	426,078,984
Finance cost	28	(56,569,312)	(32,940,067)
Net profit before workers' profit participation & welfare funds and tax		336,944,262	393,138,917
Contribution to workers' profit participation & welfare funds	29	(16,044,965)	(18,720,901)
Net profit before taxation		320,899,298	374,418,016
Current tax	30	(12,707,554)	(44,378,383)
Deferred tax	31	(46,858,515)	(35,564,334)
Net profit after tax		261,333,229	294,475,299
Earnings Per Share (EPS)	32	2.68	3.02

These financial statements should be read in conjunction with the annexed notes 1 to 45.


Chairman


Managing Director


Chief Financial Officer


Company Secretary

Dated, Dhaka

06 NOV 2017


ACNABIN
Chartered Accountants

Matin Spinning Mills Limited
Statement of Other Comprehensive Income
for the year ended 30 June 2017

	Notes	Amounts in Taka	
		2016-17	2015-16
Net profit after tax for the period		261,333,229	294,475,299
Deferred tax on other comprehensive income	31.01	(3,580,866)	990,304
Foreign currency translation gain/(Loss)	25.01	-	3,774,779
Total comprehensive income for the period		257,752,363	299,240,382

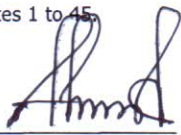
These financial statements should be read in conjunction with the annexed notes 1 to 45.



Chairman



Managing Director



Chief Financial Officer



Company Secretary

Dated, Dhaka
06 NOV 2017



Matin Spinning Mills Limited
Statement of Changes in Equity
for the year ended 30 June 2017

	Amounts in Taka						
	Share capital	Share Premium	Share holiday reserves	Tax reserves	Retained earnings	Revaluation reserves	Total
2016-17							
Balance at 01 July 2016	974,900,000	920,700,000	-	-	1,174,930,278	989,296,816	4,059,827,094
Net profit for the year	-	-	-	-	261,333,229	-	261,333,229
Dividend Paid	-	-	-	-	(224,227,000)	-	(224,227,000)
Other comprehensive income	-	-	-	-	-	(3,580,866)	(3,580,866)
Balance at 30 June 2017	974,900,000	920,700,000	-	-	1,212,036,507	985,715,950	4,093,352,457
2015-16							
Balance at 01 July 2015	974,900,000	920,700,000	-	-	1,139,903,200	988,306,512	4,023,809,712
Net profit for the year	-	-	-	-	294,475,299	-	294,475,299
Dividend Paid	-	-	-	-	(263,223,000)	-	(263,223,000)
Other comprehensive income	-	-	-	-	3,774,779	990,304	4,765,083
Balance at 30 June 2016	974,900,000	920,700,000	-	-	1,174,930,278	989,296,816	4,059,827,094

These financial statements should be read in conjunction with the annexed notes 1 to 45.



Chairman



Managing Director



Chief Financial Officer



Company Secretary

Dated, Dhaka

06 NOV 2017



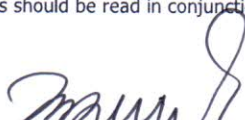


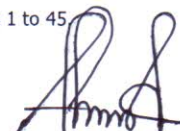
Matin Spinning Mills Limited
Statement of Cash Flows
for the year ended 30 June 2017

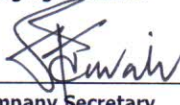
	Amounts in Taka	
	2016-17	2015-16
A. Cash flows from operating activities		
Collection from customers	2,433,286,964	1,942,825,115
Other Income	111,913,920	44,544,615
Cash generated from operations	2,545,200,884	1,987,369,730
Cash paid to employees	(229,125,835)	(185,085,179)
Cash paid to suppliers	(1,985,294,354)	(1,544,960,347)
Interest paid on loans	(47,464,531)	(32,940,067)
Income tax paid	(16,500,000)	(48,648,000)
Payment made to workers' profit participation & welfare funds	(18,720,901)	(26,109,619)
Net cash flows from operating activities	248,095,262	149,626,517
B. Cash flow from investing activities		
Acquisition of property, plant and equipment	(50,018,545)	(665,427,582)
Capital work-in-process	(345,110,849)	(1,187,819,199)
Dividend Income	2,037,600	1,141,615
Disposal of Fixed Assets	2,745,714	-
Investment in marketable securities	(10,593,924)	-
Interest on FDR and Bank Accounts	42,950,355	184,811,121
Disposal of Investment in Equity of Group Entity	37,372,500	-
Refund of Share money deposit from DBL Ceramics Ltd.	-	50,800,000
Net cash used in investing activities	(320,617,149)	(1,616,494,044)
C. Cash flows from financing activities		
Long term loan received	897,566,698	1,304,073,694
Long term loan (repaid)	(943,549,754)	(740,401,931)
Short term loan received from bank	602,510,862	401,608,226
Short term loan repaid to bank	(820,137,393)	(738,001,196)
Dividend Paid	(223,691,509)	(262,238,433)
Share application money refunded	-	(81,400)
Inter-company debts Received/(paid)	-	313,781,250
Net cash from/(used in) financing activities	(487,301,096)	278,740,210
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	(559,822,983)	(1,188,127,318)
E. Opening cash and cash equivalents	906,210,836	2,094,338,153
F. Closing cash and cash equivalents (D+E)	346,387,853	906,210,835
Net Operating Cash Flow Per Share	2.54	1.53

These financial statements should be read in conjunction with the annexed notes 1 to 45


Chairman


Managing Director


Chief Financial Officer


Company Secretary





Matin Spinning Mills Ltd
Notes to the financial statements
For the year ended 30 June 2017

General

1.00 Reporting entity

1.01 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.

1.02 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, CVC, Melange and vortex 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 and Bangladesh Financial Reporting 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 - 19	Employee Benefits
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
BFRS - 1	First-time Adoption of International Financial Reporting Standards
BFRS - 5	Non-current Assets Held for Sale and Discontinued Operations
BFRS - 7	Financial Instruments: Disclosures
BFRS 13	Fair Value 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 Securities and Exchange Rules 1987

2.03 Date of authorization

The Board of Directors authorized the financial statements for issue on 06 November, 2017.



2.04 Functional and presentational currency

The financial statements are prepared in Bangladeshi Taka which is the company's functional and reporting 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 2016 to 30 June 2017.

3.00 Significant Accounting Policies

3.01 Basis of Accounting

The financial statements of the company have been prepared on an accrual basis and in accordance with Bangladesh Financial Reporting Standards. Wherever appropriate, such principles are explained in the succeeding notes.

Components of financial statement

Statement of Financial Position

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. As 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 includes 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. And it usually occurs at the time of delivery of goods.

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.

Dividend Income is recognized when the rights to receive payments is established.

3.04 Use of estimates and judgments

The preparation of financial statements in conformity with Bangladesh Financial Reporting Standards (BFRSs) require management to make judgments, estimates and assumptions which affect the reported amounts of the assets, liabilities, revenue, expenses and disclosures at the date of the financial statements. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are made when new information is available and such revisions are made in the relevant accounting periods in accordance with BAS-8.

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 – 22	Provisions & accruals
Note – 30	Income Tax Expenses



**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. Cash flows from Operating Activities have 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 and to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

b. Depreciation

Depreciation is calculated and charged under reducing 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 asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The costs of the day-to-day servicing of Property, Plant and Equipment are recognized in the Statement of Profit or Loss 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 recognized in the income statement.

Itemized 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
Sub Station (Machinery)	15
Gas Generator	15
Office equipment	15
Vehicles	20

C. Impairment

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is 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 Marketable Securities**

Investment is initially recognized at cost including acquisition charges related with the investment. After initial recognition, the investment in marketable securities has been valued at market price and measured at fair value through profit or loss.

3.09 Capital Work in Progress:

Capital work-in-progress comprises Construction work of an expansion unit of synthetic yarn project, Godown 3, 4 & 5, bagan bari staff quarter, 4 storied store building, machineries (not yet installed) for Mélange & Synthetic project and machineries in transit.

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 and net realizable value in compliance with 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 and net realizable value whichever is lower
Finished Goods	At cost and net realizable value whichever is lower
Spare & Parts	At cost and net realizable value whichever is lower
Diesel & Lube Oil	At cost and net realizable value whichever is lower
Stock of Bandhan	At cost and net realizable value whichever is lower

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

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 Companies having common directorship

All the transactions with Companies having Common directorship 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 shareholders after making all necessary adjustment in the financial statements.

3.17 Deferred Tax

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

3.18 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 Profit or Loss 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 enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.





3.19 Provisions

A provision is recognized 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.

3.20 Finance costs

Finance costs comprise interest expenses on bank loan and other borrowings and are recognized in the Statement of Profit or Loss.

3.21 Finance income

Finance income comprises interest income on Fixed deposit receipts. The rate of interest is 5.4 % to 6.5% on fixed deposit receipts.

3.22 Workers' profit participation & welfare funds

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

3.23 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.

3.24 Foreign currency translation

Transactions in foreign currencies are translated into BDT at the rate of exchange ruling on the dates when the transactions take place. Exchange rate differences, if any, arising on year end from translation of foreign currency monetary assets and liabilities, are recognized in the income statement.

3.25 Materiality and Aggregation

Each material item as considered by management to be 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 off basis only when permitted by the relevant accounting standards.

3.26 Earnings per share

Earnings per share(EPS) has been calculated in accordance with Bangladesh Accounting Standard (BAS-33) "Earnings Per Share" and is shown on the face of Income Statement and a computation is shown in note - 32 to the financial statements.

3.27 Related party disclosure:

As per Bangladesh Accounting Standard (BAS) -24 the parties are considered to be related if one of the parties has the ability to control another 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.

3.28 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 Company. 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 having common directorship. A minor quantity of sales are made to the RMG exporting Companies outside the companies having some common directorship. 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.

3.29 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 decisions.

The entity is primarily engaged in 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.

3.30 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	
		30 June 2017	30 June 2016
04	Property, plant and equipment		
A	Non-Current Assets (Cost Component):		
	Opening balance (at cost)	3,578,243,609	2,156,636,495
	Add : Additions	1,518,818,159	1,421,607,114
		5,097,061,767	3,578,243,609
	Less: Disposal/Adjustment	(3,878,462)	-
	Closing balance (a)	5,093,183,305	3,578,243,609
	Accumulated Depreciation		
	Opening balance	1,450,376,977	1,331,658,818
	Add : Charges for the year	274,059,400	118,718,160
		1,724,436,378	1,450,376,978
	Less: Disposal/Adjustment	(1,822,383)	-
	Closing balance (b)	1,722,613,995	1,450,376,978
	Written Down Value (a-b)	3,370,569,310	2,127,866,631
B	Non-Current Assets (Revaluation Reserve Component) :		
	Opening balance	1,033,677,512	1,033,677,512
	Add : Additions	-	-
		1,033,677,512	1,033,677,512
	Less: Disposal/Adjustment	-	-
	Closing balance (a)	1,033,677,512	1,033,677,512
	Accumulated Depreciation		
	Opening balance	45,492,606	38,890,582
	Add : Charges for the year	6,258,695	6,602,024
		51,751,302	45,492,606
	Less: Disposal/Adjustment	-	-
	Closing balance (b)	51,751,302	45,492,606
	Written Down Value of Revaluation component of Assets (a-b)	981,926,210	988,184,906
	Total Written Down Value (A+B)	4,352,495,521	3,116,051,536

Details of fixed assets are shown in **Annex i & ii**

Part A of the above note includes the cost base of all assets owned by the Company. Part B includes the increase in value of assets arising out of revaluation of assets.

05	Investment			
	Investment in equity of sister concern	5.01	-	25,000,000
	Investment in marketable securities	5.02	35,414,179	22,709,792
			35,414,179	47,709,792

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

DBL Ceramics Limited was an associate company of Matin Spinning Mills Limited and the Company sold all the shares of DBL Ceramics Ltd. at June 04,2017.

5.02 Investment in marketable securities

Opening balance	22,709,792	21,713,853
Add: Addition during the year	-	-
	22,709,792	21,713,853
Realized gain /(loss)	10,593,924	-
Unrealized gain /(loss) for fair value adjustment	2,110,463	995,939
Closing balance	35,414,179	22,709,792



Particular	No. of Share	Rate	Cost Value	Market rate per share as on 30 June 2017	Market value as on 30 June 2017
Al Arafah Bank Ltd	250,000	20.33	5,082,500	18.70	4,675,000
Dhaka Bank Ltd	262,500	20.28	5,323,500	18.70	4,908,750
Eastern Bank Ltd	63,000	25.50	1,606,500	35.00	2,205,000
AB Bank Ltd	180,000	24.22	4,359,825	18.90	3,402,000
Mercantile Bank Ltd	100,000	16.73	1,673,000	18.70	1,870,000
Export Import Bank Ltd.	386,000	13.71	5,292,060	12.20	4,709,200
Mutual Trust Bank Ltd	40,000	18.75	749,800	24.60	984,000
One Bank Ltd	209,000	15.88	3,318,920	21.00	4,389,000
Standard Bank Ltd	157,500	12.61	1,986,075	11.50	1,811,250
Trust Bank Ltd	35,800	17.97	643,326	26.40	945,120
Uttara Bank Ltd	225,000	27.33	6,149,250	24.50	5,512,500
			2,359		2,359
Balance in BO Account			36,187,115		35,414,179

		Amounts in Taka		
		30 June 2017	30 June 2016	
06	Capital work-in-progress			
	Mellange/ Synthetic Project (Construction only Synthetic)	6.01	3,173,404	151,114,579
	Godown - 3	6.02	7,081,096	368,680
	Godown - 4	6.03	6,658,595	3,740,248
	Godown - 5	6.04	-	4,736,835
	04 Storied Store Building	6.05	-	2,153,521
	Bagan Bari Staff Quater	6.06	-	5,800,910
	Machineries & Equipment (Melange)	6.07	-	166,786,908
	Machineries (Phase -2)	6.08	-	810,887,909
	Machineries in Transit	6.09	53,109,867	4,161,316
			70,022,962	1,149,750,905
6.01	Mellange/ Synthetic Project (Construction only Synthetic)			
	Opening Balance		151,114,579	164,757,113
	Add: Addition during the year		124,439,777	146,700,294
	Less: Transfer to Fixed Assets		(272,380,952)	(160,342,829)
	Closing Balance		3,173,404	151,114,579
6.02	Godown - 3			
	Opening Balance		368,680	-
	Add: Addition during the year		6,712,416	368,680
	Less: Transfer to Fixed Assets		-	-
	Closing Balance		7,081,096	368,680
6.03	Godown - 4			
	Opening Balance		3,740,248	-
	Add: Addition during the year		2,918,347	3,740,248
	Less: Transfer to Fixed Assets		-	-
	Closing Balance		6,658,595	3,740,248
6.04	Godown -5			
	Opening Balance		4,736,835	-
	Add: Addition during the year		3,905,626	4,736,835
	Less: Transfer to Fixed Assets		(8,642,461)	-
	Closing Balance		-	4,736,835
6.05	04 Storied Store Building			
	Opening Balance		2,153,521	-
	Add: Addition during the year		19,805,032	2,153,521
	Less: Transfer to Fixed Assets		(21,958,553)	-
	Closing Balance		-	2,153,521





		Amounts in Taka	
		30 June 2017	30 June 2016
6.06	Bagan Bari Staff Quater		
	Opening Balance	5,800,910	-
	Add: Addition during the year	1,462,578	5,800,910
	Less: Transfer to Fixed Assets	(7,263,488)	
	Closing Balance	-	5,800,910
6.07	Machineries & Equipment (Melange unit)		
	Opening Balance	166,786,908	590,898,720
	Add: Addition during the year	-	587,869,268
		166,786,908	1,178,767,988
	Less: Transfer to Fixed Assets	(166,786,908)	(1,011,981,080)
	Closing Balance	-	166,786,908

Details Shown below :

L/C No.	Machine Name		
DPCDAK 414578	Carding Machine	-	41,908,304
DPCDAK 510804	Compressor	-	5,231,149
DPCDAK 513940	Chiller	-	50,962,201
DPCDAK 513945	Plate Type Heat Exchanger	-	14,116,916
DPCDAK 514083	Centrifugal Pump-set	-	5,942,626
DPCDAK 514082	Cooling Tower	-	9,502,294
DPCDAK 514081	Control Valves	-	2,104,916
DPCDAK 514636	Valves	-	5,609,652
DPCDAK 515297	Seamless pipe for Chiller	-	12,411,062
DPCDAK 515300	MS Pipe for Chiller	-	970,928
DPCDAK 517105	Rock Wool (Insulation Sheet)	-	3,513,267
DPCDAK 518656	Lift	-	14,513,592
		-	166,786,908

6.08 Machineries (Synthetic unit)

Opening Balance	810,887,909	-
Add: Addition during the year	180,879,344	810,887,909
	991,767,252	810,887,909
Less: Transfer to Fixed Assets	(991,767,252)	-
Closing Balance	-	810,887,909

Details Shown below :

L/C No.	Machine Name		
DPCDAK414256	Toyota Roving Frames	-	32,458,869
DPCDAK517334	Drawframe SB-45	-	11,782,362
DPCDAK517342	Automatic cone winder	-	65,412,913
DPCDAK516572	RING FRAME -912 Spindle	-	178,012,739
DPCDAK517544	Blow room Machine	-	206,123,067
DPCDAK517339	Yarn Conditioning Machine	-	7,610,106
DPCDAK520303	Yarn Conditioning Machine	-	7,117,433
DPCDAK520808	Sliver Can	-	21,775,119
DPCDAK520530	High Volume Inst for bundle fiber testing	-	16,166,574
DPCDAK520527	Uster Tester 6 UTS -s800/SA	-	14,708,338
DPCDAK520806	Plastics Bobbins	-	5,226,680
DPCDAK520306	Murata Vortex 111 No .870/Vortex	-	141,931,629
DPCDAK521142	OHTC	-	6,160,187
DPCDAK521390	Twister	-	17,834,164
DPCDAK521193	Drum Rewinding Machine	-	11,386,216
DPCDAK521008	Humidification Plant	-	56,336,905
DPCDAK519897	Air Compressor	-	10,844,606
		-	810,887,909

6.09 Machineries in Transit

Machinery in Transit have been shown under 'Capital Work-in-Progress' this year whereas previously, they were presented under 'Advance, Deposits and Prepayments'.





		Amounts in Taka	
		30 June 2017	30 June 2016
07	Cash and bank balances		
	Cash in hand	2,127,191	2,367,377
	Bank balances:		
	Current Account:		
	Islami Bank Bangladesh Ltd	3,418,332	1,736,638
	Dhaka Bank Ltd	-	317,351
	STD Account:		
	Exim Bank Ltd	8,877,658	36,675,180
	Mercantile Bank Ltd	50,073	51,603
	Dhaka Bank Ltd	-	5,311
	HSBC Bank Ltd	18,223,469	47,254,056
	City Bank Ltd	2,908,002	1,378,187
	Prime Bank Ltd	551,818	553,467
	Standard Chartered Bank	892,871	310,870
	BRAC Bank Ltd.	10,450,873	6,849,040
	Foreign Currency Account:		
	Islami Bank Bangladesh Ltd	7,998	7,787
	Mercantile Bank Ltd	67,226	65,459
	HSBC Bank Ltd	180,472,772	83,468,391
	City Bank Ltd	18,348,194	40,591,207
	Prime Bank Ltd	129,818	126,243
	BRAC Bank Ltd.	87,801,062	371,904
	Marginal Accounts:		
	Islami Bank Bangladesh Ltd :		
	Marginal deposit Account (Special)	52,531	52,531
	Marginal deposit Account (Normal)	347,700	352,850
	Marginal deposit Under Reserve	144,465	144,465
	Fixed Deposit	7.01	11,515,800
		346,387,853	906,210,836

7.01 Fixed Deposit

Opening Date	Maturity Date	FDR No.	Name of Bank	Rate of Interest	Amount
12-Nov-14	10-Sep-17	992761	IBBL (Motijheel Branch)	5.40%	10,000,000
23-Mar-17	23-Sep-17	03560100155597	Exim Bank (Kawran Bazar Branch)	5.75%	1,515,800
					11,515,800

08 Accounts receivables

A. Receivable other than related party:

Lithium Knit Fabrics Ltd	7,004,863	6,908,666
Apex Textile Mills Ltd	9,968,438	-
S.B Knitting Ltd.	13,732,034	-
Aboni Textile Ltd	12,795,066	-
Satil Knitwear (Pvt.) Ltd	9,921,615	-
SQ Group	368,460	3,439,841
Century Design & Fashion Ltd	4,106,398	-
HDF Apparels Ltd	5,764,755	-
Iris Fabrics Ltd	6,481,875	-
Donglian Fashion (BD) Ltd.	-	1,937,973
Greenlife Knittex Ltd	5,106,776	-
B.Brothers Garments Co. Ltd	5,946,224	-
Dird Composite Textiles Ltd	17,476,821	-
Blue Planet Knitwear Ltd	4,882,689	-
Masco Cottons Ltd	-	1,129,078
Shanta Expressions Ltd	-	8,942,152
Tasniah Fabrics Ltd	481,802	3,982,977
Purbani Fabrics Ltd	-	4,321,017
The Immaculate Textiles Ltd	-	-
Fariha Knitex Ltd	8,028,588	-
Fakir Apparels Ltd	23,116,602	11,924,177
Viyellatex Ltd	-	14,558,280
Utah Knitting & Design Ltd.	2,122,250	12,666,323
Jointex Knit Wears Ltd.	60,479,744	42,254,088
Others	29,200,328	8,321,315
Sub total	226,985,326	120,385,887



	Amounts in Taka	
	30 June 2017	30 June 2016
B. Receivable from related party:		
Flamingo Fashions Ltd	294,240,586	58,908
Jinnat Fashions Ltd	37,568,191	13,904,013
Mawna Fashions Ltd	17,434,044	9,311,350
Jinnat Apparels Ltd	4,800,211	6,710,483
Jinnat Knitwears Ltd	89,659,831	12,178,863
Hamza Textiles Ltd.	70,227,425	9,212,956
Sub total	513,930,288	51,376,573
C. Bank interest receivable on FDR	2,170,637	30,459,324
D. Claim Receivable	6,058,599	1,413,624
E. Rent receivable	-	9,375,000
Grand Total (A+B+C+D)	749,144,849	213,010,407

Age analysis of Debtors:

	1-3 Months	>3 months-6 Months	>6 Months	Total	Total
Sale of yarn	637,549,935	96,457,012	6,908,666	740,915,613	171,762,460
Interest receivable on	2,170,637	-	-	2,170,637	30,459,324
Claim Receivable	6,058,599	-	-	6,058,599	10,788,624
	645,779,171	96,457,012	6,908,666	749,144,849	213,010,407

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 L/C

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 2017

iii. Accounts receivable considered doubtful or bad :

Tk 7,004,863 receivable from Lithium Knit Fabrics Ltd has been considered doubtful for which full provision has been incorporated in financial statements (see item vi below).

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 2017

v. Accounts receivable from Related Parties :-

There has been an amount of Tk 513,930,288 due as accounts receivable from related parties 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. Honorable High Court issued summons to the defendants but they are untraced in their address.

vii. Interest receivable on FDR:-

Interest receivable on FDR shall be realized at the time of encashment of FDR from banks.

09 Inventories	Note		
Raw cotton	9.01	717,336,658	413,094,976
Finished yarn	9.02	189,909,966	29,080,586
Packing materials	9.03	2,307,074	1,313,855
Work-in-process	9.04	47,093,660	22,686,724
Spare parts	9.05	64,346,504	30,841,563
Diesel & Lube Oil		4,113,585	2,559,822
Stock of Bandhan		10,309,191	4,462,548
		1,035,416,638	504,040,074

Quantity wise detailed 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.





		Amounts in Taka	
		30 June 2017	30 June 2016
09.01	Raw cotton		
	Value (TK.)		
	Conventional Cotton	562,859,604	370,452,930
	Organic Cotton	-	-
	Synthetic Fiber	146,526,134	35,767,666
	Usable Waste Cotton	7,950,920	6,874,380
	Total	717,336,658	413,094,976
	Quantity (KG)		
	Conventional Cotton	3,400,547	2,751,367
	Organic Cotton	-	-
	Synthetic Fiber	863,550	215,000
	Usable Waste Cotton	198,773	229,146
	Total	4,462,870	3,195,513
	Cost Per Kg (TK.)		
	Conventional Cotton	165.52	134.64
	Organic Cotton	-	-
	Synthetic Fiber	169.68	166.36
	Usable Waste Cotton	40.00	30
09.02	Finished yarn		
	Finished goods Inventory is accounted as follows:		
	Value (TK.)		
	Carded	40,545,359	9,709,382
	Combed	39,545,411	9,519,747
	Slub	8,022,019	2,888,566
	Synthetic	48,356,140	4,558,528
	Melange	10,323,306	2,404,364
	Vortex	1,624,333	-
	Open End	41,493,397	-
	Total	189,909,966	29,080,586
	Quantity (KG)		
	Carded	162,733	44,441
	Combed	134,679	37,583
	Slub	27,264	11,501
	Synthetic	216,723	18,314
	Melange	36,561	8,830
	Vortex	6,248	-
	Open End	184,902	-
	Total	769,108	120,668
	Cost Per Kg (TK.)		
	Carded	249.15	218.48
	Combed	293.63	253.30
	Slub	294.24	251.17
	Synthetic	223.12	248.91
	Melange	282.36	272.29
	Vortex	259.99	-
	Open End	224.41	-
09.03	Packing materials Value (TK.)		
	Opening balance	1,313,855	720,102
	Purchase during the period	21,612,577	14,386,500
	Packing materials available for consumption	22,926,432	15,106,602
	Consumption during the period	20,619,358	13,792,747
	Closing balance	2,307,074	1,313,855





09.04 Work-in-process

Work-in-process Inventory is accounted as follows:

Particular	Quantity (KG)		Amounts in Taka	
	At	At	At	At
	June 30,2017	June 30,2016	June 30,2017	June 30,2016
Blow Room	61,043	50,056	11,155,553	4,485,884
Carding	6,300	3,095	1,060,662	387,986
B. Drawing	5,375	2,775	1,032,560	389,697
Combing	959	2,155	208,726	305,903
F. Drawing	9,522	4,958	2,024,463	715,618
Simplex	40,482	37,704	8,344,853	5,525,226
Ring Frame	61,360	51,139	13,686,170	8,204,564
Winding	4,140	4,943	1,076,060	919,090
Packing	28,950	9,452	7,368,240	1,752,757
Rotor	6,438	-	822,455	-
Vortex	1,823	-	313,919	-
Total	226,392	166,277	47,093,660	22,686,724

09.05 Spare parts

Opening Balance	30,841,563	23,895,991
Add: Addition during the period	54,130,292	34,570,922
	84,971,854	58,466,913
Less: Consumption during the period	20,625,350	27,430,710
Closing balance	64,346,504	30,841,563

10 Materials in transit

Raw Cotton	316,558,087	-
Spare Parts	3,382,928	2,300,975
	319,941,015	2,300,975

Previously, Materials in Transit were presented under Advance, Deposits and prepayments. From this year onwards, Materials in transit have been shown as a separate Asset Head.

11 Advance, deposits and Prepayments

Advance	Notes		
Salary & Allowances		2,874,235	1,774,735
Land		-	1,500,000
Construction	11.01	6,100,672	12,327,170
Expenses	11.02	10,289,521	4,556,975
Advance Income Tax	11.03	132,311,036	93,107,008
		151,575,465	113,265,888
Deposits			
Margin & Deposit	11.04	3,396,669	27,540,991
Security deposit for Utilities	11.05	12,932,420	12,174,120
		16,329,089	39,715,111
		167,904,553	152,980,999

Previously, Materials in Transit were presented under Advance, Deposits and prepayments. From this year onwards, Materials in transit have been shown as a separate Asset Head.

Previously, Machineries in Transit were presented under 'Advance, Deposits and Prepayments'. From this year onwards, Machineries in Transit have been shown under 'Capital Work-in-Progress'.



		Amounts in Taka	
		30 June 2017	30 June 2016
11.01	Construction		
	S.S Enterprise	159,443	-
	German- Bangladesh Machine & Steel.	583,280	-
	Park Technology Ltd.	2,790,672	2,790,672
	Mita Engineering Limited	-	2,098,533
	Jawad Trading	383,487	1,748,124
	Shahjahan Brothers	-	500,000
	Aziz & Company Ltd.	1,314,000	868,000
	Linde Bangladesh Limited	-	280,561
	Bang Bang Textile Group Ltd.	-	2,081,101
	City Steel Builders	-	1,220,306
	Royal Machineries Corporation	291,372	316,873
	Architects Design Centre	-	225,000
	Shaber Enterprise	578,418	-
	Quantam Builders & Engineering Ltd	-	198,000
		6,100,672	12,327,170
11.02	Expenses		
	Bangla Trac Ltd	-	353,915
	Shamsuddin Engineering Works	-	1,521,900
	NRG Composite Yarn Dyeing	771,720	-
	Bengal International Agencies	350,400	-
	Khandakar Rashedul Islam	274,200	-
	DBL C&F	2,050,086	-
	Deputy Commissioner of Taxes	4,425,844	-
	Overseas Packers & Shippers Ltd.	-	100,000
	Shakil Enterprise	-	400,000
	S.R. Engineering (BD)	300,000	-
	MJL Bangladesh Ltd	1,851,526	944,426
	Local Purchase	111,933	166,816
	Shinpower	-	43,374
	Others	153,812	1,026,544
		10,289,521	4,556,975
11.03	Advance income Tax		
	Income Tax on Export	62,840,155	45,212,741
	Tax on Interest Received (Bank)	49,788,219	44,711,604
	Advance income tax paid for tribunal	19,682,663	3,182,663
		132,311,036	93,107,008
11.03.01	Income Tax on Export		
	Opening Balance	45,212,741	33,252,490
	Add: Addition during the year (Section - 53 BBBB of Income Tax Ordinance 1984)	17,627,414	11,960,251
	Less: Adjustment against provision for previous years AIT	-	-
	Closing Balance	62,840,155	45,212,741





		Amounts in Taka	
		30 June 2017	30 June 2016
11.03.02	Tax on Interest Received (Bank)		
	Opening Balance	44,711,604	25,977,170
	Add: Addition during the year (Section - 53 F of Income Tax Ordinance 1984)	5,076,614	18,734,435
	Less: Adjustment against provision for previous years AIT	-	-
	Closing Balance	49,788,219	44,711,604
<p>Advance tax represents advance income tax deducted at source @ 0.70 % from 1.07.2016 till now as per SRO - 257 dated 10.08.2016 on export proceeds and 10 % on interest received from bank under section 53 F dt. 01.07.2012.</p>			
11.03.03	Advance income tax paid for tribunal		
	Income tax paid for tribunal for the year 2011 -2012	1,682,663	2,300,000
	Income tax paid for tribunal for the year 2012 -2013	1,500,000	1,500,000
	Income tax paid for the year 2016 -2017	16,500,000	-
	Less: Final settlement for the year 2011 -2012	-	(617,337)
		19,682,663	3,182,663
11.04	Margin & Deposit		
	Margin against Cotton	359,926	23,498,729
	Margin Against Bank Guarantee	3,036,743	2,151,743
	Margin against Machinery & Equipment (Phase -2) 11.04.01	-	1,890,519
		3,396,669	27,540,991
11.04.01	Margin against Machineries & Equipment (Phase -2)		
	L/C No.		
	DPCDAK520290	-	1,843,187
	DPCDAK673786	-	47,332
		-	1,890,519
11.05	Security deposit for Utilities		
	Margin Against Bank Guarantee (Titas Gas)	12,338,580	11,580,280
	Central Depository Bangladesh Ltd (CDBL)	500,000	500,000
	Security Deposit for Electricity	93,840	93,840
		12,932,420	12,174,120

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

	1-3 Months	Over 3 Months-6 Months
Salary & Allowances	-	2,874,235
Construction	-	6,100,672
Expenses	-	10,289,521

- All the advances & deposit amounts are considered good and recoverable
- Advances due from Employees are regularly being realized by means of deduction 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	
		30 June 2017	30 June 2016
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		
	97,490,000 ordinary shares of Taka 10 each fully paid	974,900,000	974,900,000

Particulars of Investors	Number of Investors	Number of shares	Percentage of Share Holding (%)
Sponsors/ Directors	8	31,917,000	33
Foreign Investors	122	164,985	0
Local Institutions	118	50,481,768	52
General Public	7,040	14,926,247	15
Total	7,288	97,490,000	100

Distribution schedule of each class of equity setting out the number of holders and percentage as on June 30, 2017:

Range of Holdings	Number of Shareholders	Number of shares	Percentage of Share Holding (%)
Less than 500 shares	5,930	1,162,211	1
500 to 5,000 shares	977	1,887,545	2
5,001 to 10,000 shares	175	1,320,649	1
10,001 to 20,000 shares	80	1,116,415	1
20,001 to 30,000 shares	35	887,972	1
30,001 to 40,000 shares	16	558,859	1
40,001 to 50,000 shares	10	459,306	0
50,001 to 100,000 shares	24	1,811,033	2
100,001 to 1,000,000 shares	25	8,848,979	9
Over 1,000,000 shares	16	79,437,031	81
Total	7,288	97,490,000	100

13	Share Premium		
	No. of Shares	Premium Amount	
	34,100,000	Tk 27	
			920,700,000
			920,700,000

		Amounts in Taka	
		30 June 2017	30 June 2016
14	Retained earnings		
	Opening balance	1,174,930,278	1,139,903,200
	Add: Profit made during the year	261,333,229	294,475,299
	Less: Dividend Paid	(224,227,000)	(263,223,000)
	Foreign currency translation gain/(Loss)	-	3,774,779
		1,212,036,507	1,174,930,278

15	Revaluation reserves:		
	This balance consists of as follows:		
	Balance at the beginning of the year	989,296,816	988,306,512
	Add: Deferred tax on revaluation reserve	(3,580,866)	990,304
	Balance as on 30 June 2017	985,715,950	989,296,816

Revaluation reserve has been created on land and Building as per revaluation carried by Khan Wahab Shafique Rahman & Co, Chartered Accountants on 28 February 2011 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, 2017, no revaluation has been made as on date.

16	Long Term bank loan		
	Off Shore Loan - HSBC	543,516,885	691,271,084
		543,516,885	691,271,084

Bank	Loan Account	Particulars
HSBC	Off Shore Loan	Nature: One off Term Loan Limit: Tk.125.97 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 2017	At 30 June 2016
17 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:		
Accounting Base*	3,363,316,460	2,118,800,567
Tax base	2,499,920,950	1,567,795,157
Taxable Temporary difference	<u>863,395,510</u>	<u>551,005,410</u>
Applicable tax rate	15%	15%
(Tax rate 15% on Textile sector as per SRO - 193 dated 30 June 2015.)		
Deferred tax liability on historical cost	129,509,326	82,650,812
B. Deferred tax liability against revaluation reserve:		
(i)		
Deferred tax liability against revaluation reserve other than		
Carrying amount other than land	116,534,214	122,792,910
Tax base	-	-
	<u>116,534,214</u>	<u>122,792,910</u>
Applicable tax rate	15%	15%
(Tax rate 15% on Textile sector as per SRO - 193 dated 30 June 2015.)		
	<u>17,480,132</u>	<u>18,418,936</u>
(ii)		
Deferred tax liability on capital gain against revaluation of land		
Carrying amount other than building & others.	1,016,047,662	865,391,996
Tax base	-	-
	<u>1,016,047,662</u>	<u>865,391,996</u>
Applicable tax rate (3% As per section 53 H dated 01.07.2014)	3%	3%
	<u>30,481,430</u>	<u>25,961,760</u>
Deferred tax liability against revaluation reserve B (i + ii)	47,961,562	44,380,696
Total Deferred tax liability (A + B)	<u>177,470,888</u>	<u>127,031,508</u>

* This amount includes the adjustment for permanent difference related to motor vehicles, not plying for hire, owned by company except for bus or minibus purchased for the transport of employees of the Company. As per the provisions of Income Tax Ordinance 1984, depreciation on such cars is allowed only up to certain limit of cost (currently Tk. 2.5 million per car) of such cars for tax purpose. Difference for vehicle represents the amount of depreciated cost exceeding such limits.



	Amounts in Taka	
	30 June 2017	30 June 2016
18 Accounts payable		
Suppliers- (18.1)	63,249,204	45,503,743
Expenses- (18.2)	52,201,765	37,124,112
Other finance- (18.3)	5,046,767	14,500,310
	120,497,736	97,128,165.06

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

A.R. Mill Store	-	55,099
Abul Khair Steel Limited	-	2,820,000
Ami Technology	-	368,217
Bengal Plywood Mills Ltd.	-	248,855
Berger Paints Bangladesh Ltd.	107,492	673,179
F.K. Corporation	-	119,505
Bengal Plastic Pipes Ltd.	-	128,943
FnG Engineering & Co.	-	1,655,500
Bilal Trading PTE Ltd.	905,819	-
Mita Engineering Limited	1,948,224	-
Ebrahim & Sons	348,988	1,034,078
Chandpur Hardware Store	151,318	268,012
Dexterous Engineering	-	175,000
Shinpower	1,753,306	-
Priotoma Bangla	-	460,964
Express Insurance Limited	-	451,847
Green Power Electric	203,726	248,825
Patwary Trade & Co.	169,716	-
DBL Distribution Ltd	15,473,817	-
Lafarge Surma Cement Ltd.	291,840	1,364,794
Lucky Steel Corporation	-	182,840
H.M Transport Agency	279,300	-
Kapita Auto Bricks Limited	157,500	409,500
Magnum Steel Industries Limiter	-	3,283,000
Ion Exchange Environment Man.	-	400,000
Bengal Roots Textile Ltd.	128,993	-
Zaman Builders	114,146	-
Mukul Enterprise	-	969,406
Rahimafrooz Distribution Limitec	-	106,975
Rahat Enterprise	122,194	-
F T Mill Store	205,357	-
N. Anika Lighting	-	124,709
Nippon Paint (Bangladesh) Priva	459,750	-
Payable for C & F Charge	18,333,232	15,564,086
Payable for Transport Charge	14,610,159	4,291,242
Quantam Builders & Engineering	14,963	-
RFL Plastics Ltd.	-	183,831
Rifa Paper Products	1,058,252	319,800
Richi Enterprise	-	270,250
Mother Traders	-	137,310
S.R. Engineering (BD)	-	92,900
Rahman Enterprise	134,505	424,942
Aqua Care Trading	484,623	-
L.R Trading	1,125,395	143,405
Encon	110,000	-
Bengal Polymer Wares Ltd	1,200,000	-
Siemens Bangladesh Ltd.	520,000	6,879,507
Tanveer Oils Ltd.	167,040	-
Tritech Engineering Ltd.	481,750	-
Tyre & Battery Bazar	-	237,238
Rafin Paper Tube	207,558	-
Others	1,980,241	1,409,984
Total	63,249,204	45,503,743





	Amounts in Taka	
	30 June 2017	30 June 2016
18.2 Payable for expenses		
Salary & allowances	6,531,060	-
Audit fees	575,000	287,500
Gas bill	6,237,061	5,887,783
Electricity bill	27,969,023	20,370,408
Welfare Fund	572,836	572,836
Rent payable	20,000	20,000
Provident Fund	131,388	318,677
Dividend payable	3,256,731	2,758,242
Provision for bad debts	6,908,666	6,908,666
	52,201,765	37,124,112
18.3 Payable for other finance		
Tax deducted at source (Salary)	617,475	1,920,189
Tax deducted at source (on Suppliers bill)	3,679,042	11,584,065
VAT Deducted at source (on Suppliers bill)	750,250	944,453
Un Identified transaction	-	51,603
	5,046,767	14,500,310
19 Share Application Money	4,582,760	4,582,760
The share application money received against IPO applicants who were unsuccessful in lottery. The money is yet to be refunded to the unsuccessful applicants based on their proper documentation and guideline as per BSEC rules.		
20 Short term bank loan		
Export Development Fund (EDF)	626,902,136	650,984,980
UPAS Loan (Raw Cotton)	1,145,204,537	-
UPAS Loan (Machineries)	3,204,252	85,220,579
Liabilities Against Export Bill	-	135,610,204
	1,775,310,925	871,815,763

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 1,550 million Purpose: Import of Raw Cotton Tenure: 180 days for Clean Import Loan (CIL) & 30 days for sight (SGT) Rate of interest: @ 2.5% plus LIBOR
	UPAS	Lender: HSBC Nature: UAPS Limit: Tk 1,550 million Purpose: To import raw materials and accessories on sight and/or deferred basis. Tenure: 120 days Rate of interest: @ 4.40 % - 4.75% plus LIBOR
	UPAS	Lender: HSBC Nature: UAPS Limit: Tk 860 million Purpose: One-off line to import machineries and other project related items for the ongoing capacity expansion program of the borrower on sight and /or deferred basis. Tenure: 360 days Rate of interest: @ 4.40 % - 4.75% plus LIBOR





Bank	Loan Account	Particulars
HSBC	UPAS	Lender: HSBC Nature: UPAS Limit: Tk 300 million Purpose: To import spare parts and machineries on sight and/or deferred basis. Tenure: 120 days Rate of interest: @ 4.40 % - 4.75% plus LIBOR
	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: @ 4.20% - 4.75% plus LIBOR
<p>Security Arrangement:</p> <ol style="list-style-type: none"> Demand promissory note for Tk 4,487,500,000 with letter of continuity & revival. 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. Corporate guarantees to be executed by Flamingo Fashions Ltd, Jinnat Knitwears Ltd, DB Tex Ltd and Mymun Textiles Ltd for Tk 2,969,000,000 each with supporting Board Resolutions. 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. Power of Attorney on Hypothecated Goods. Specific first charge over the borrower's Plant and Machinery for Tk 1,410,000,000 with the Registrar of Joint Stock Companies & Firms (RJSC). In this regard Power of Attorney for hypothecated goods obtained. Blanket Counter Indemnity for Guarantee facility. Trade Financing General Agreement for Trade facility. Power of Attorney for Back to Back facility. 'Letter of Lien over Deposits with Authority to Encash' obtained. Registered Mortgage for Tk 1,210,000,000.00 over 802.50 decimals land and 		
BRAC BANK	Export Development Fund (EDF)	Lender: BRAC BANK Nature: EDF Limit: Tk 400 million Purpose: Import of Raw Cotton Tenure: 180 days & extendable up to 270 days subject to prior approval from Bangladesh Bank. Rate of interest: @ 2.5% plus LIBOR
	<p>Security Arrangement:</p> <ol style="list-style-type: none"> 1st ranking charge over present and future floating assets of the company on Pari-Passu security sharing basis covering full facility amount with HSBC, SCB, City Bank Ltd. Corporate Guarantee of Jinnat Knitwears Ltd. in conformity with their Memorandum of Association supported by their Board Resolution to be provided for the total credit facilities (both present & future) to be availed by Matin Spinning Mills Ltd. Insurance coverage over the company's stocks & receivables against the risk of Fire & RSD Other basis documents which includes but not limited to Demand Promissory Note, Letter of Continuity, Letter of Arrangement, Letter of Disbursement, Letter of Counter Guarantee, Letter of Undertaking, Letter of Authority, Letter of Trust Receipts, Letter of Revival, Letter of Lien & set off over deposit account, General Loan Agreement, etc. supported by necessary Board Resolution. 	





		Amounts in Taka	
		30 June 2017	30 June 2016
21	Current portion of long term loan		
	Off Shore Loan - HSBC	231,867,632	120,302,481
		<u>231,867,632</u>	<u>120,302,481</u>
22	Provisions		
	Provision for Income Tax (22.01)	114,675,175	101,967,621
	Provision for workers' profit participation and welfare funds (22.02)	15,453,112	18,129,048
		<u>130,128,287</u>	<u>120,096,669</u>
	22.01 Provision for Income Tax		
	Opening Balance	101,967,621	106,854,575
	Less: Income tax paid for the year	-	(48,648,000)
		<u>101,967,621</u>	<u>58,206,575</u>
	Add: Provision for taxation 2016 - 2017 (Note - 29)	12,707,554	44,378,383
	Excess/(Short) provision for taxations after final assessment order as below:-		-
	Less: Final settlement for the year 2011 -2012		(617,337)
		<u>114,675,175</u>	<u>101,967,621</u>
	22.02 Provision for workers' profit participation and welfare funds		
	Opening Balance	18,129,048	25,517,766
	Add: Addition during the year	16,044,965	18,720,901
	Less: Paid during the year	(18,720,901)	(26,109,619)
	Closing Balance	<u>15,453,112</u>	<u>18,129,048</u>

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.





23

Revenue

	Amounts in Taka	
	2016-2017	2015-2016
Carded Yarn	984,426,134	439,351,026
Combed Yarn	648,085,539	599,665,686
Slub Yarn	351,442,741	366,133,868
Synthetic Yarn	510,374,920	486,219,871
Melange Yarn	351,683,587	113,814,536
Vortex	69,594,606	-
Open End	85,588,032	-
Total	3,001,195,559	2,005,184,987

Export (Kg)

	2016-2017	2015-2016
	Carded Yarn	4,048,220
Combed Yarn	2,243,918	2,245,887
Slub Yarn	1,147,083	1,291,719
Synthetic Yarn	1,983,186	1,909,844
Melange Yarn	1,235,751	387,414
Vortex	256,898	-
Open End	554,771	-
Total	11,469,826	7,747,346

**Turnover in Quantity (Kg)
2016-2017**

Product Type	Opening Stock (a)	Production (b)	Closing Stock (c)	Sales during the year (a+b-c)
Carded Yarn	44,441	4,166,512	162,733	4,048,220
Combed Yarn	37,583	2,341,014	134,679	2,243,918
Slub Yarn	11,501	1,162,846	27,264	1,147,083
Synthetic Yarn	18,314	2,181,595	216,723	1,983,186
Melange Yarn	8,830	1,263,481	36,561	1,235,751
Vortex	-	263,145	6,248	256,898
Open End	-	739,674	184,902	554,771
Total	120,668	12,118,266	769,108	11,469,826

**Turnover in Quantity (Kg)
2015-2016**

Product Type	Opening Stock (a)	Production (b)	Closing Stock (c)	Sales during the year (a+b-c)
Carded Yarn	85,474	1,871,449	44,441	1,912,482
Combed Yarn	28,407	2,255,063	37,583	2,245,887
Slub Yarn	5,195	1,298,025	11,501	1,291,719
Synthetic Yarn	17,053	1,911,105	18,314	1,909,844
Melange Yarn	-	396,244	8,830	387,414
Total	136,129	7,731,885	120,668	7,747,346





		Amounts in Taka	
		2016-2017	2015-2016
24	Cost of goods sold		
	Raw Material consumption (Note-24.1)	1,915,204,897	1,142,200,784
	Packing materials consumption (Note-24.2)	20,619,357	13,792,747
	Manufacturing overhead (Note-24.3)	<u>803,261,199</u>	<u>471,259,887</u>
	Cost of goods manufacturing	2,739,085,453	1,627,253,418
	Opening work-in-process	22,686,724	26,628,869
	Closing work-in-process	<u>(47,093,660)</u>	<u>(22,686,724)</u>
	Cost of production	2,714,678,518	1,631,195,563
	Opening stock of finished yarn	29,080,586	28,422,438
	Closing stock of finished yarn	<u>(189,909,966)</u>	<u>(29,080,586)</u>
		<u>2,553,849,138</u>	<u>1,630,537,415</u>
24.1	Raw Material consumption		
	Quantity (KG)		
	Opening Stock	2,966,355	1,632,185
	Purchase during the year	<u>15,276,143</u>	<u>10,187,261</u>
	Raw Material available for consumption	18,242,497	11,819,446
	Closing Stock	<u>4,264,097</u>	<u>2,966,355</u>
	Raw Material Consumed	<u>13,978,401</u>	<u>8,853,091</u>
	Value (Taka)		
	Opening balance	413,094,976	209,530,378
	Purchase during the year	<u>2,219,446,579</u>	<u>1,345,765,382</u>
	Raw Material available for consumption	2,632,541,555	1,555,295,760
	Closing balance	<u>(717,336,658)</u>	<u>(413,094,976)</u>
		<u>1,915,204,897</u>	<u>1,142,200,784</u>
	24.2 Packing materials consumption		
	Opening balance	1,313,855	720,102
	Purchase during the year	<u>21,612,577</u>	<u>14,386,500</u>
	Packing materials available for consumption	22,926,432	15,106,602
	Closing balance	<u>(2,307,074)</u>	<u>(1,313,855)</u>
		<u>20,619,357</u>	<u>13,792,747</u>
	24.3 Manufacturing overhead		
	Salary and allowances	134,632,238	103,343,977
	Repair and maintenance	22,152,077	25,257,558
	Fiber Dyeing	77,835	561,500
	BTMA certificate charges	184,500	319,075
	Store and spare parts	20,625,350	27,625,350
	Travelling & Conveyance	446,122	567,066
	Crockerries and Canteen Expenses	605,224	491,663
	Fire Fighting Expenses-factory	319,341	642,865
	Factory stationeries	668,609	758,461
	Fuel and lubricants- Fork Lift	517,179	784,385
	Fuel and lubricants- Generator	19,432,266	28,928,763
	Fuel and lubricants- Vehicles	209,200	461,818
	Electricity bill	275,260,148	100,219,555
	Gas bill	68,653,508	62,251,400
	Inspection charges	107,092	59,517
	Insurance premium	6,143,984	4,182,877
	Testing fee	50,815	4,000
	Workshop expenses	889,425	2,011,891
	Depreciation	<u>252,286,286</u>	<u>112,788,166</u>
		<u>803,261,199</u>	<u>471,259,887</u>





	Amounts in Taka	
	2016-2017	2015-2016
25 Other income		
Interest on inter company receivable	-	10,501,798
Foreign currency exchange gain/(loss) (See Note 25.01)	36,715,541	7,599,676
Gain /(Loss) on Investment in marketable securities	12,704,387	995,939
Gain /(Loss) on Disposal of Assets	689,435	-
Gain /(Loss) on Investment	12,372,500	-
Sub Contract Income	2,738,802	-
Bank interest received	14,661,667	129,576,380
Sales of wastage	53,140,389	36,124,559
Cash Dividend (received on marketable securities)	2,037,600	1,141,615
Misc. Income	75,781	-
Rental Income	820,380	10,195,380
	135,956,483	196,135,347

25.01 In previous years, unrealized exchange gain/loss was erroneously presented in Statement of Other Comprehensive Income. However, from this year, presentation has been corrected and accordingly, such unrealized exchange loss of Tk. 11,786,829 has been disclosed in this year's Statement of Profit or Loss as 'Other Income'. Due to the corresponding figure in prior year of Tk 3,774,779 being immaterial, comparative figure has not been restated.

26 Administrative expenses

Salary and allowances	99,925,157	81,741,202
Audit fees	575,000	287,500
AGM expenses	2,452,848	2,490,105
Board Meeting expenses	816,500	989,000
Business development expenses	9,113,735	1,171,899
Bank charges and commission	6,423,590	4,754,630
Ceremonial expense	40,355	117,900
Certificate and membership fees	2,026,126	1,671,916
Computer repair maintenance	127,450	542,268
Credit rating expenses	172,500	172,500
CSR Expenses	4,440	92,045
Garden Expenses	65,780	45,870
Advertisement	887,278	1,070,859
Contribution to Provident Fund	1,378,175	1,159,836
Managing Directors Remuneration (Note -37)	8,400,000	8,400,000
Donation	10,200,000	12,200,000
Entertainment	4,431,237	2,980,340
Corporate advisory fees	-	876,350
Internet charges	159,450	161,975
Legal expenses	36,200	566,943
Medicine and medical expenses	47,973	41,321
News paper and periodicals	8,650	7,530
Office maintenance	23,000	176,312
Photocopy and type expenses	204,510	107,354
Office Stationery	1,182,638	899,794
Rates and taxes	794,746	1,209,066
Office Rent	240,000	256,200
Registration and renewal	1,735,355	1,469,314
Religious expenses	77,000	451,500
Staff welfare	83,640	83,260
Telephone bill	-	5,500
Travelling expenses	966,320	33,000
Uniform and liveries	224,412	304,618
Miscellaneous expenses	2,357,182	2,105,205
Power and fuel - vehicles	2,506,138	2,327,479
Depreciation	28,031,810	12,532,018
	185,719,194	143,502,608





	Amounts in Taka	
	2016-2017	2015-2016
27 Distribution expenses		
Sales Promotion	1,247,841	
Sales commission	112,185	56,688
Carriage outward	2,710,110	1,144,639
	4,070,136	1,201,327
28 Finance cost		
Bank Interest on Offshore loan	15,439,491	9,620,452
Bank Interest on UPAS loan	-	-
Bank interest on Export Development Fund	33,128,729	21,076,002
Bank Interest on OD loan	632,055	875,817
Bank Interest on loan against export bills	7,369,037	1,367,797
	56,569,312	32,940,067
29 Contribution to workers' profit participation & welfare funds :		

Allocation for workers' profit participation & welfare funds amounted to Tk.16,044,965 (2016: Tk.18,720,901). This represents 5% of net income before charging income tax as per provision of the Labour Law -2006 and it shall be allocated between WPPF and Welfare Funds as defined in the said act.



Amounts in Taka

	2016-2017	2015-2016
--	-----------	-----------

30 Current Tax
a. Tax calculation for current year

Profit before tax (01.07.2016 to 30.06.2017)	320,899,298	374,418,016
Less: Other income considered separately	135,956,483	196,135,347
	184,942,815	178,282,669
Add: Accounting Depreciation	280,318,095	125,320,184
Add: Inadmissible expenses	-	28,580,240
Less: Tax Depreciation	(584,636,287)	(353,560,812)
Taxable Income	(119,375,377)	(21,377,719)

Tax Rate

Current Tax expenses on Taxable Income	15%	(17,906,306)	(3,206,658)
Tax on Interest on inter company receivable	25%	-	2,625,450
Foreign currency exchange gain/(loss)	25%	9,178,885	800,644
Gain / Loss on Investment in marketable securities	10%	1,270,439	99,594
Gain /(Loss) on Disposal of Assets	15%	103,415	-
Gain /(Loss) on Investment	15%	1,855,875	-
Sub Contract Income	25%	684,701	-
Tax on bank Interest	25%	3,665,417	32,394,095
Tax on wastage sale	25%	13,285,097	9,031,140
Tax on Cash Dividend (Share Investment)	20%	407,520	228,323
Misc. Income	25%	18,945	-
Rental Income	25%	143,567	1,784,192
Income Tax expenses		12,707,554	43,756,779

b. Excess/(Short) provision for taxations after final assessment order as below:-

2011-2012	-	621,604
Total	-	621,604
Total Current tax (a+b)	12,707,554	44,378,383

Provision for income tax has been calculated @ 15% on taxable income from operation under SRO 193 dated 30 June 2015 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	
	2016-2017	2015-2016
31 Deferred tax expenses for income statement		
Fixed assets:		
Accounting Base *	3,363,316,460	2,118,800,567
Tax base	(2,499,920,950)	(1,567,795,157)
Taxable temporary difference	863,395,510	551,005,410
Tax rate	15%	15%
(Tax rate 15% on Textile sector as per SRO - 193 dated 30 June 2015.)		
Deferred tax liabilities as on 30 June 2017	129,509,326	82,650,812
Deferred tax liabilities 30 June 2016	(82,650,812)	(47,086,478)
	46,858,515	35,564,334

31.01 Deferred tax for statement of Other Comprehensive Income

(i) **Deferred tax liability against revaluation reserve other than land**

Carrying amount other than land	116,534,214	122,792,910
Tax base	-	-
	<u>116,534,214</u>	<u>122,792,910</u>
Applicable tax rate	15%	15%
(Tax rate 15% on Textile sector as per SRO - 193 dated 30 June 2015.)		
	<u>17,480,132</u>	<u>18,418,936</u>

(ii) **Deferred tax liability on capital gain revaluation of land**

Carrying amount other than building & others.	1,016,047,662	865,391,996
Tax base	-	-
	<u>1,016,047,662</u>	<u>865,391,996</u>
Applicable tax rate (3% As per section 53 H dated 01.07.2014)	3%	3%
	<u>30,481,430</u>	<u>25,961,760</u>

Deferred tax liability against revaluation reserve (i + ii)

Deferred tax liabilities 30 June 2016	47,961,562	44,380,696
	(44,380,696)	(45,371,000)

Deferred tax for statement of comprehensive income

	3,580,866	(990,304)
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* This amount includes adjustment for the permanent difference related to sedan cars, not plying for hire, owned by company. As per the provisions of Income Tax Ordinance 1984, depreciation on such cars is allowed only up to certain limit of cost (currently Tk. 2.5 million per car) of such cars for tax purpose. Difference for vehicle represents the amount of depreciated cost exceeding such limits.

32 Earnings Per Share (EPS)

Net profit attributable to ordinary share holders	261,333,229	294,475,299
Number of ordinary shares outstanding during the year	97,490,000	97,490,000
Basic Earnings per Share	2.68	3.02

32.01 Calculation of number of ordinary shares (2016-2017)

Date	No. of Shares	No. of days shares were held during the year	Fraction of period	Weighted average of shares
Balance as on 1st July-2010	25,500,000	365	1	25,500,000
12.10.2010				
Shares issued in cash	9,110,000	365	1	9,110,000
25.10.2010				
Bonus shares issued	7,650,000	365	1	7,650,000
15.01.2013				
Bonus shares issued	21,130,000	365	1	21,130,000
27.02.2014				
Shares issued in cash	34,100,000	365	1	34,100,000
Weighted average number of ordinary shares				97,490,000



	Amounts in Taka	
	2016-2017	2015-2016
33 Net Assets Value (Per Share)		
33.01 Net Assets Value (Per Share) (with Revaluation Reserve)		
Total assets	7,076,727,571	6,092,055,524
Less: Total current liabilities	(2,262,387,340)	(1,213,925,838)
	4,814,340,231	4,878,129,686
Deduct:		
Long Term & deferred liabilities	(720,987,774)	(818,302,592)
	4,093,352,457	4,059,827,094
Number of ordinary shares at balance sheet date	97,490,000	97,490,000
NAV - per share		
On share at balance sheet date	41.99	41.64

	Amounts in Taka	
	2016-2017	2015-2016
34 Net Operating cash flow per share		
Cash flows from operating activities as per statement of cash flows	(18,720,901)	(26,109,619)
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)	(0.19)	(0.27)

35 During the period from 01.07.16 to 30.06.2017 six board meetings were held. The attendance status of all the meetings is as follows:

Name of Directors	Position	Meeting	Attended
Abdul Wahed	Chairman	6	6
M.A. Jabbar	Managing Director	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
Taslina Begum	Director	6	6
M. Farhad Hussain FCA	Independent Director	6	5
M.Naser Alam , Barrister-at-law*	Independent Director	6	6

36 Employee position for Matin Spinning Mills Ltd (as at 30 June 2017)

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

Officer & Staff	Worker	Total Employee	Amount in Taka
Head Office 25	Factory 333	1,647	2,005
			2,005
			244,335,570

There is no Salary/ Wages/Remuneration below Tk.3,000/- per month or annually Tk. 36,000. Minimum Salary/ Wages/Remuneration has started from Tk. 5,300/- per month.





37 Payments to Directors and Officers

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

Particular	2016-2017			2015-2016		
	Directors*	Managers & Others	Total	Directors*	Managers & Others	Total
Basic Salary	5,139,960	54,908,514	60,048,474	5,139,960	44,916,496	50,056,456
House Rent	2,569,980	27,454,257	30,024,237	2,569,980	22,458,248	25,028,228
Conveyance	690,060	7,371,686	8,061,746	690,060	6,030,218	6,720,278
Bonus/ incentives	-	10,190,701	10,190,701	-	8,336,240	8,336,240
Total Salary and allowances	8,400,000	99,925,157	108,325,157	8,400,000	81,741,202	90,141,202

* Directors represent Managing Director only.

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

38 Contingent Liabilities:

1 Contingent Liability of the Company was Tk. 297,022,023 as on 30 June 2017 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 30 June 2017.





39 Disclosure as per requirement of schedule XI, part II, para 7 of Companies Act 1994

	MSML Unit	Melange Unit	Synthetic Unit	Total	
				2016-2017	2015-2016
Capacity Installed:					
No of Spindles Installed	39,600	17,328	14,736	71,664	57,840
Capacity Utilised:					
No. of Spindles Operated	37,222	16,479	13,710	67,411	51,759
Production Capacity: (In Kg)					
At Equivalent 28' S Count (Ring Yarn)	9,000,000	3,386,000	2,849,552	15,235,552	9,360,000
Actual Production : (In Kg)					
At Equivalent 28' S Count (Ring Yarn)	7,268,435	2,505,264	2,045,773	11,819,472	7,851,331
% of Capacity Utilization:	80.76	73.99	71.79	77.58	83.88

40 Related party disclosure

During the year, the Company carried out a number of transactions with related parties in the normal course of business. The names of the related parties and nature of these transactions have been disclosed in accordance with the provisions of BAS -24:

Name of the related party	Relationship	Nature of transaction	Value of transactions (taka)	Closing balance (BDT)	Status as at June 30, 2017	Closing balance (BDT)	Status as at June 30, 2016
DBL Ceramics Ltd	Associated Company	Share Money Deposit	-	-	Debtor	-	Debtor
		Gain / (Loss) on Investment	12,372,500	-	-	-	-
		Investment in Shares	25,000,000	-	Debtor	25,000,000	Debtor
Flamingo Fashions Ltd	Sister Concern	Sale of yarn	783,369,556	294,240,586	Debtor	58,908	Debtor
Jinnat Fashions Ltd	Sister Concern	Sale of yarn	560,098,587	37,568,191	Debtor	13,904,013	Debtor
Jinnat knitwears Ltd	Sister Concern	Sale of yarn	629,528,527	89,659,831	Debtor	12,178,863	Debtor
Jinnat Apparels Ltd	Sister Concern	Sale of yarn	318,939,219	4,800,211	Debtor	6,710,483	Debtor
Mawna Fashions Ltd.	Sister Concern	Office Rent	(240,000)	20,000	Creditors	20,000	Creditors
		Sale of yarn	109,754,040	17,434,044	Debtor	9,311,350	Debtor
Hamza Textiles Ltd	Sister Concern	Sale of yarn	220,566,357	70,227,425	Debtor	9,212,956	Debtor
Parkway Printing & Packaging Ltd.	Sister Concern	Sale of yarn	9,122,366	1,343,408	Debtor	1,343,408	Debtor
		Godown Rent & Others	6,120,422	513,205	Debtor	513,205	Debtor
Color City Ltd.	Sister Concern	Rent	-	-	Debtor	9,375,000	Debtor
DBL Distribution Ltd	Sister Concern	Fuel & Lubricant	-	15,473,817	Creditor	-	-

41 Disclosure as per requirement of schedule XI, part II, para 8 of the Companies Act 1994

Disclosure requirement of schedule XI, part II, para 8(b&d) of the Companies 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		2,219,446,579	2,219,446,579	1,915,204,897	97.89%
Stores and Accessories		54,130,292	54,130,292	20,625,350	1.05%
Packing Materials	21,612,577	-	21,612,577	20,619,358	1.05%
Capital Machinery		1,575,699,708	1,575,699,708	-	-
Total	21,612,577	3,849,276,578	3,870,889,155	1,956,449,605	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 2017 is as follows:

Particular	In foreign currency \$	In BDT
Export	38,675,201	3,001,195,559

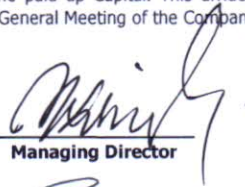


- 42 Previous year's figures have been rearranged, wherever considered necessary, to conform to current year's presentation. The following rearrangements have been made in the financial statements:
- i. Materials in transit have been classified as a separate asset head from this year whereas in previous years, they were presented under 'Advance, Deposits and Prepayments'.
 - ii. Machineries in Transit have been shown under 'Capital Work-in-Progress' whereas in previous years, they were presented under 'Advance, Deposits and Prepayments'.
 - iii. Cash Paid to employees and suppliers have been presented under separate heads in this year's Statement of Cash Flows whereas in previous years, they were shown under one head.
 - iv. Previously, Electrical Installation and Deep Tube well were presented as Separate Asset items with Depreciation rates of 15% and 20% respectively. However, from this year, 'Electrical installation' has been incorporated into 'Plant and Machinery' with depreciation charged at the rate of 10% and Deep Tube well has been incorporated into 'Equipment' with depreciation charged at the rate of 15%.
- 43 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- 44 Figures are rounded off to the nearest Taka.
- 45 **Event after Balance Sheet date**

The Board of Directors of Matin Spinning Mills Limited, at its 101st meeting held on November 06, 2017 proposed Tk. 1.5 per share amounting to a total of Tk. 146,235,000 as cash dividend for the year ended 30 June 2017, which represents 15% 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 Financial Officer



Company Secretary

Dated, Dhaka

06 NOV 2017





Annex I

Matin Spinning Mills Ltd
Details of property, plant and equipment for the year ended 30 June 2017

A) Non-Current Asset (Cost Component)

Amounts in Taka

Name of the assets	Cost			Depreciation			Written down value at 30 June 2017		
	At 01 July 2016	Addition during the year	Adjustment/dissposal during the year	Total at 30 June 2017	Rate %	At 01 July 2016		Charge for the year	Adjustment during the year
Land and land development	146,373,666	4,282,000	-	150,655,666	0%	-	-	-	-
Factory building	351,352,360	279,644,440	-	630,996,800	5%	99,961,749	20,737,746	-	120,699,495
Godown	34,611,245	30,601,014	-	65,212,259	10%	14,183,206	2,571,108	-	16,754,314
Plant and machinery	2,520,190,259	1,195,851,993	1,995,514	3,714,046,738	10%	1,163,150,547	195,918,543	230,122	1,358,838,969
Furniture and fixtures	3,275,571	-	-	3,275,571	10%	1,539,309	173,626	-	1,712,935
Sub Station (Machinery)	306,775,665	-	-	306,775,665	15%	21,673,134	42,765,380	-	64,438,514
Gas Generator	128,958,867	4,648,902	-	128,958,867	15%	103,509,883	3,817,348	-	107,327,231
Office equipment	24,229,701	3,789,810	1,882,948	28,878,603	15%	11,023,701	2,408,675	-	13,432,376
Vehicles	62,476,275	3,789,810	1,882,948	64,383,137	20%	35,335,448	5,666,975	1,592,261	39,410,162
Total at 30 June 2017	3,578,243,609	1,518,818,159	3,878,462	5,093,183,305		1,450,376,977	274,059,400	1,822,383	1,722,613,995

B) Non-Current Asset (Revaluation Reserve Component)

Name of the assets	Revaluation			Depreciation			Written down value at 30 June 2017		
	At 01 July 2016	Addition during the year	Adjustment/dissposal during the year	Total at 30 June 2017	Rate %	At 01 July 2016		Charge for the year	Adjustment during the year
Land and land development	865,391,996	-	-	865,391,996	0%	-	-	-	-
Factory building	163,805,258	-	-	163,805,258	5%	43,393,341	6,020,596	-	49,413,937
Godown	4,480,258	-	-	4,480,258	10%	2,099,265	238,099	-	2,337,364
Total at 30 June 2017	1,033,677,512	-	-	1,033,677,512		45,492,606	6,258,695	-	51,751,302
Total (A + B) at 30 June 2017	4,611,921,121	1,518,818,159	3,878,462	6,126,860,817		1,495,869,584	280,318,095	1,822,383	1,774,365,296

Allocation of depreciation:

Period ended

30 June

2017

Manufacturing overhead @ 90%	252,286,286
Administrative overhead @ 10%	28,031,810
280,318,095	

-Part A of the above note includes the cost base of all assets owned by the Company. Part B includes the increase in value of assets arising out of revaluation of assets.

-Previously, Electrical Installation and Deep Tube well were presented as Separate Asset items with Depreciation rates of 15% and 20% respectively. However, from this year, 'Electrical installation' has been incorporated into 'Plant and Machinery' with depreciation charged at the rate of 10% and Deep Tube well has been incorporated into 'Equipment' with depreciation charged at the rate of 15%.





Annex ii

Matin Spinning Mills Ltd
Details of property, plant and equipment for the year ended 30 June 2016

A) Non-Current Asset (Cost Component)

Amounts in Taka

Name of the assets	Cost			Depreciation			Written down value at 30 June 2016		
	At 01 July 2015	Addition during the year	Adjustment/disposal during the year	Total at 30 June 2016	Rate %	At 01 July 2015		Charge for the year	Adjustment during the year
Land and land development	146,373,666	-	-	146,373,666	0%	-	-	-	146,373,666
Factory building	176,506,759	160,342,829	-	336,849,588	5%	91,950,380	7,544,500	-	99,494,879
Sub Station (Building)	-	14,502,772	-	14,502,772	5%	-	466,870	-	466,870
Godown	34,611,245	-	-	34,611,245	10%	11,913,424	2,269,782	-	14,183,206
Plant and machinery	1,519,240,568	882,147,947	-	2,401,388,515	10%	1,021,766,615	72,189,357	-	1,093,955,971
Furniture and fixtures	3,131,805	143,766	-	3,275,571	10%	1,352,618	186,691	-	1,539,309
Sub Station (Machinery)	-	306,775,665	-	306,775,665	15%	1,471,431	21,673,134	-	21,673,134
Gas equipment	1,978,958	-	-	1,978,958	15%	76,129	76,129	-	1,547,560
Gas Generator	128,958,867	-	-	128,958,867	15%	99,018,886	4,490,997	-	103,509,883
Office equipment	14,617,163	6,533,580	-	21,150,743	15%	7,230,284	1,271,351	-	8,501,635
Electric installation	84,535,464	34,266,280	-	118,801,744	15%	64,913,486	4,281,090	-	69,194,576
Deep tube well	1,100,000	-	-	1,100,000	20%	943,133	31,373	-	974,506
Vehicles	45,582,000	16,894,275	-	62,476,275	20%	31,098,561	4,236,887	-	35,335,448
Total at 30 June 2016	2,156,636,495	1,421,607,114	-	3,578,243,609		1,331,658,818	118,718,160	-	1,450,376,978

B) Non-Current Asset (Revaluation Reserve Component)

Name of the assets	Revaluation			Depreciation			Written down value at 30 June 2016		
	At 01 July 2015	Addition during the year	Adjustment/disposal during the year	Total at 30 June 2016	Rate %	At 01 July 2015		Charge for the year	Adjustment during the year
Land and land development	865,391,996	-	-	865,391,996	0%	-	-	-	865,391,996
Factory building	163,805,258	-	-	163,805,258	5%	37,055,872	6,337,469	-	43,393,341
Godown	4,480,258	-	-	4,480,258	10%	1,834,710	264,555	-	2,099,265
Total at 30 June 2016	1,033,677,512	-	-	1,033,677,512		38,890,582	6,602,024	-	45,492,606
Total (A + B) at 30 June 2016	3,190,314,007	1,421,607,114	-	4,611,921,121		1,370,549,400	125,320,184	-	1,495,869,584

Allocation of depreciation:

Period ended 30 June 2016	
Manufacturing overhead @ 90%	112,788,166
Administrative overhead @ 10%	12,532,018
	125,320,184

Manufacturing overhead @ 90%

Administrative overhead @ 10%

