

Matin Spinning Mills Limited

Auditors' Report and Financial statements

as at and for the year ended 30 June 2019

**Independent Auditor's Report
To the Shareholders of Matin Spinning Mills Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of Matin Spinning Mills Limited (the Company), which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters	How our audit addressed the key audit matters
Recognition of revenue with related parties and the initial application of IFRS 15	
<p>The Company has adopted IFRS 15 in recognizing revenue in the current year which increased the risk that revenue may not have been recognised in accordance with the requirements of IFRS 15 with respect to measurement.</p> <p>The Company has reported a gross revenue of BDT 4,324,531,522 for the year ended 30 June 2019. 90% of Company's goods are sold to its group companies. As such the Company has a high level of related party transactions which is inherently subject to the risk of misappropriations and misstatements. There is a risk that revenue may not have been measured at the correct invoice price. Moreover, since the transactions are within group companies, there is also a risk that revenue which did not occur during the year, may have been reported in the accounts.</p> <p>Revenue has been disclosed in note 23 of the financial statements, impact of adoption of IFRS 15 in note 3.03 and related party transactions and relationships have been disclosed in note 40 of the financial statements.</p>	<p>We assessed the Company's processes and controls for recognizing revenue as part of our audit. Our audit approach included the following:</p> <ul style="list-style-type: none"> ▶ We assessed the external environment in which the client operates and the policies and procedures related to the recognition of revenue as well as the policies implemented with regards to the initial application of IFRS 15 and IAS 24. ▶ We performed substantive analytical procedures over Revenue, Receivables and Related Party Balances. ▶ We assessed the systems of invoicing and measurement of revenue up to entries in the general ledger. ▶ We examined customer invoices on a test basis and evaluated whether revenue recognised was consistent with contractual terms and related to transactions which occurred during the year. ▶ We performed cut off tests, on a sample basis, to assess whether reported related to transactions that occurred during the year. <p>With regard to the impact of the initial application of IFRS 15 from the current financial year, we assessed the impact after the implementation of the new standard. Our audit approach included, among other items:</p> <ul style="list-style-type: none"> ▶ We assessed the design of the processes set up to account for the transactions in accordance with the new standard. ▶ We assessed the disclosures as required by the new standard have been met. ▶ We assessed whether any adjustments was required to be made to opening balances due to the adoption of the new standard by reconciling the recognition and measurement principles of the standard with the client's policies. <p>With regards to related party transactions we gained an understanding of the Company's processes and procedures to account for and report related party transactions and relationships. Our procedures included among others:</p> <ul style="list-style-type: none"> ▶ We obtained a full list of the Company's transactions with related parties, nature and

Key Audit Matters	How our audit addressed the key audit matters
	<p>purpose of such transactions and outstanding balances.</p> <ul style="list-style-type: none"> ▶ We obtained an understanding the Company’s process for identifying related parties and disclosing related party transactions. ▶ We inspected supporting documentation to understand whether related party transactions have taken place on an arms’ length basis. ▶ We obtained external confirmations to evaluate the accuracy and completeness of related party balances. ▶ We assessed whether related party disclosures comply with the requirements of IAS 24. ▶ We performed substantive analytical procedures over Revenue, Receivables and Related Party Balances.
<p>Valuation and existence of inventories</p> <p>At year end, the Company has inventories amounting to BDT 52,41,28,640 which amounted to 8% of the total assets. As per IAS 2, inventories are required to be valued at the lower to cost and net realisable value. Cost of inventories includes purchase cost and cost incurred in bringing inventories to its present location and condition. IAS 2 specifically prohibits certain costs from being excluded from the cost of inventories. The company values its inventories using the weighted average method which is a complex process and prone to errors and manipulation. Due to the complex nature of accounting for inventories, there is an increased risk of misstatement in valuation of inventory items. IAS 2 defines inventories as assets which are: (a) held for sale in the ordinary course of business, (b) in the process of production for such sale, (c) in the form of materials or supplies to be consumed in the production process or rendering of services. There was therefore a risk that assets which do not meet the definition of inventories have been improperly classified as inventory items. Inventories has been disclosed in note 09 of the financial statements. The Company’s policy with regards to the valuation of inventories has been disclosed in note 3.12.</p>	<p>With regard to appropriate valuation of inventories we adopted the following audit procedures:</p> <ul style="list-style-type: none"> ▶ We observed the company’s year-end inventory count, performed test counts and reconciled count sheet records to inventory valuation report in order to verify the existence of inventories reported in the accounts. ▶ We tested the purchase costs of a sample of inventory items by inspecting invoices. ▶ We assessed the components of the costs included within inventory items to ensure that they are in conformity with the requirements of IAS 2. ▶ We assessed the movement of inventories and analysed whether closing inventories were valued using the weighted average method. ▶ We tested on a sample basis, the net realisable value by comparing costs to recent selling prices. ▶ We assessed the listing of the nature of items presented within inventories and analysed whether they meet the definition of inventories. ▶ We read the disclosure made by the Company for compliance with disclosure requirements

Emphasis of Matter on Restatement

We draw attention to note no. 14 and 15 wherein the basis for restatement of opening balance as on 1 July 2017 date and the financial statements for the year ended 30 June 2019 has been given by the management. Hitherto the Company had not transferred the difference between depreciation on revalued assets and the depreciation on original costs of assets to retained earnings which was not in compliance with paragraph 41 of IAS 16. Upon such restatement depreciation of BDT 51,751,302 has been charged against opening revaluation reserves as at 1 July 2017 and the same amount has been transferred to retained earnings.

Our opinion is not qualified in respect of this matter

Other information included in the Company's 30 June 2019 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations 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.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other matter

The financial statements of the Company for the year ended 30 June 2018 were audited by another auditor who expressed an unqualified opinion adding emphasis of matter paragraph on those statements on 04 November 2018.

Report on other legal and regulatory requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

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



A. Qasem & Co.
Chartered Accountants

Dhaka, 2 November 2019


Matin Spinning Mills Limited
Statement of Financial Position
as at 30 June 2019

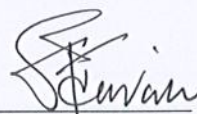
	Notes	Amounts in Taka		
		30 June 2019	30 June 2018 (Restated)	1 July 2017 (Restated)
Assets				
Non - current assets				
Property, plant and equipment	04	3,996,190,404	4,168,868,097	4,352,495,520
Investment	05	36,413,499	34,336,067	35,414,179
Capital work-in-process	06	202,850,542	30,619,562	70,232,487
		<u>239,264,041</u>	<u>64,955,629</u>	<u>105,646,666</u>
Total non - current assets		4,235,454,445	4,233,823,726	4,458,142,186
Current assets				
Inventories	07	524,128,640	947,835,529	346,387,853
Accounts receivable	08	905,681,247	1,072,215,675	749,144,849
Advance, deposits and prepayments	09	253,812,258	207,967,996	1,038,590,042
Materials in transit	10	413,781,170	147,222,736	319,954,756
Cash and bank balances	11	236,181,930	106,272,934	164,507,885
		<u>2,333,585,245</u>	<u>2,481,514,870</u>	<u>2,618,585,385</u>
Total current assets		6,569,039,690	6,715,338,596	7,076,727,571
Total assets		6,569,039,690	6,715,338,596	7,076,727,571
Equity and liabilities				
Share capital	12	974,900,000	974,900,000	974,900,000
Share premium	13	920,700,000	920,700,000	920,700,000
Retained earnings	14	1,364,587,907	1,429,498,557	1,263,787,809
Revaluation reserve	15	922,470,313	928,100,467	933,964,648
		<u>4,182,658,220</u>	<u>4,253,199,024</u>	<u>4,093,352,457</u>
Total equity		4,182,658,220	4,253,199,024	4,093,352,457
Non-current liabilities				
Long term bank loan	16	368,320,391	367,459,542	543,516,886
Deferred tax liability	17	204,333,813	195,416,173	177,470,888
		<u>572,654,204</u>	<u>562,875,715</u>	<u>720,987,774</u>
Total non-current liabilities		572,654,204	562,875,715	720,987,774
Current liabilities				
Accounts payable	18	104,070,268	137,302,562	120,497,736
Short term bank loan	19	1,376,471,384	1,436,478,545	4,582,760
Current portion of long term loan	20	193,920,170	192,312,780	1,775,310,925
Share application money	21	4,553,160	4,553,160	231,867,632
Provision & accruals	22	134,712,284	128,616,810	130,128,287
		<u>1,813,727,266</u>	<u>1,899,263,857</u>	<u>2,262,387,340</u>
Total current liabilities		1,813,727,266	1,899,263,857	2,262,387,340
Total equity and liabilities		6,569,039,690	6,715,338,596	7,076,727,571
NAV Per Share (With Revaluation reserves)	33	42.90	43.63	41.99

These financial statements should be read in conjunction with the annexed notes 1 to 47.

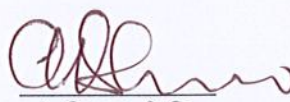

 Chairman


 Managing Director


 Chief Financial Officer


 Company Secretary

Dated, Dhaka
 2 November 2019


 A. Qasem & Co.
 Chartered Accountants



Matin Spinning Mills Limited
Statement of Profit or Loss
for the year ended 30 June 2019

	Notes	Amounts in Taka	
		2018-19	2017-18
Revenue	23	4,324,531,522	4,050,914,298
Cost of goods sold	24	(3,949,186,470)	(3,441,942,189)
Gross profit		375,345,052	608,972,110
Other income	25	79,937,673	85,155,064
		455,282,725	694,127,174
Administrative expenses	26	(220,692,515)	(226,488,125)
Distribution expenses	27	(7,209,275)	(6,394,603)
Net profit before finance cost		227,380,935	461,244,446
Finance cost	28	(99,388,219)	(87,708,897)
Net profit before workers' profit participation funds & tax		127,992,716	373,535,550
Contribution to workers' profit participation funds	29	(6,094,891)	(17,787,407)
Net profit before taxation		121,897,825	355,748,142
Income tax	30	(17,787,989)	(31,721,291)
Deferred tax	31	(9,762,163)	(21,421,604)
Net profit after tax		94,347,673	302,605,247
Earnings Per Share (EPS)	32	0.97	3.10

These financial statements should be read in conjunction with the annexed notes 1 to 47.



Chairman



Managing Director




Chief Financial Officer



Company Secretary

Dated, Dhaka
 2 November 2019



A. Qasem & Co.
 Chartered Accountants

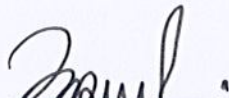
Matin Spinning Mills Limited
Statement of Other Comprehensive Income
for the year ended 30 June 2019

	Notes	Amounts in Taka	
		2018-19	2017-18
Net profit after tax for the year		94,347,673	302,605,247
Deferred tax on other comprehensive income	31.01	844,523	3,476,319
Total comprehensive income for the year		<u>95,192,196</u>	<u>306,081,567</u>

These financial statements should be read in conjunction with the annexed notes 1 to 47.



 Chairman



 Managing Director

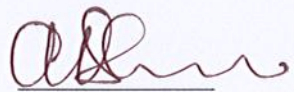


 Chief Financial Officer



 Company Secretary

Dated, Dhaka
 2 November 2019



 A. Qasem & Co.
 Chartered Accountants




Matin Spinning Mills Limited
Statement of Changes in Equity
for the year ended 30 June 2019

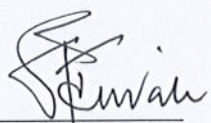
	Amounts in Taka				
	Share Capital	Share Premium	Retained Earnings	Revaluation Reserves	Total
2018-19					
Balance at 01 July 2018	974,900,000	920,700,000	1,429,498,557	928,100,467	4,253,199,024
Net profit for the year	-	-	94,347,673	-	94,347,673
Dividend Paid	-	-	(165,733,000)	-	(165,733,000)
Depreciation on Revalued Assets	-	-	5,630,154	(5,630,154)	-
Other comprehensive income	-	-	844,523	-	844,523
Balance at 30 June 2019	<u>974,900,000</u>	<u>920,700,000</u>	<u>1,364,587,907</u>	<u>922,470,313</u>	<u>4,182,658,220</u>
2017-18					
Balance at 01 July 2017	974,900,000	920,700,000	1,212,036,507	985,715,950	4,093,352,457
Effect of para 41 of IAS 16	-	-	51,751,302	(51,751,302)	-
As at 01 July 2017 (adjusted)	<u>974,900,000</u>	<u>920,700,000</u>	<u>1,263,787,809</u>	<u>933,964,648</u>	<u>4,093,352,457</u>
Net profit for the year	-	-	302,605,247	-	302,605,247
Dividend Paid	-	-	(146,235,000)	-	(146,235,000)
Depreciation on Revalued Assets	-	-	5,864,181	(5,864,181)	-
Other comprehensive income	-	-	3,476,319	-	3,476,319
Balance at 30 June 2018 (restated)	<u>974,900,000</u>	<u>920,700,000</u>	<u>1,429,498,557</u>	<u>928,100,467</u>	<u>4,253,199,024</u>
(See note 15)					

These financial statements should be read in conjunction with the annexed notes 1 to 47.


 Chairman


 Managing Director


 Chief Financial Officer


 Company Secretary

Dated, Dhaka
 2 November 2019


 A. Qasem & Co.
 Chartered Accountants

Matin Spinning Mills Limited
Statement of Cash Flows
for the year ended 30 June 2019

	Amounts in Taka	
	2018-19	2017-18
A. Cash flows from operating activities		
Collection from customers	4,491,871,317	3,721,807,843
Other Income	63,926,496	78,327,602
Cash generated from operations	4,555,797,813	3,800,135,445
Cash paid to employees	(329,202,410)	(271,363,033)
Cash paid to suppliers	(3,614,106,838)	(2,838,185,517)
Interest paid on loans	(106,851,156)	(80,245,960)
Income tax paid	(25,086,781)	(44,853,581)
Payment made to workers' profit participation funds	(17,787,407)	(16,044,966)
Net cash flows from operating activities	462,763,221	549,442,387
B. Cash flow from investing activities		
Acquisition of property, plant and equipment	(105,115,683)	(54,601,186)
Capital work-in-process	(7,009,738)	(31,180,342)
Dividend Income	418,902	1,994,000
Disposal of Fixed Assets	-	800,000
Purchase of marketable securities	(68,098,782)	(108,729,644)
Proceeds from Sale of Marketable Securities	68,072,589	108,755,421
Interest on FDR and Bank Accounts	862,998	873,043
Net cash used in investing activities	(110,869,714)	(82,088,708)
C. Cash flows from financing activities		
Long term loan received	231,382,556	14,239,491
Long term loan (repaid)	(224,962,164)	(238,590,887)
Short term loan received from bank	3,574,556,327	2,945,779,304
Short term loan repaid to bank	(3,637,954,490)	(3,292,810,763)
Dividend Paid	(165,590,667)	(145,967,454)
Share application money refunded	-	(29,600)
Net cash from/(used in) financing activities	(222,568,437)	(717,379,909)
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	129,325,069	(250,026,230)
E. Opening cash and cash equivalents	106,272,935	346,387,853
F. Effects of currency translation on cash and cash equivalents	583,926	9,911,311
G. Closing cash and cash equivalents (D+E+F)	236,181,930	106,272,934
Net Operating Cash Flow Per Share	4.75	5.64

These financial statements should be read in conjunction with the annexed notes 1 to 47.



 Chairman



 Managing Director




 Chief Financial Officer



 Company Secretary

Dated, Dhaka
 2 November 2019



 A. Qasem & Co.
 Chartered Accountants



Matin Spinning Mills Ltd
Notes to the financial statements
for the year ended 30 June 2019

1 Reporting entity

1.01 Company Profile

Matin Spinning Mills Limited (the "Company") is a public limited company incorporated in Bangladesh on 15 September, 2002. Registered office of the Company is in Dhaka and manufacturing plant is at Sardagonj, Kashimpur, Gazipur. The company is listed in both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE).

1.02 Nature of Business

The company manufactures and sells all types of Cotton, Viscose, Polyester, CVC, Melange, and Vortex yarn.

2 Basis of preparation

2.01 Statement of compliance

The financial statements have been prepared in compliance with the requirements of the International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh, the Companies Act 1994, Bangladesh Securities and Exchange Ordinance 1969, Bangladesh Securities and Exchange Rules 1987, Listing Regulations of Dhaka and Chittagong Stock Exchanges and other relevant local laws as applicable.

Initial application of new standards

The company has initially applied IFRS 15 (see note 3.03) and IFRS 9 (see note 3.8) from 1 July 2018. These two new standards do not have a material effect on the company's financial statements.

Due to the transition methods chosen by the company in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards.

2.02 Date of authorisation

The financial statements were authorised for issue by the Board of Directors on November 02, 2019.

2.03 Functional and presentational currency

These financial statements are presented in Bangladesh Taka (Taka/Tk/BDT), unless otherwise stated, which is the company's functional currency. All financial information are presented in Taka and have been rounded off to the nearest integer.

2.04 Reporting period

Financial year of the company covers the period from 01 July 2018 to 30 June 2019.

3 Significant Accounting Policies

3.01 Basis of Accounting

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

Components of financial statements

Statement of Financial Position
Statement of Profit or Loss
Statement of Other 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 in operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

3.03 IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

The company has adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 July 2018). Accordingly, the information presented for 2017-18 has not been restated – i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations. Additionally, the disclosure requirements in IFRS 15 have not generally been applied to comparative information.

There was no material impact of adopting IFRS 15 on the Company's statement of financial position as at 30 June 2019 and its statement of profit or loss and OCI for the year ended 30 June 2019 and the statement of cash flows for the year then ended.

3.04 Use of estimates and judgments

In preparing these financial statements, management makes 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 – 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 under direct method in accordance with International Accounting Standard (IAS)-7 "Statement of cash flows" as required by the Securities and Exchange Rules, 1987. A reconciliation to cash flows from operating activities under indirect method has been shown in note 42.

3.06 Statement of Changes in Equity

Statement of Changes in Equity is prepared in accordance with IAS-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

Items of property, plant and equipment are measured at cost or valuation less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of property, plant and equipment and bringing to the location and condition necessary for it to be capable of operating in the intended manner. The cost of self constructed asset included the cost of material and direct labour, any other cost directly attributable to bringing the assets to a working condition for their intended use.



(B) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in statement of profit or loss and other comprehensive income as incurred.

(C) Depreciation

Depreciation is calculated and 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. 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
Sub Station (Machinery)	15
Gas Generator	15
Office equipment	15
Electric installation	15
Vehicles	20

Para-60 of IAS-16 does not specify any specific method of calculation of depreciation. However, para-62 specifies three methods of which diminishing balance has been used by the company consistently considering reducing future economic benefit of the assets.

(D) Impairment

The carrying value of the company's assets, other than inventories, are reviewed at each date of the statement of financial position to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss will be recognised whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognised in the statement of profit or loss and other comprehensive income.

3.08 IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

There was no material impact of adopting IFRS 9 on the company's statement of financial position as at 30 June 2019 and its statement of profit or loss and OCI for the year ended 30 June 2019 and the statement of cash flows for the year then ended.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.



IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The adoption of IFRS 9 has not had a significant effect on the company's accounting policies related to financial liabilities and derivative financial instruments (for derivatives that are used as hedging instruments).

Investment in Marketable Securities

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

3.09 Capital Work in Process:

Capital work-in-process comprises Godown and Bagan Bari staff quarter.

3.10 Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash at bank including fixed deposits 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. Provision is made for receivable considered to be doubtful of recovery following expected credit loss model.

3.12 Inventories

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

Types of Stock

Basis of Valuation

Raw Materials, Packing Materials and Work-in-process	At cost and net realizable value whichever is
Finished Goods	At cost and net realizable value whichever is
Spare & Parts	Weighted average cost and net realizable
Diesel & Lube Oil	At cost and net realizable value whichever is
Stock of Bandhan	At cost and net realizable value whichever is

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 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.

3.15 Retained Earning

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

3.16 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 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.

3.17 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit 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.

3.18 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.

3.19 Finance costs

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

3.20 Finance income

Finance income comprises interest income on Fixed deposit receipts.

3.21 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.

3.22 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.

3.23 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 currency differences, if any, arising on year end, translations are recognized in the income statement.



3.24 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.

3.25 Earnings per share

Basic EPS is calculated by dividing the profit or loss attributable to the weighted average number of ordinary shares during the period.

3.26 Related party disclosure

As per IAS -24: Related Party Disclosures, 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.

3.27 Financial 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 having common directorship. A minor quantity of sales are made to the external parties. 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.

3.28 Segment reporting

A segment is a distinguishable component of the entity that 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 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.

3.29 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.



	Notes	Amounts in Taka	
		30 June 2019	30 June 2018
4 Property, plant and equipment			
A ASSETS AT COST (Non Revalued Assets):			
Opening balance (at cost)		5,224,460,800	5,093,183,305
Add : Additions		129,874,816	132,317,495
		5,354,335,617	5,225,500,800
Less: Disposal/Adjustment		-	(1,040,000)
Closing balance (a)		5,354,335,617	5,224,460,800
Accumulated Depreciation			
Opening balance		2,031,654,733	1,722,613,995
Add : Charges for the year		296,922,355	309,985,306
		2,328,577,088	2,032,599,301
Less: Disposal/Adjustment		-	(944,569)
Closing balance (b)		2,328,577,088	2,031,654,733
Written Down Value (a-b)		3,025,758,529	3,192,806,068
B REVALUED ASSETS :			
Opening balance (at revalued cost)		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		57,615,483	51,751,302
Add : Charges for the year		5,630,154	5,864,181
		63,245,637	57,615,483
Less: Disposal/Adjustment		-	-
Closing balance (b)		63,245,637	57,615,483
Written Down Value of Revaluation Assets (a-b)		970,431,875	976,062,029
Total Written Down Value (A+B)		3,996,190,404	4,168,868,097

5 Investment

Investment in marketable securities	5.1	36,413,499	34,336,067
		36,413,499	34,336,067

5.01 Investment in marketable securities

Opening balance		34,336,067	35,414,179
Add: Addition during the year		-	-
		34,336,067	35,414,179
Realized gain /(loss)		11,253,083	6,604,828
Unrealized gain /(loss) for fair value adjustment		(9,175,651)	(7,682,941)
Closing balance		36,413,499	34,336,067

Name of securities	No. of Share	Rate	Cost Value	Market rate per share as on 30 June 2019	Market value as on 30 June 2019
IFIC	369,600	13.52	4,996,992	10.40	3,843,840
Shurwid Industries	120,300	36.07	4,339,221	33.60	4,042,080
Dhaka Bank Ltd	573,390	16.23	9,306,120	13.60	7,798,104
AB Bank Ltd	202,500	19.56	3,960,900	10.00	2,025,000
Mercantile Bank Ltd	195,500	18.10	3,538,550	14.20	2,776,100
Meghna Life	223,000	73.70	16,435,100	60.10	13,402,300
One Bank Ltd	167,750	16.21	2,719,228	13.30	2,231,075
Standard Bank Ltd	29,500	10.53	310,635	10.00	295,000
	1,881,540		45,606,745		36,413,499



		Amounts in Taka		
		Notes	30 June 2019	30 June 2018
6	Capital work-in-process			
	Godown - 2	6.01	3,147,131	-
	Bagan Bari Staff Quarter	6.02	-	3,417,914
	Machineries in Transit		199,703,411	27,201,648
			<u>202,850,542</u>	<u>30,619,562</u>
	6.01 Godown - 2			
	Opening Balance		-	-
	Add: Addition during the year		7,009,738	-
	Less: Transfer to Fixed Assets		(3,862,607)	-
	Closing Balance		<u>3,147,131</u>	<u>-</u>
	6.02 Bagan Bari Staff Quarter			
	Opening Balance		3,417,914	-
	Add: Addition during the year		-	19,415,089
	Less: Transfer to Fixed Assets		(3,417,914)	(15,997,175)
	Closing Balance		<u>-</u>	<u>3,417,914</u>
7	Inventories			
	Manufacturing Inventory	7.01	506,997,455	933,216,838
	Non Manufacturing Inventory	7.02	17,131,184	14,618,691
			<u>524,128,640</u>	<u>947,835,529</u>
7.01	Manufacturing Inventory			
	Raw cotton	7.01.01	250,757,810	620,865,486
	Finished yarn	7.01.02	89,977,643	133,961,259
	Packing materials	7.01.03	3,226,100	1,950,203
	Work-in-process	7.01.04	40,794,490	61,276,684
	Spare parts	7.01.05	122,241,412	115,163,206
			<u>506,997,455</u>	<u>933,216,838</u>
	7.01.01 Raw cotton			
	Value (TK.)			
	Conventional Cotton		151,557,525	488,821,653
	Organic Cotton		-	3,857,614
	Synthetic Fiber		64,329,151	112,035,710
	Usable Waste Cotton		34,038,231	14,329,014
	Waste Cotton		832,904	1,821,496
	Total		<u>250,757,810</u>	<u>620,865,486</u>
	Quantity (KG)			
	Conventional Cotton		891,426	2,675,988
	Organic Cotton		-	24,031
	Synthetic Fiber		376,384	633,803
	Usable Waste Cotton		400,166	203,711
	Waste Cotton		37,954	99,590
	Total		<u>1,705,930</u>	<u>3,537,533</u>
	Cost Per Kg (TK.)			
	Conventional Cotton		170.02	182.67
	Organic Cotton		-	160.53
	Synthetic Fiber		170.91	176.77
	Usable Waste Cotton		85.06	70.34
	Waste Cotton		21.95	18.29



	Notes	Amounts in Taka	
		30 June 2019	30 June 2018
7.01.02 Finished yarn			
Value (TK.)			
Carded		13,740,206	24,119,866
Combed		6,467,576	37,875,534
Slub		14,563,689	10,078,151
Synthetic		9,016,936	17,592,637
Melange		11,579,829	15,767,602
Vortex		4,962,643	12,738,961
Open End		29,504,122	12,614,850
Twisted yarn		142,641	3,173,659
Total		89,977,643	133,961,259
Quantity (KG)			
Carded		51,264	100,456
Combed		18,153	121,717
Slub		44,008	31,556
Synthetic		33,489	67,315
Melange		38,929	51,566
Vortex		20,147	50,748
Open End		181,910	77,842
Twisted yarn		530	11,442
Total		388,429	512,641
Cost Per Kg (TK.)			
Carded		268.03	240.10
Combed		356.29	311.18
Slub		330.93	319.37
Synthetic		269.25	261.35
Melange		297.46	305.78
Vortex		246.32	251.03
Open End		162.19	162.06
Twisted yarn		269.34	277.38

7.01.03 Packing materials Value (TK.)			
Opening balance		1,950,203	2,307,074
Purchase during the period		31,011,384	26,626,076
Packing materials available for consumption		32,961,587	28,933,150
Consumption during the period		29,735,487	26,982,946
Closing balance		3,226,100	1,950,203

Particulars	Quantity (KG)		Amounts in Taka	
	June 30,2019	June 30,2018	June 30,2019	June 30,2018
Blow Room	80,265	109,313	10,419,845	16,032,174
Carding	5,070	4,287	608,959	621,287
B. Drawing	7,875	3,644	1,282,927	623,189
Combing	957	1,814	183,594	318,876
F. Drawing	10,773	22,377	1,680,608	3,715,198
Simplex	41,414	45,254	7,027,174	7,782,930
Ring Frame	57,890	82,060	10,927,480	15,944,718
Winding	4,350	6,325	956,405	1,476,578
Packing	30,155	61,000	6,587,390	13,085,777
Rotor	4,504	8,667	706,002	1,107,209
Vortex	2,711	3,589	414,107	568,746
Total	245,964	348,330	40,794,490	61,276,684



	Notes	Amounts in Taka	
		30 June 2019	30 June 2018
7.01.05 Spare parts			
Opening Balance		115,163,206	64,346,504
Add: Addition during the period		142,085,776	105,419,097
		<u>257,248,982</u>	<u>169,765,601</u>
Less: Consumption during the period		54,298,317	37,310,871
Less: Transfer to other GL		80,709,253	17,291,525
Closing balance		<u>122,241,412</u>	<u>115,163,206</u>
7.02 Non Manufacturing Inventory			
Stock of Bandhan		6,393,695	5,487,790
Stock of Stamp		51,400	400
Construction Material		3,340,050	4,455,686
Store Materials under Inspection		7,346,039	4,674,815
		<u>17,131,184</u>	<u>14,618,691</u>

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.

8 Accounts receivables			
Receivable other than related party	8.01	588,686,323	676,450,494
Receivable from related party	8.02	319,074,297	395,392,322
Bank interest receivable on FDR		3,849,040	3,043,673
Claim Receivable		980,253	4,237,852
Provision for bad debts		(6,908,666)	(6,908,666)
		<u>905,681,247</u>	<u>1,072,215,675</u>

During the year, provision for bad debt has been presented under Accounts receivables for better presentation.

8.01 Receivable other than related party			
Lithium Knit Fabrics Ltd		6,941,374	7,332,806
Apex Textile Mills Ltd		3,672,240	17,623,125
S.B Knitting Ltd.		6,851,268	2,308,845
Aboni Textile Ltd		27,162,317	75,696,682
Satil Knitwear (Pvt.) Ltd		-	4,532,118
Century Design & Fashion Ltd		3,443,782	3,937,322
HDF Apparels Ltd		-	10,405,813
MEGHNA KNIT COMPOSITE LTD		25,797,880	-
Ama Syntex Ltd		-	95,565
Greenlife Knittex Ltd		26,512,541	8,195,367
B.Brothers Garments Co. Ltd		-	18,570,169
Dird Composite Textiles Ltd		-	5,190,816
Blue Planet Knitwear Ltd		16,426,894	10,216,922
Delta Composite Knitting Ind Ltd		6,721,688	26,091,600
Hossain Dyeing & Printing Mills Ltd		-	5,620,777
Tasniah Fabrics Ltd		1,039,500	-
Abonti Colour Tex. Ltd		12,755,080	99,477,708
Amber Denim Ltd		104,141,289	89,527,846
Shadhin Garments (Pvt) Ltd.		-	17,516,242
Crony Apparels Ltd		3,755,012	12,107,755
Asrotex Ltd.		41,782,581	14,525,542
Fariha Knitex Ltd		34,819,969	7,741,866
Fakir Apparels Ltd		86,466,803	65,609,118
Fakir Fashions Ltd		25,036,198	-
VIYELLATEX LTD		39,147,613	-
Utah Knitting & Design Ltd.		-	1,386,063
Jointex Knit Wears Ltd.		31,487,931	95,435,806
Sark Knitwear Ltd.		-	10,390,467
Essential Clothing Ltd		18,953,676	10,303,818
Hyacinth Fabrics Mills Ltd		-	3,607,900
Others		65,770,689	53,002,437
		<u>588,686,323</u>	<u>676,450,494</u>

8.02	Receivable from related party	Notes	Amounts in Taka	
			30 June 2019	30 June 2018
	Flamingo Fashions Ltd		65,362,928	214,776,320
	Jinnat Fashions Ltd		18,331,181	25,831,211
	Mawna Fashions Ltd		13,334,759	6,500,953
	Jinnat Apparels Ltd		60,585,629	59,417,925
	Jinnat Knitwears Ltd		142,893,592	25,226,869
	Hamza Textiles Ltd.		13,715,514	48,798,426
	Parkway Packing and Printing Ltd		4,850,694	14,840,618
			319,074,297	395,392,322

Age analysis of Debtors:

	1-3 Months	4-6 Months	above 6 Months	Total	Total
Sale of yarn	730,434,426	141,317,361	36,024,127	907,775,914	740,915,613
Interest receivable on FDR (3,849,040	-	-	3,849,040	2,170,637
Claim Receivable	980,253			980,253	6,058,599
	735,263,719	141,317,361	36,024,127	912,605,207	749,144,849

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 2019

III. Accounts receivable considered doubtful or bad :-

Tk 6,941,373.95 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 2019

V. Accounts receivable from Related Parties :-

There has been an amount of Tk 319,074,297 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 summon 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 Advance, deposits and Prepayments

Advance

Salary & Allowances		1,889,057	2,236,500
Construction	09.01	2,103,712	319,322
Expenses	09.02	42,452,877	22,569,937
Advance Income Tax	09.03	167,618,517	143,876,816
		214,064,163	169,002,576

Deposits

E Security deposit for Utilities	09.04	39,748,095	38,965,420
		39,748,095	38,965,420
		253,812,258	207,967,996



	Notes	Amounts in Taka	
		30 June 2019	30 June 2018
09.01 Construction			
S.S Enterprise		593	593
Energypac Engineering Ltd.		872,390	-
Jawad Trading		87,449	87,449
Shinpower		912,000	-
Quantam Builders & Engineering Ltd		231,280	231,280
		2,103,712	319,322
09.02 Expenses			
R&R-Beth GmbH		-	244,791
Groz-Beckert Carding (Wuxi) Co. Ltd.		485,857	-
Lakshampur Card Cops Tecno Engineering		802,750	-
Sakthi Associates		918,083	-
Bestair Engineering Co. Ltd		451,754	-
DBL C&F		14,440,856	7,169,909
Md. Azizur Rahman		3,202,500	3,202,500
Export Import Bank of Bangladesh Limited		-	2,395,036
Rotorcraft AG		9,959,851	360,551
Saurer Components GmHH		-	735,044
Fagus-Grecon Greten GmbH & Co.		-	1,065,008
Rieter Maschinenfabrik Rieter AG		1,687,715	-
Trutzschler GmbH & Co. KG		539,276	-
Mr. Sunny		-	4,500,000
Mr.Rashid		2,615,139	161,561
Sazzad Bin Yusuf		10,000	10,000
Encon		950,000	375,000
Mr. Siddik		301,598	437,652
Rezaul Islam Tusku		1,048,312	-
Mrs. Jabeen Noman		1,790,826	-
MJL Bangladesh Ltd		1,185,686	1,256,326
Local Purchase		449,611	38,906
Others		1,613,064	617,653
		42,452,877	22,569,937
09.03 Advance income Tax			
Income Tax on Export	09.03.1	96,356,461	77,844,702
Tax on Interest Received (Bank)	09.03.2	34,237,065	33,662,044
Advance income tax paid for tribunal	09.03.3	36,682,663	30,682,663
Advance income tax	09.03.4	342,327	1,687,407
		167,618,517	143,876,816
09.03.1 Income Tax on Export			
Opening Balance		77,844,702	62,840,155
Add: Addition during the year (Section - 53 BBBB of Income Tax Ordinance 1984)		18,511,759	27,566,682
Less: Adjustment against provision for previous years AIT		-	(12,562,135)
Closing Balance		96,356,461	77,844,702



	Amounts in Taka		
	Notes	30 June 2019	30 June 2018
09.03.2 Tax on Interest Received (Bank)			
Opening Balance		33,662,044	49,788,219
Add: Addition during the year (Section - 53 F of Income Tax Ordinance 1984)		575,022	486,104
Less: Adjustment against provision for previous years AIT		-	(16,612,279)
Closing Balance		<u>34,237,065</u>	<u>33,662,044</u>

Advance tax represents tax deducted at source @ 0.70 % on export proceed from 1.07.2016 till now as per SRO - 68 dated 22.04.2014 and @ 10 % on interest received from bank under section 53F dated 01.07.2012.

09.03.3 Advance income tax paid for tribunal

Income tax paid for tribunal for the year 2011 -2012	1,682,663	1,682,663
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	16,500,000
Income tax paid for the year 2017 -2018	11,000,000	11,000,000
Income tax paid for the year 2018 -2019	6,000,000	-
Income tax paid for the year 2014 -2015	-	5,800,794
Less: Final adjustment for the year 2014 -2015	-	(5,800,794)
	<u>36,682,663</u>	<u>30,682,663</u>

09.03.4 Advance income tax

Deputy Commissioner of Taxes	342,327	1,687,407
	<u>342,327</u>	<u>1,687,407</u>

09.04 Security deposit for Utilities

Margin Against Bank Guarantee (Titas Gas)	39,154,255	38,371,580
Central Depository Bangladesh Ltd (CDBL)	500,000	500,000
Security Deposit for Electricity	93,840	93,840
	<u>39,748,095</u>	<u>38,965,420</u>

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

	<u>1-3 Months</u>	<u>3-6 Months</u>
Salary & Allowances	-	1,889,057
Construction	-	2,103,712
Expenses	-	42,452,877

- All the advances & deposit amount are considered good and recoverable
- Advances due from Employees are regularly being realized 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.

10 Materials in transit

Margin and deposit (Raw Cotton)	10.01	413,781,170	147,222,736
		<u>413,781,170</u>	<u>147,222,736</u>
10.01 Margin and deposit (Raw Cotton)			
Margin against Cotton		3,773,098	7,157,283
Margin Against Bank Guarantee		10,316,718	10,215,643
Materials In Transit		399,691,354	129,849,810
		<u>413,781,170</u>	<u>147,222,736</u>



11 Cash and bank balances	Notes	Amounts in Taka	
		30 June 2019	30 June 2018
Cash in hand		2,778,038	4,732,590
Balance in BO Account		1,943	-
Fixed Deposit	11.01	11,515,800	11,515,800
Bank balances with:			
Islami Bank Bangladesh Ltd			
Current account		5,619,047	5,128,031
Marginal deposit Account (Special)		52,531	52,531
Marginal deposit Account (Normal)		353,308	354,608
Marginal deposit Under Reserve		144,465	144,465
Foreign currency account		8,358	8,283
Exim Bank Ltd, STD account		8,004,537	16,044,559
Mercantile Bank Ltd			
STD account		47,313	48,693
Foreign currency account		70,255	69,624
HSBC Bank Ltd			
STD account		9,548,720	975,277
Foreign currency account		141,337,111	40,280,351
City Bank Ltd			
STD account		2,107,982	2,122,362
Foreign currency account		60,648	8,169,603
Prime Bank Ltd			
STD account		548,518	550,168
Foreign currency account		135,667	134,448
Standard Chartered Bank			
STD account		799,153	3,840,274
Dutch-Bangla Bank Limited			
STD account		1,270,831	1,865
BRAC Bank Ltd			
STD account		4,194,067	1,345,927
Foreign currency account		47,583,638	10,753,474
		236,181,930	106,272,934

11.01 Fixed Deposit

I/DATE	M/DATE	FDR NO.	NAME OF BANK	RATE OF INTEREST/PROFIT	AMOUNT (Taka)
12-Nov-14	19-Sep-19	992761	IBBL	6.42%	10,000,000
23-Mar-17	21-Dec-19	03560100155597	Exim Bank	6.00%	1,515,800
					11,515,800

FDR No. 992761 is in lien against security deposit of Titas Gas Transmission and Distribution Co. Ltd.



		Amounts in Taka		
		Notes	30 June 2019	30 June 2018
12	Share capital			
	Authorised			
	150,000,000 ordinary shares of Taka 10 each		<u>1,500,000,000</u>	<u>1,500,000,000</u>
	Issued and paid-up			
	97,490,000 ordinary shares of Taka 10 each fully paid up		<u>974,900,000</u>	<u>974,900,000</u>

Particulars of Investors	Number of Investors	Number of shares	Percentage of Share Holding (%)
Sponsors/ Directors	8	31,917,000	32.7
Foreign Investors	93	37,599	0.0
Local Institutions	59	53,752,286	55.1
General Public	4,843	11,783,115	12.1
Total	5,003	97,490,000	100.0

Distribution schedule of each class of equity setting out the number of holders and percentage as on June 30, 2019:

Range of Holdings	Number of Shareholders	Number of shares	Percentage of Share Holding (%)
Less than 500 shares	4,467	852,896	0.87
500 to 5,000 shares	375	711,703	0.73
5,001 to 10,000 shares	46	354,699	0.36
10,001 to 20,000 shares	41	591,350	0.61
20,001 to 30,000 shares	16	410,785	0.42
30,001 to 40,000 shares	8	268,740	0.28
40,001 to 50,000 shares	4	191,806	0.20
50,001 to 100,000 shares	12	815,078	0.84
100,001 to 1,000,000 shares	16	6,969,167	7.15
Over 1,000,000 shares	18	86,323,776	88.55
Total	5,003	97,490,000	100

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

14	Retained earnings			
	Opening balance		1,429,498,557	1,212,036,507
	Effect of para 41 of IAS 16*		-	51,751,302
	As at 01 July (adjusted)		<u>1,429,498,557</u>	<u>1,263,787,809</u>
	Add: Profit made during the year		94,347,673	302,605,247
	Less: Dividend Paid		(165,733,000)	(146,235,000)
	Depreciation on Revalued Assets		5,630,154	5,864,181
	Add: Deferred tax on revaluation reserve	31.01 (ii)	844,523	3,476,319
	Balance at 30 June (restated)		<u>1,364,587,907</u>	<u>1,429,498,557</u>

*Hitherto the Company had not transferred the difference between depreciation on revalued assets and the depreciation on original costs of assets to retained earnings which was not in compliance with paragraph 41 of IAS 16. In pursuance of IAS-8, retrospective effect has been given in comparative figures to give effect of that requirement.

		Amounts in Taka	
		30 June 2019	30 June 2018
15	Revaluation reserves		
	This balance consists of as follows:		
	Balance at the beginning of the year	928,100,467	985,715,950
	Effect of para 41 of IAS 16*	-	(51,751,302)
	As at 01 July (adjusted)	<u>928,100,467</u>	<u>933,964,648</u>
	Depreciation on Revalued Assets	(5,630,154)	(5,864,181)
	Balance at 30 June (restated)	<u><u>922,470,313</u></u>	<u><u>928,100,467</u></u>

*Hitherto the Company had not transferred the difference between depreciation on revalued assets and the depreciation on original costs of assets to retained earnings which was not in compliance with paragraph 41 of IAS 16. In pursuance of IAS-8, retrospective effect has been given in comparative figures to give effect of that requirement.

16	Long Term bank loan		
	Off Shore Loan - HSBC	368,320,391	367,459,542
		<u><u>368,320,391</u></u>	<u><u>367,459,542</u></u>

Bank	Loan Account	Particulars
HSBC	Off Shore Loan	Nature: One off Term Loan Limit: Tk.902 million Purpose: One-off term loan to retire machinery import documents. Tenure: 5 Years, including moratorium period of 1 year. Repayment Clause: Equal monthly instalments. Interest Rate:3.8% Plus LIBOR Security Agreement: For security arrangement kindly refer to note No. 20.

17 **Deferred Tax Liability**

Deferred tax assets and liabilities have been recognized and measured in accordance with the provision of IAS-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*	2,968,671,593	3,191,326,294
Tax base *	1,897,384,304	2,185,120,093
Taxable Temporary difference	<u>1,071,287,289</u>	<u>1,006,206,201</u>
Applicable tax rate (Tax rate is 15% on Textile sector as per SRO - 193 dated 30 June 2015.)	15%	15%

Deferred tax liability on historical cost 160,693,093 150,930,930

B. Deferred tax liability against revaluation reserve:

i) Deferred tax liability against revaluation reserve other than land

Carrying amount other than land	105,039,879	110,670,033
Tax base	-	-
	<u>105,039,879</u>	<u>110,670,033</u>
Applicable tax rate	15%	15%
	<u><u>15,755,982</u></u>	<u><u>16,600,505</u></u>

	Amounts in Taka		
	Notes	30 June 2019	30 June 2018
ii) Deferred tax liability on capital gain against revaluation of land			
Carrying amount other than building & others.		929,491,253	929,491,253
Tax base		-	-
		929,491,253	929,491,253
Applicable tax rate (3% As per section 53 H of ITO 1984)		3%	3%
		27,884,738	27,884,738
Deferred tax liability against revaluation reserve B (i + ii)		43,640,719	44,485,243
Total Deferred tax liability (A + B)		204,333,813	195,416,173

* This represents 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.

18 Accounts payable

Suppliers	18.01	42,988,340	62,716,614
Expenses	18.02	60,351,501	61,355,538
Others	18.03	730,428	13,230,410
		104,070,268	137,302,562

18.01 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			
Aziz & Company Ltd.		-	1,095,000
Berger Paints Bangladesh Ltd.		200,175	135,265
Pioneer Insurance Company Ltd		5,241,725	4,517,512
Bilal Trading PTE Ltd.		6,760	6,248
Mita Engineering Limited		30,750	30,750
Ebrahim & Sons		449,796	281,998
Chandpur Hardware Store		96,524	66,072
Shinpower		642,686	1,228,995
Color City Ltd.		3,090,021	2,579,697
DBL Ceramics Ltd.		629,614	-
Jinnat Apparels Ltd.		683,672	-
Gardner Denver FZE		-	1,154,782
Ali Enterprise		568,841	568,841
Graf + Cie AG		-	1,538,781
Groz-Beckert Carding (Wuxi) Co. Ltd.		-	1,195,002
Indorama Synthetics(India) Ltd.		-	2,245,084
Saurer Components GmhH		-	1,138,650
Rising Corporation		-	364,014
Shaber Enterprise		-	575,736
Lafarge Surma Cement Ltd.		291,840	365,840
H.M Transport Agency		559,500	389,500
Green Power Electric		196,214	79,830
Patwary Trade & Co.		62,998	37,332
DBL Distribution Ltd		13,911,230	34,082,171



Particulars	Amounts in Taka	
	30 June 2019	30 June 2018
Kapita Auto Bricks Limited	254,664	33,000
Shamsuddin Engineering Works	750,257	1,979,526
DBL Group Employees P.F	-	429,559
Arefin Motors	196,400	-
Soronica Paper Products	646,650	-
Motalab Iron Store	34,625	382,177
L.R Trading	362,500	-
CROSS-LINK ENGINEERING LTD.	819,000	-
Rifa Paper Products	432,756	-
S.S Enterprise (Packaging)	-	625,650
Asgar Trading	-	31,054
Shah Ali Metal	150,579	150,579
Rahman Enterprise	124,447	63,554
Aqua Care Trading	742,003	413,896
Siam City Cement (Bangladesh) Ltd.	312,000	-
Bangladesh General Insurance Co. Ltd.	399,701	-
Bengal Polymer Wares Ltd	-	76,936
Siemens Bangladesh Ltd.	620,000	520,000
LEGEND POWER LTD.	355,000	-
Rieter Maschinenfabrik Rieter AG	1,992,702	-
Tyre & Battery Bazar	117,685	225,040
Rafin Paper Tube	-	-
Others	8,015,024	4,108,543
Total	42,988,340	62,716,614

18.02 Payable for expenses

Salary & allowances	26,691,712	19,481,952
Audit fees	747,500	690,000
Gas bill	7,300,469	7,018,187
Electricity bill	19,260,982	22,279,749
Welfare Fund	449,072	572,836
Rent payable	-	20,000
Provident Fund	494,284	283,589
Dividend payable	3,666,611	3,524,277
Provision for interest on Loan	-	7,462,937
Un-Applied Receipts	1,740,871	22,011
	60,351,501	61,355,538

During the year, provision for bad debt has been presented under Accounts receivables for better presentation.

18.03 Payable for others

Tax deducted at source (Salary)	552,274	926,256
Tax deducted at source (on Suppliers bill)	-	1,402,335
VAT Deducted at source (on Suppliers bill)	178,154	10,901,820
	730,428	13,230,410



19 Short term bank loan

	Amounts in Taka	
	30 June 2019	30 June 2018
UPAS Loan (Raw Cotton)	1,310,481,273	1,283,414,239
Liability against export bills	65,990,111	153,064,307
	<u>1,376,471,384</u>	<u>1,436,478,545</u>

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 1,600 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 2,250 million Purpose: To import raw materials and accessories on sight and/or deferred basis. Tenure: 180 days for Deferred Payment Bill (DPB) and 30 days for SGT Rate of interest: @ LIBOR + 1.91% per annum
	UPAS	Lender: HSBC Nature: UAPS Limit: Tk 400 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: @ LIBOR + 3.25% per annum
Bank	Loan Account	Particulars
HSBC	UPAS	Lender: HSBC Nature: UPAS Limit: Tk 400 million Purpose: To import spare parts and machineries on sight and/or deferred basis. Tenure: 120 days Rate of interest: @ LIBOR + 1.91% per annum
	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: Interest will be charged on daily balances @1.92% per annum



Bank	Loan Account	Particulars
		<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. 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. 3. Corporate guarantees to be executed by Flamingo Fashions Ltd, Jinnat Knitwears Ltd, DB Tex Ltd and Mymun Textiles Ltd for Tk 4,208,600,000 each with supporting Board Resolutions. 4. 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 2,945,000,000. 5. Power of Attorney on Hypothecated Goods. 6. 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. 7. Blanket Counter Indemnity for Guarantee facility. 8. Trade Financing General Agreement for Trade facility. 9. Power of Attorney for Back to Back facility. 10. 'Letter of Lien over Deposits with Authority to Encash' obtained. 11. Registered Mortgage for Tk 1,210,000,000.00 over 802.50 decimals land and structure thereon situated at Mouza: Gobindabari, PS. & Sub- registry office: Sadar, Gazipur, in the name of Matin Spinning Mills Limited held for the term loan facilities extended to Matin Spinning Mills Limited. In this regard, Irrevocable General Power of Attorney to be obtained.
BRAC BANK	<p>Export Development Fund (EDF)</p>	<p>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> <p>Security Arrangement:</p> <ol style="list-style-type: none"> 1. 1st ranking charge over present and future floating assets of the company on Pari-Passu security sharing basis covering full facility amount with HSBC for BDT 510,000,000. 2. Corporate Guarantee of Jinnat Knitwears Ltd. in conformity with their Memorandum of Association supported by their Board Resolution to be provided for BDT 510,000,000. 3. Insurance coverage over the company's stocks & receivables against the risk of Fire & RSD 4. Cheque(s) covering approved limit of BDT 510,000,000. 5. 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 for BDT 510,000,000.

		Amounts in Taka		
		Notes	30 June 2019	30 June 2018
20	Current portion of long term loan			
	Off Shore Loan - HSBC		193,920,170	192,312,780
			<u>193,920,170</u>	<u>192,312,780</u>
21	Share Application Money		<u>4,553,160</u>	<u>4,553,160</u>
	The share application money received against IPO applicants who were unsuccessful in lottery. The money is being refunded to the unsuccessful applicants as per BSEC guidelines.			
22	Provision & accruals			
	Provision for Income Tax	22.01	129,209,246	111,421,257
	Provision for workers' profit participation and welfare funds	22.02	5,503,037	17,195,553
			<u>134,712,284</u>	<u>128,616,810</u>
22.01	Provision for Income Tax			
	Opening Balance		111,421,257	114,675,175
	Add: Provision for taxation for the year (Note - 30)		26,355,748	38,053,780
	Excess/(Short) provision for taxations after final assessment order as below:			
	Less: Final adjustment for the year 2014 -2015			(41,307,698)
	Less: Adjustment of excess provision for the year 2011-2012		(938,862)	-
	Less: Adjustment of excess provision for the year 2013-2014		(7,628,897)	-
			<u>129,209,246</u>	<u>111,421,257</u>
22.02	Provision for workers' profit participation and welfare funds			
	Opening Balance		17,195,553	15,453,112
	Add: Addition during the year		6,094,891	17,787,407
	Less: Paid during the year		(17,787,407)	(16,044,966)
	Closing Balance		<u>5,503,037</u>	<u>17,195,553</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.



Revenue

Amounts in Taka		
2018-2019	2017-2018	
Carded Yarn	437,636,449	586,306,330
Combed Yarn	1,196,592,410	926,504,463
Slub Yarn	499,049,128	456,583,494
Synthetic Yarn	867,434,060	1,026,453,967
Melange Yarn	656,665,428	606,181,365
Vortex	259,170,082	187,040,961
Open End	372,266,216	236,905,258
Twist	33,509,124	21,702,349
Twisting Services Charges	2,208,625	3,236,110
Total	4,324,531,522	4,050,914,298

Quantitative details of sales (KG)

2018-2019

Product Type	Opening Stock (a)	Production (b)	Closing Stock (c)	Sales during the year (a+b-c)
Carded Yarn	100,456	1,648,825	51,264	1,698,018
Combed Yarn	121,717	3,642,008	18,153	3,745,572
Slub Yarn	31,556	1,610,974	44,008	1,598,522
Synthetic Yarn	67,315	3,031,898	33,489	3,065,724
Melange Yarn	51,566	2,113,271	38,929	2,125,908
Vortex	50,748	877,369	20,147	907,970
Open End	77,842	2,211,287	181,910	2,107,219
Twisted Yarn	11,442	93,277	530	104,189
Total	512,641	15,228,908	388,429	15,353,120

Turn over in Quantity (Kg)

2017-2018

Product Type	Opening Stock (a)	Production (b)	Closing Stock (c)	Sales during the year (a+b-c)
Carded Yarn	162,733	2,409,982	100,456	2,472,258
Combed Yarn	134,679	2,929,657	121,717	2,942,619
Slub Yarn	27,264	1,433,708	31,556	1,429,416
Synthetic Yarn	407,873	3,535,694	67,315	3,876,252
Melange Yarn	36,561	1,984,188	51,566	1,969,182
Vortex	-	756,528	50,748	705,781
Open End	-	1,417,677	77,842	1,339,835
Twisted Yarn	-	88,435	11,442	76,994
Total	769,109	14,555,869	512,641	14,812,336



Cost of goods sold

Amounts in Taka

Raw Material consumption (Note-24.01)	2,920,514,283	2,451,816,408
Packing materials consumption (Note-24.02)	29,735,487	26,982,946
Manufacturing overhead (Note-24.03)	934,470,890	921,377,152
Cost of goods manufacturing	3,884,720,660	3,400,176,506
Opening work-in-process	61,276,684	47,093,660
Closing work-in-process	(40,794,490)	(61,276,684)
Cost of production	3,905,202,854	3,385,993,482
Opening stock of finished yarn	133,961,259	189,909,966
Closing stock of finished yarn	(89,977,643)	(133,961,259)
	3,949,186,470	3,441,942,189

24.01 Raw Material consumption**Quantity (KG)**

Opening Stock	3,333,822	4,264,097
Purchase during the year	15,399,268	15,203,003
Raw Material available for consumption	18,733,090	19,467,099
Closing Stock	1,267,810	3,333,822
Raw Material Consumed	17,465,280	16,133,277

Value (Taka)

Opening balance	620,865,486	717,336,658
Purchase during the year	2,591,145,889	2,355,345,235
Raw Material available for consumption	3,212,011,375	3,072,681,893
Sale of cotton- local	(40,739,281)	-
Closing balance	(250,757,810)	(620,865,486)
	2,920,514,283	2,451,816,408

24.02 Packing materials consumption

Opening balance	1,950,203	2,307,074
Purchase during the year	31,011,384	26,626,076
Packing materials available for consumption	32,961,587	28,933,150
Closing balance	(3,226,100)	(1,950,203)
	29,735,487	26,982,946

24.03 Manufacturing overhead

Salary and allowances	188,209,073	151,461,267
Repair and maintenance	9,987,119	10,778,126
Fiber Dyeing	5,254,083	3,315,693
BTMA certificate charges	655,375	551,375
Store and spare parts	54,298,317	37,310,871
Travelling & Conveyance	360,394	445,246
Crockeries and Canteen Expenses	595,950	1,088,827
Fire Fighting Expenses-factory	1,171,335	1,776,352
Factory stationeries	1,150,869	1,102,883
Fuel and lubricants	592,535	202,441
Fuel and lubricants- Generator	22,916,281	47,750,441
Fuel and lubricants- Vehicles	1,052,012	670,622
Electricity bill	279,944,464	292,649,081
Gas bill	89,257,100	80,853,248
Insurance premium	6,721,314	7,104,230
Testing fee	7,409	27,116
Workshop expenses	-	24,796
Depreciation	272,297,259	284,264,539
	934,470,890	921,377,152



		Amounts in Taka	
		2018-2019	2017-2018
25	Other income		
	Foreign currency exchange gain/(loss)	26,803,015	31,328,699
	Gain /(Loss) on Investment in marketable securities	2,079,375	(1,078,112)
	Gain /(Loss) on Disposal of Assets	-	714,033
	Raw Cotton Sale	1,053,653	-
	Bank interest received	1,668,365	1,746,079
	Sales of wastage	34,504,298	49,220,715
	VAT adjustment	10,134,065	-
	Cash Dividend (received on marketable securities)	418,902	1,994,000
	Rental Income	3,276,000	1,229,650
		<u>79,937,673</u>	<u>85,155,064</u>
25.01	Raw Cotton Sale		
	Sale of Cotton	41,792,934	-
	Cost of Cotton	(40,739,281)	-
		<u>1,053,653</u>	<u>-</u>
26	Administrative expenses		
	Salary and allowances	138,143,855	123,614,176
	Audit fees	747,500	690,000
	AGM Expenses	2,116,941	2,131,958
	Board Meeting Expenses	1,035,000	759,000
	Business development expenses	7,450,044	9,853,787
	Bank charges and commission	11,641,037	8,005,419
	Ceremonial expense	9,796	159,335
	Certificate and membership fees	2,641,597	2,566,880
	Computer repair maintenance	150,000	246,268
	Credit rating expenses	144,450	155,250
	CSR Expenses	-	2,573,500
	Garden Expenses	26,837	36,334
	Advertisement	814,000	788,866
	Contribution to Provident Fund	2,217,380	1,628,418
	Managing Directors Remuneration (Note -37)	8,400,000	8,400,000
	Donation	-	4,200,000
	Entertainment	1,996,686	4,512,074
	Internet charges	143,550	158,700
	Legal expenses	259,542	300,768
	Medicine and medical expenses	132,506	16,737
	News paper and periodicals	5,310	38,900
	Office maintenance	950,000	1,466,370
	Photocopy and type expenses	82,826	129,586
	Office Stationery	427,062	533,658
	Rates and taxes	888,948	12,075,316
	Office Rent	807,303	240,000
	Registration and renewal	1,203,420	1,537,222
	Religious expenses	57,925	78,000
	Staff welfare	183,133	144,917
	Travelling expenses	435,848	489,784
	Uniform and liveries	89,591	136,933
	Miscellaneous expenses	5,337,253	4,867,341
	Power and fuel - vehicles	1,897,924	2,367,678
	Depreciation	30,255,251	31,584,949
		<u>220,692,515</u>	<u>226,488,125</u>

		Amounts in Taka	
		2018-2019	2017-2018
27	Distribution expenses		
	Sales Promotion	-	135,026
	Carriage outward	7,209,275	6,259,577
		<u>7,209,275</u>	<u>6,394,603</u>
28	Finance cost		
	Interest expenses		
	Bank Interest on Offshore loan	32,041,735	34,862,463
	Bank interest on Export Development Fund/Upas Cotton	57,940,709	46,606,853
	Bank Interest on OD loan	3,294,402	2,295,795
	Bank Interest on loan against export bills	6,111,373	3,943,787
		<u>99,388,219</u>	<u>87,708,897</u>

29 Contribution to workers' profit participation funds :

Allocation for workers' profit participation funds Tk.6,094,891 (2018: Tk.17,787,407). This represents 5% of



30. Computation of Taxable Income & Tax Liability thereon

	Amounts in Taka	
	2018-2019	2017-2018
A. Tax Payable on Total Taxable Income	1,876,252	38,053,780
B. Minimum Tax Payable u/s 82C(4)(a)		
Gross receipts during this year [Schedule-B]	4,392,624,660	4,141,674,370
Tax Rate	0.60%	0.60%
Minimum Tax u/s 82C(4)(a) of ITO 1984	Taka 26,355,748	24,850,046
C. Minimum Tax Payable u/s 82C(4)(a)		
Tax deducted at Source under section 52 BBBB	18,511,759	27,566,682
Taka	18,511,759	27,566,682
Gross Tax Liability(higher of A, B and C)	26,355,748	38,053,780
Less: Prevoius year tax adjustment	8,567,759	6,332,489
Total Current Tax	17,787,989	31,721,291



		Amounts in Taka	
		2018-2019	2017-2018
31	Deferred tax expenses for Income Statement		
	Fixed assets:		
	Carrying amount *	2,968,671,593	3,191,326,294
	Tax base	(1,897,384,304)	(2,185,120,093)
	Taxable Temporary difference	1,071,287,289	1,006,206,201
	Tax rate	15%	15%
	(Tax rate is 15% on Textile sector as per SRO - 193 dated 30 June 2015)		
	Deferred tax liabilities as on 30 June 2019	160,693,093	150,930,930
	Deferred tax liabilities 30 June 2018	(150,930,930)	(129,509,326)
		<u>9,762,163</u>	<u>21,421,604</u>
31.01	Deferred tax for Statement of Comprehensive Income		
(i)	Deferred tax liability against revaluation reserve other than land		
	Carrying amount other than land	105,039,879	110,670,033
	Tax base	-	-
		<u>105,039,879</u>	<u>110,670,033</u>
	Applicable tax rate	15%	15%
	(Tax rate is 15% on Textile sector as per SRO - 193 dated 30 June 2015)		
		<u>15,755,982</u>	<u>16,600,505</u>
(ii)	Deferred tax liability on capital gain on revaluation of land		
	Carrying amount other than building & others.	929,491,253	929,491,253
	Tax base	-	-
		<u>929,491,253</u>	<u>929,491,253</u>
	Applicable tax rate (3% As per section 53 H of ITO 1984)	3%	3%
		<u>27,884,738</u>	<u>27,884,738</u>
	Deferred tax liability against revaluation reserve (i + ii)	43,640,719	44,485,243
	Deferred tax liabilities 30 June 2018	(44,485,243)	(47,961,562)
	Deferred tax for Statement of Comprehensive Income	<u>(844,523)</u>	<u>(3,476,319)</u>
	* Deferred tax has been provided on Taxable Temporary difference.		
	* This amount include adjustment for 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	Basic Earnings per share (EPS)		
	The computation of EPS is given below:		
	Earnings attributable to ordinary shareholders	94,347,673	302,605,247
	Weighted average number of ordinary shares outstanding at the year end	97,490,000	97,490,000
	Earnings per share (EPS)	<u>0.97</u>	<u>3.10</u>
32.1	Diluted earnings per share		
	No diluted earnings per share is required to be calculated for the year as there was no scope for dilution during the year.		
33	Net Assets Value (Per Share)		
	Total assets	6,569,039,690	6,715,338,596
	Less: Total current liabilities	(1,813,727,266)	(1,899,263,857)
		4,755,312,424	4,816,074,739
	Deduct:		
	Long Term & deferred liabilities	(572,654,204)	(562,875,715)
		<u>4,182,658,220</u>	<u>4,253,199,024</u>
	Number of Ordinary Share at statement of financial position date	97,490,000	97,490,000
	NAV - Per Share at statement of financial position date	<u>42.90</u>	<u>43.63</u>

	Amounts in Taka	
	2018-2019	2017-2018
34 Net Operating Cash Flow Per Share		
Cash flows from operating activities as per statement of cash flows	462,763,221	549,442,387
Number of Ordinary Share at statement of financial position date	97,490,000	97,490,000
Net Operating Cash Flow - Per Share	4.75	5.64

35 Board Meetings

During the period from 01.07.2018 to 30.06.2019 six board meetings were held. The attendance status of all the meetings is as follows:

Name of Directors	Position	Meeting Held	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	4
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 Number of employees

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

	Officer & Staff		Worker	Total Employee	Amount in Taka
	Head Office	Factory			
2018-19	25	430	1,427	1,882	336,970,308
2017-18	25	340	1,476	1,841	285,103,861

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

Particulars	2018-2019			2017-2018		
	Directors	Managers & Others	Total	Directors	Managers & Others	Total
Basic Salary	5,139,960	75,909,551	81,049,511	5,139,960	67,925,544	73,065,504
House Rent	2,569,980	37,954,775	40,524,755	2,569,980	33,962,772	36,532,752
Conveyance	690,060	10,191,158	10,881,218	690,060	9,119,274	9,809,334
Bonus/ incentives	-	14,088,371	14,088,371	-	12,606,586	12,606,586
Total						
Salary and allowances	8,400,000	138,143,855	146,543,855	8,400,000	123,614,176	132,014,176

* Directors represent Managing Director only.

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

38 Contingent Liabilities:

a As on 30 June 2019, contingent Liability of the Company was Tk.684,340,664.97 (Tk. 598,261,224 as at 30 June 2018) for opening of LCs by the banks in favour of foreign suppliers for raw materials and spares.

b There was no facts and figures for which the company has contingent liability to any party other than Bank as on 30 June 2019.



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

	MSML Unit	Melange Unit	Synthetic Unit	Total	
				2018-2019	2017-2018
Capacity Installed:					
No of Spindles Installed	39,600	18,240	15,344	73,184	73,184
Capacity Utilised:					
No. of Spindles	37,511	17,221	14,752	69,484	67,539
Production Capacity: (In Kg)					
At Equivalent Ave. 28's (Ring) & 16's Count (Rotor)	8,975,000	3,540,000	5,770,917	18,285,917	17,937,450
Actual Production : (In Kg)					
At Equivalent Ave. 28's (Ring) & 16's Count (Rotor)	6,827,650	2,792,116	5,490,831	15,110,597	14,432,116
% of Capacity Utilization:	76.07	78.87	95.15	82.64	80.46

40 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 IAS -24:

Name of the related party	Relationship	Nature of transaction	Value of transactions (Taka)	Closing balance as of June 30, 2019 (Taka)	Status as of June 30, 2019	Closing balance as of June 30, 2018 (Taka)	Status as of June 30, 2018
Flamingo Fashions Ltd	Sister Concern	Sale of yarn	727,950,186	65,362,928	Debtor	214,776,320	Debtor
Jinnat Fashions Ltd	Sister Concern	Sale of yarn	522,316,553	18,331,181	Debtor	25,831,211	Debtor
Jinnat knitweaves Ltd	Sister Concern	Sale of yarn	752,280,512	142,893,592	Debtor	25,226,869	Debtor
Jinnat Apparels Ltd	Sister Concern	Sale of yarn Office Rent	372,539,280 (180,000)	60,585,629 -	Debtor Creditors	59,417,925 20,000	Debtor Creditors
Mawna Fashions Ltd.	Sister Concern	Sale of yarn	182,347,162	13,334,759	Debtor	6,500,953	Debtor
Hamza Textiles Ltd	Sister Concern	Sale of yarn	232,793,452	13,715,514	Debtor	48,798,426	Debtor
Parkway Printing & Packging Ltd.	Sister Concern	Sale of yarn Godown Rent & Others	237,918 10,532,110	3,971,023 879,671	Debtor Debtor	12,034,874 2,805,745	Debtor Debtor
DBL Distribution Ltd	Sister Concern	Fuel & Lubricant	19,357,137	13,911,230	Creditor	34,082,171	Creditor
Color City Ltd	Sister Concern	Fyber Dyeing	4,485,466	3,090,021	Creditors	-	NA
DBL Ceramics Ltd	Sister Concern	Tiles	953,821.07	629,614	Creditors	-	NA

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:

Particulars	Local Purchase	Import	Total Purchase	Consumed	% of Consumption
Raw Cotton	-	2,591,145,889	2,591,145,889	2,920,514,283	94.66%
Stores and Accessories	-	142,085,776	142,085,776	135,007,570	4.38%
Packing Materials	31,011,384	-	31,011,384	29,735,487	0.96%
Capital Machinery	-	110,260,567	110,260,567	-	-
Total	31,011,384	2,843,492,232	2,874,503,616	3,085,257,341	100.00%



FOB Value of export

The FOB value of export is as follows:

<u>Particulars</u>	<u>2018-19</u>		<u>2017-18</u>	
	<u>In foreign currency S</u>	<u>In Taka</u>	<u>In foreign currency S</u>	<u>In Taka</u>
Export	51,636,197	4,324,531,522	48,953,647	4,050,914,298

42 Reconciliation of net operating cash flow**Cash Flow from Operations**

	<u>Amounts in Taka</u>	
	<u>2018-19</u>	<u>2017-18</u>
Net income	94,347,673	302,605,247
Less: Dividend Income transfer to investing activities	(418,902)	(1,994,000)
Less: Interest on FDR and Bank Accounts transfer to investing activities	(1,668,365)	(1,746,079)
Less: Effects of foreign currency translation gain /(loss)	(583,926)	(9,911,311)
Depreciation and amortization	302,552,510	315,849,487
Decrease (increase) in current assets	277,838,622	(109,968,882)
Decrease (increase) in current liabilities	(27,279,154)	22,269,900
Decrease (increase) in Revaluation Reserve	844,524	3,476,319
Deferred tax liability	8,917,640	17,945,284
Unrealized gain/(loss)	(561,151)	16,938,280
Capital expenditure	(24,759,134)	(78,756,309)
Gain /(Loss) on Investment in marketable securities	(2,051,239)	1,052,335
Accrued Interest shown in investing activities	805,367	873,036
Capital work-in-process	(165,221,242)	70,809,078
Cash flow from operating activities	462,763,222	549,442,387



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

46 **Event after Balance Sheet date**

The Board of Directors of MAHAB Spinning Mills Limited, at its 112th meeting held on November 02, 2019 proposed Tk 1.50 per share amounting to a total of Tk 146,235,000 as cash dividend for the year ended 30 June 2019, 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.

47 **Accounting standards issued but not yet effective**

A number of new standards are effective for annual periods beginning after 1 January 2019 and earlier application is permitted; however, the company has not early adopted the new or amended standards in preparing the financial statements.

Of those standards that are not yet effective, the company intends to adopt IFRS 16, when it becomes effective, and is expected to have no impact on the company's financial statements in the period of initial application.

IFRS 16 Leases

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

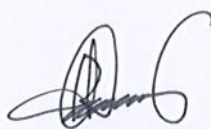
The standard is effective for annual periods beginning on or after 1 January 2019. Although early adoption is permitted, the company has not early adopted IFRS 16 in preparing these financial statements.



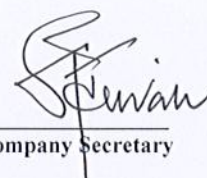
Chairman



Managing Director



Chief Financial Officer



Company Secretary



Matin Spinning Mills Ltd

Details of property, plant and equipment for the year ended 30 June 2019

Annex i

A) Non Revalued Assets (Cost Component)

Name of the assets	Cost			Depreciation			Written down value at 30 June 2019			
	At 01 July 2018	Addition during the year	Adjustment/disposal during the year	Total at 30 June 2019	Rate %	At 01 July 2018		Charge for the year	Adjustment during the year	Total at 30 June 2019
Land and land development	152,504,666	7,921,500	-	160,426,166	0%	-	-	-	-	160,426,166
Factory building	660,795,268	4,757,355	-	665,552,623	5%	146,110,176	25,654,175	-	171,764,352	493,788,271
Godown	82,977,450	2,503,967	-	85,481,417	10%	21,780,644	6,140,003	-	27,920,647	57,560,770
Plant and machinery	3,704,217,260	110,260,567	-	3,814,477,828	10%	1,562,230,049	216,157,400	-	1,778,387,449	2,036,090,379
Furniture and fixtures	3,275,571	331,863	-	3,607,434	10%	1,865,949	151,765	-	2,017,714	1,589,720
Sub Station (Machinery)	354,724,076	6,325	-	354,730,401	15%	127,255,197	33,651,951	-	160,907,148	193,823,253
Gas Generator	131,511,775	1,879,534	-	133,391,309	15%	110,480,197	3,142,281	-	113,622,477	19,768,831
Office equipments	66,925,903	2,099,188	-	69,025,091	15%	18,595,343	7,348,988	-	25,944,331	43,080,760
Vehicles	67,528,832	114,517	-	67,643,349	20%	43,337,178	4,675,793	-	48,012,971	19,630,378
Total at 30 June 2019	5,224,460,800	129,874,816	-	5,354,335,617		2,031,654,733	296,922,355	-	2,328,577,088	3,025,758,529

B) Revalued Assets (Revaluation Reserve Component)

Name of the assets	Revaluation			Depreciation			Written down value at 30 June 2019			
	At 01 July 2018	Addition during the year	Adjustment/disposal during the year	Total at 30 June 2019	Rate %	At 01 July 2018		Charge for the year	Adjustment during the year	Total at 30 June 2019
Land and land development	865,391,996	-	-	865,391,996	0%	-	-	-	-	865,391,996
Factory building	163,805,258	-	-	163,805,258	5%	55,068,276	5,436,849	-	60,505,125	103,300,133
Godown	4,480,258	-	-	4,480,258	10%	2,547,206	193,305	-	2,740,512	1,739,746
Total at 30 June 2019	1,033,677,512	-	-	1,033,677,512		57,615,483	5,630,154	-	63,245,637	970,431,875
Total (A + B) at 30 June 2019	6,258,138,312	129,874,816	-	6,388,013,129		2,089,270,215	302,552,510	-	2,391,822,725	3,996,190,404

Allocation of depreciation:

Period ended
30 June
2019

Manufacturing overhead @ 90%	272,297,259
Administrative overhead @ 10%	30,255,251
Total	302,552,510

-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.



Matin Spinning Mills Ltd

Details of property, plant and equipment for the year ended 30 June 2018

Annex ii

A) Non Revalued Assets (Cost Component)

Amounts in Taka

Name of the assets	Cost			Depreciation			Written down value at 30 June 2018			
	At 01 July 2017	Addition during the year	Adjustment/disposal during the year	Total at 30 June 2018	Rate %	At 01 July 2017		Charge for the year	Adjustment during the year	Total at 30 June 2018
Land and land development	150,655,666	1,849,000	-	152,504,666	0%	-	-	-	-	152,504,666
Factory building	630,996,800	29,798,468	-	660,795,268	5%	120,699,495	25,410,682	-	146,110,176	514,685,091
Godown	65,212,259	17,765,191	-	82,977,450	10%	16,754,314	5,026,330	-	21,780,644	61,196,806
Plant and machinery	3,666,098,327	38,118,934	-	3,704,217,260	10%	1,333,661,654	228,568,395	-	1,562,230,049	2,141,987,212
Furniture and fixtures	3,275,571	-	-	3,275,571	10%	1,712,935	153,014	-	1,865,949	1,409,622
Sub Station (Machinery)	354,724,076	-	-	354,724,076	15%	89,615,829	37,639,368	-	127,255,197	227,468,879
Gas Generator	128,958,867	2,552,908	-	131,511,775	15%	107,327,231	3,152,966	-	110,480,197	21,031,578
Office equipments	28,878,603	38,047,300	-	66,925,903	15%	13,432,376	5,162,967	-	18,595,343	48,330,560
Vehicles	64,383,137	4,185,695	1,040,000	67,528,832	20%	39,410,162	4,871,585	944,569	43,337,178	24,191,654
Total at 30 June 2018	5,093,183,305	132,317,495	1,040,000	5,224,460,800		1,722,613,995	309,985,306	944,569	2,031,654,733	3,192,806,068

B) Revalued Assets (Revaluation Reserve Component)

Name of the assets	Revaluation			Depreciation			Written down value at 30 June 2018			
	At 01 July 2017	Addition during the year	Adjustment/disposal during the year	Total at 30 June 2018	Rate %	At 01 July 2017		Charge for the year	Adjustment during the year	Total at 30 June 2018
Land and land development	865,391,996	-	-	865,391,996	0%	-	-	-	-	865,391,996
Factory building	163,805,258	-	-	163,805,258	5%	49,413,937	5,654,339	-	55,068,276	108,736,982
Godown	4,480,258	-	-	4,480,258	10%	2,337,364	209,842	-	2,547,206	1,933,052
Total at 30 June 2018	1,033,677,512	-	-	1,033,677,512		51,751,302	5,864,181	-	57,615,483	976,062,029
Total (A + B) at 30 June 2018	6,126,860,817	132,317,495	1,040,000	6,258,138,312		1,774,365,296	315,849,487	944,569	2,089,270,215	4,168,868,097

Allocation of depreciation:

Period ended

30 June 2018	
Manufacturing overhead @ 90%	284,264,539
Administrative overhead @ 10%	31,584,949
	315,849,487

-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.

